

The Board of Commissioners for the County of Cabarrus met for an Agenda Work Session meeting in the Multipurpose Room at the Cabarrus County Governmental Center in Concord, North Carolina on Monday, May 4, 2009, at 3:30 p.m.

Present - Chairman:	H. Jay White, Sr.
Vice Chairman:	Grace M. Mynatt
Commissioners:	Robert W. Carruth
	Elizabeth F. Poole
	Coy C. Privette

Note: Commissioner Poole was not present for the beginning of the meeting.

Also present were John Day, County Manager; Richard M. Koch, County Attorney; Mike Downs, Deputy County Manager; Pam Dubois, Deputy County Manager; Kay Honeycutt, Clerk to the Board and Lyndsay Hayes, Deputy Clerk to the Board.

Call to Order

Chairman White called the meeting to order at 3:32 p.m.

Commerce - Property Line Adjustment with Piedmont Preservation Foundation

Richard Koch, County Attorney, reported an access issue between the Piedmont Preservation Foundation and St. James Lutheran Church has been resolved concerning an old easement located beneath one of the old houses on the property located on Corban Avenue. However, he noted he has not reviewed the documents related to this issue and suggested this item be placed on the June 1, 2009 Work Session agenda.

UPON MOTION of Commissioner Privette, seconded by Vice Chairman Mynatt and unanimously carried, the Board voted to place the Property Line Adjustment with Piedmont Preservation Foundation on the June 1, 2009 Work Session Agenda.

Additional Agenda Items

Chairman White asked the Board to review the following list of additional items to be placed on the May 18 Regular Agenda:

Recognitions and Presentations

- Human Resources - Recognition of Sharon K. Fisher on Her Retirement from Cabarrus County
- Communications and Outreach - Channel 22 Awards

Consent Agenda

- Aging - Designation of Cabarrus County Department of Aging as Lead Agency for HCCBG (Home and Community Care Block Grant) Funding
- Commerce - 2009-2010 HOME Program Administration
- Emergency Management - Interlocal Agreements Regarding Fire Code Enforcement
- EMS - Proclamation Declaring the Week of May 17th as Cabarrus County Emergency Medical Services Week
- Finance - Budget Amendment - (Special Revenue Funds - \$1,751,870.00)
- Library - Budget Amendment (Appropriation of Grant Funding from the Cabarrus Arts Council - \$500.00)
- Soil and Water - Applications for N.C. Community Cost-Share Assistance on County Properties
- Tax Administration Refund and Release Reports - April 2009

Appointments

- Appointments - Cabarrus Planning and Zoning Commission
- Appointments - Home and Community Care Block Grant Advisory Committee
- Appointments - Juvenile Crime Prevention Council
- Appointments - Nursing Home Community Advisory Committee

Reports

- Request for Applications to County Boards/Committees
- Cabarrus County Tourism Authority - 3rd Quarter 2008/2009 Update

Vice Chairman Mynatt asked if the Special Revenue Funds Budget Amendment totaling \$1,751,870.00 is standard. Pam Dubois, Deputy County Manager, stated the budget amendment is standard and adopted annually.

UPON MOTION of Commissioner Privette, seconded by Vice Chairman Mynatt and unanimously carried, the Board approved the above-listed items for inclusion on the May 18, 2009 Agenda.

Commerce - APFO Payment Discussion

Chairman White reminded the Board that at their last meeting, a request was made by a Commissioner to discuss this matter at this work session.

Jonathan Marshall, Commerce Director, stated discussions regarding when the Adequate Public Facilities Ordinance (APFO) fees were to be paid have been ongoing. He stated the following: the latest revision of Chapter 15 of the Cabarrus County Ordinance reads, "the method to address adequacy and requirement that it shall be completed prior to the time of building permit applications," and "shall be paid or completed prior to issuance of any effected building permit within the subject development and no later than,"; the ordinance was setup so the County could accept the payments at platting or authorize the payments to be received at building permitting; the Board adopted a Resolution which states "any method proposed to address school adequacy, whether through monetary contribution, land donations, or services, shall be paid or completed prior to the issuance of any effected building permit within the subject development,"; the Board has the ability with the Resolution and the ordinance to authorize agreements with the developments that the payments be timed with building permitting; etc.

Note: Commissioner Poole arrived at 3:37 p.m. and was present for the remainder of the meeting.

In response to a question posed by Chairman White, Mr. Marshall reported staff members are utilizing new software to assist in tracking when payments are to be made, as well as a yearly count of permits issued. He further stated the County does not require an occupancy permit for single-family residences, and it is recommended that at the latest, the fees be paid at building permitting.

Mr. Marshall responded to further questions from the Board, addressing the amount of time between final platting and the issuance of building permits; the assumption that developments typically phase less lots than are planned to divide up the payment of mitigation payments; etc.

No action was taken.

Commerce Department - Reservation of Capacity Certificate - The Oaks at Stephens Place Project

Susie Morris, Planning and Zoning Manager, reported the applicant for the Reservation of Capacity is asking for this item to be tabled. She stated this development is a proposed residential facility for senior living and they have not yet coordinated with the County Attorney to provide the documents needed in order for this project to move forward. In response to a question regarding the timeframe needed, Ms. Morris recommended this item be tabled for at least 60 days and said the project will be brought back to the Board when it is complete.

UPON MOTION of Commissioner Privette, seconded by Commissioner Carruth and unanimously carried, the Board voted to table the Reservation of Capacity Certificate for The Oaks at Stephens Place Project.

Social Services - Budget Amendment (Food and Nutrition Services Administrative ARRA Funds - \$25,320.00)

Roy Young, Department of Social Services Interim Director, presented a request for the American Recovery and Reinvestment Act of 2009 (ARRA) funds for food stamp administration be applied to implement two Income Maintenance Caseworker II positions in a permanent capacity and temporary clerical support for those positions for the remainder of this fiscal year. He reported the Budget Amendment needed totals \$25,320.00 which would cover those expenses. He reported the first allocation to be spent by September 30, 2009 totals \$57,668.00 for the County and a second allocation is estimated to be approximately \$62,000.00 to be spent in the next fiscal year. He stated these are 100 percent federal funds to be used for the expansion of

food and nutrition services or for creating savings in the food stamp program.

In response to questions from the Commissioners, Mr. Young reported these funds cover salaries, benefits, supplies and equipment associated with the two positions for 18 months. He also stated as soon as all the federal funds are expended, the County will revert back to the original participation rate for the food stamp program. He said the need for these positions will continue once the current market conditions improve.

Trish Baker, DSS Program Manager, stated workers currently have a case load of approximately 528 cases. She and Mr. Young also explained to the Board how caseloads and cases are defined.

Chairman White suggested the Board could move forward with the approval of the positions, and bring the positions back up for review once grant funds are expended.

UPON MOTION of Commissioner Privette, seconded by Vice Chairman Mynatt and unanimously carried, the Board voted to place the Budget Amendment (Food and Nutrition Services Administrative ARRA Funds for \$25,320.00) on the May 18, 2009 Agenda as a Consent item, with the understanding that the positions be flagged for review once the funding runs out.

John Day, County Manager, stated Mr. Young is the interim DSS Director. Mr. Young stated he has enjoyed his time with the County and the staff at DSS is excellent.

Solid Waste - Resolution and Contract Amendment for Groundwater Corrective Action of Unit 2/3 of the Cabarrus County MSW Landfill

Kevin Grant, Cabarrus County Sustainability Manager, presented a request for a resolution and contract amendment for groundwater corrective action of Unit 2/3 of the Cabarrus County MSW Landfill. He stated the following: monitoring of the groundwater surrounding the closed MSW Landfill has indicated a presence of volatile organic compounds (VOC's); Cabarrus County's contracted consulting firm, Camp, Dresser & McKee (CDM), has been able to identify a remedy to attain the approved groundwater protection standards established by the North Carolina Department of Environment and Natural Resources (NCDENR); the remedy that CDM proposes is to inject hydrogen releasing compounds into the groundwater that will facilitate the natural microbial process already going on and increase the natural degradation of the contaminants (VOC's). He further reported approval of the resolution and contract amendment will allow Cabarrus County to proceed with recommended directives from CDM and NCDENR.

UPON MOTION of Commissioner Carruth, seconded by Commissioner Privette and unanimously carried, the Board voted to place the Resolution and Contract Amendment Number 37 for Groundwater Corrective Action of Unit 2/3 of the Cabarrus County MSW Landfill on the May 18, 2009 Agenda as a Consent item.

Solid Waste - Discussion on Future Operations of the Cabarrus County C&D Landfill Based on Projected Financial Data

Kevin Grant, Cabarrus County Sustainability Manager, presented information regarding the future operations of the Cabarrus County C&D Landfill based on projected financial data. He stated the following: the landfill currently has airspace to continue receiving solid waste until July of 2010; current expansion plans would allow the landfill to continue receiving materials until 2014; financial information has indicated the landfill cannot operate under current enterprise funding and most likely will require contributions from the general fund; the main contributor to this financial situation is the reduction of tipping fee revenue that is currently being experienced at the landfill; the amount of C&D solid waste being received at the landfill in 2009 is down 36 percent from original estimates; contributions from the general fund are most likely whether the landfill closes in 2010 or 2014; it is projected at the end of 2014 the general fund will have to contribute \$2.098 million if the Board chooses to expand the landfill further and \$2.364 million if the Board chooses to close the landfill on June 30, 2010; the amounts include landfill expenses for closure and post closure activities and is spread out over five years between 2009 and 2014; etc

In response to a question from Vice Chairman Mynatt, Mr. Grant stated the reason for the reduction of fees is due to the economic downturn.

Shelly Farris, Accounting Supervisor, reviewed and responded to questions from the Board regarding the following information: projected financial information for the material liner with expansion to the landfill and closing December 2014; projected financial information for the material liner with the landfill expansion and closing in December 2014 - HHW not included; and projected financial information for the landfill with no expansion and closing June 30, 2010.

Mr. Grant and Rick Payne, Solid Waste Manager, responded to more questions from the Board and reported the following: a convenience center will be kept open at the landfill; the convenience center will receive municipal solid waste (MSW); based on space, the total lifespan of the landfill is approximately 2019-2020, depending on how much material comes into the landfill; there are also private demolition landfills available in the County; staff is asking for direction on whether to expand or close the landfill; etc.

In response to a question from Commissioner Carruth, Mike Downs, Deputy County Manager, reported the landfill site was once proposed as the public safety training center site.

John Day, County Manager, reported there are existing environmental issues causing limitations on the amount of space at the current site; there have been discussions regarding future uses of the site; other options are available for the public to dispose of C&D materials; a convenience center will be maintained at the current center; etc.

Mr. Payne reported the following: C&D debris is accepted at the landfill but transferred to the speedway landfill; in the franchise agreement with Allied Waste, the County has free disposal of MSW waste through 2012; and based on Camp, Dresser and McKee recommendations from the feasibility study, there is potential for a couple more expansions at the landfill.

Chairman White stated this item can be placed on the June 15 Regular Agenda to allow the Board to receive more information on the closing of the landfill, but a decision must be made that evening.

Mr. Payne stated representatives from CDM can be present on May 18 to answer questions from the Board.

Further discussion ensued regarding equipment being used at the landfill; the effect of the airspace analysis recently completed; and the effect of the reduction in tipping fees on the landfill.

UPON MOTION of Commissioner Poole, seconded by Commissioner Carruth and unanimously carried, the Board voted to place the discussion on future operations of the Cabarrus County C&D Landfill based on projected financial data on the May 18, 2009 Agenda as a New Business item.

Chairman White requested the presence of a representative from Camp Dresser and McKee for this item.

Transportation - American Recovery and Reinvestment Act of 2009 Resolution and Public Hearing - 6:30 p.m.

Mike Downs, Deputy County Manager, reported the Transportation Department will apply for a grant as part of the American Recovery and Reinvestment Act of 2009 and a resolution and public hearing are required. He stated this is for federal funding for transit capital improvements and these funds will go toward the part of the new government office building that will be dedicated to the Transportation Department.

UPON MOTION of Commissioner Carruth, seconded by Vice Chairman Mynatt and unanimously carried, the Board voted to place the American Recovery and Reinvestment Act of 2009 Resolution on the May 18, 2009 Agenda. By the same vote, the Board scheduled a public hearing for 6:30 p.m.

Recess of Meeting

The Board took a short break at 4:15 p.m. The meeting resumed at 4:24 p.m.

Finance - Presentation of the Proposed FY 2010 Cabarrus County Budget

John Day, County Manager, presented information regarding the proposed FY 2010 Cabarrus County Budget. He stated the following: the announcement of

the closure of Philip Morris ahead of schedule will greatly impact the County; projections have been reevaluated due to this closure; the budget for next year is approximately \$12 million less than the one approved last June; tax collections are approximately \$2.3 million lower than last year; the unemployment rate in March was 11.3 percent; unemployment is expected to continue to increase at least through the remainder of the year; the early closing of Philip Morris will result in a decline in tax revenue of approximately \$2 million a year sooner than expected; 380 Cabarrus County residents are employed at Philip Morris; the original five-year plan called for the school debt issue to be issued in May and again in 2013; there is an anticipated increase of 6.5 cents on the tax rate in FY 2011 and another 3.75 cents in FY 2012. Mr. Day stated that he cannot recommend tax increases of that magnitude due to the uncertainty of the economy.

Mr. Day further reviewed the following options: (1) issuing Certificates of Participation for the school construction in May 2009 as planned but the principle and interest would be capitalized for as long as permitted by IRS regulations, this would result in a 2 cent tax increase in FY 2011 and another 2.5 cents increase in FY 2012; option (2) Certificates of Participation for school construction would not be issued until May 2012; in both of these instances there is no additional school debt that is issued for the remainder of the five-year periods; the scenario that delays the issuance of debt would require a ½ cent increase in FY 2011 and that would be the only tax increase for the five-year period; in both alternatives, the funding for the debt service is derived from retaining the tax rate during the revaluation in FY 2013; the original plan did anticipate selling additional school debt in FY 2013 and using revenues generated from the revaluation to pay for that; due to the decline in revenue and a decline in population growth, this plan delays that 2013 debt issuance for an undetermined period of time; etc. He stated Pam Dubois will review the details of the plan and answer questions and Brent Weisner will answer questions regarding valuation numbers. Mr. Day responded to questions from the Board regarding tax rate increases.

Mr. Day also responded to questions from the Board regarding the two options presented.

Pam Dubois, Deputy County Manager, presented the following two plans regarding the proposed FY 2010 Cabarrus County Budget:

Five Year Financial Plan - A (May 2009)

GENERAL FUND	Reval				
<u>Budgeted Revenues for:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Estimated operating revenues from previous fiscal year	198,051,341	194,522,662	199,431,117	211,856,845	229,657,815
Growth due to Revaluation (11% for Real Property)		-	-	13,208,252	
Annual Growth in Property Taxes for New Construction	1,866,895	(2,930,260)	1,795,434	3,387,539	5,160,392
Increase in Property Tax (2, 2.5)	-	4,039,496	5,130,138		-
Growth/Decrease in Register of Deeds Fees	(302,980)	-	50,000		-
Growth in Other Revenues	785,611	750,000	750,000	750,000	750,000
Growth in Building Inspection Revenues	(500,000)	-	50,000		-
Growth in Ambulance Revenues	525,000	150,000	150,000	150,000	150,000
State Hold Harmless (Medicaid Reform)		1,994,043	1,102,691		
Growth/Decrease in Sales taxes (1% inc FY12 to FY 14)	(581,995)	-	227,927	230,206	232,508
Addition of 1/4 cent sales tax for education cost	-	2,211,684	3,202,519	108,284	
Reduction in Taxes - Article 39 and Article 44 (Medicaid)	(5,321,210)	(1,306,508)	(32,981)	(33,311)	(33,644)
Total Revenues	194,522,662	199,431,117	211,856,845	229,657,815	235,917,071
<u>Budgeted Expenditures for:</u>					
Estimated operating expenditures from previous fiscal year	188,866,429	188,276,086	199,023,278	210,725,722	220,258,839
RCCC Current Expense Funding	-	89,925	94,421	99,142	104,099
School Current Expense					

Funding:					
Current Operations	1,177,695	883,957	1,113,931	1,473,320	1,498,297
Building and Grounds Maintenance	(96,792)	40,488	81,380	82,194	83,016
Opening New Schools	-	3,000,000	-	-	-
New Debt Service (estimated):					
Housing Unit for Detention Center	1,841,494	3,100,000	(154,250)	(124,001)	(124,000)
School Debt Issue - Future Projects			5,240,000	4,200,200	(210,600)
Parking Deck			733,205	214,300	
Retirement of Debt Service	(1,970,923)	(1,184,764)	(842,483)	(1,485,615)	(180,502)
Fulfilled/Added Econ Dev Incentive Grants	424,770	500,969	(162,000)	(764,000)	(249,000)
Maximum County					
Contribution for NC Research Campus	662,794	812,956	300,126	540,222	1,020,777
Salaries and Benefits:					
COLA, Merits, and Health Insurance Increases	1,501,953	757,708	2,401,558	2,519,821	2,641,014
Avg Growth in New Positions inclusive of all benefits	402,739	500,000	500,000	500,000	500,000
New Positions inclusive of all benefits - EMS Shift	-	-	-	-	-
New Positions inclusive of all benefits - Detention Unit	-	1,719,189	1,716,189	1,543,259	
Increase in operational cost for the Housing Unit	-	600,000	119,900	-	-
Increase in Contingency	650,000	(500,000)			
Misc. Increases in Operational Expenditures	(1,611,619)	300,000	330,000	500,000	600,000
Vehicles New & Replacements - General Govt	(331,741)	-	-	-	-
Building Maintenance Repairs	130,300	-	100,000	100,000	100,000
Decrease in Medicaid	(3,371,013)	-	-	-	-
Additional Cabarrus Health Alliance contribution due to population growth	-	126,765	130,466	134,276	138,197
Total Operating Expenditures	188,276,086	199,023,278	210,725,722	220,258,839	226,180,138
<u>Funding for Capital Projects:</u>					
Capital Improvement Plan	1,686,850		1,130,000	8,862,520	2,550,566
Contribution to Capital Reserve Fund	4,559,726				
Total Expenditures	194,522,662	199,023,278	211,855,722	229,121,359	228,730,704
Revenues over (under) Expenditures	-	407,839	1,123	536,455	7,186,367
Estimated Unreserved Fund Balance	36,741,776	37,149,615	37,150,738	37,687,193	44,873,559
as a % of Current Budget	19%	20%	18%	17%	20%
Property Tax Rate	.63 / 100	.65 / 100	.675 / 100	.675 / 100	.675 / 100
Total Debt Service Payments	37,671,897	39,587,133	44,563,605	47,368,489	46,853,387
as a % of Current Budget	19.37%	19.89%	21.03%	20.67%	20.48%

Five Year Financial Plan - A (2012)

GENERAL FUND	Reval				
<u>Budgeted Revenues for:</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Estimated operating revenues from previous fiscal year	198,051,341	194,522,662	196,400,115	203,654,272	220,495,492
Growth due to Revaluation (11% for Real Property)		-	-	12,437,393	
Annual Growth in Property Taxes for New Construction	1,866,895	(2,930,260)	1,754,001	3,198,648	4,866,443
Increase in Property Tax (.5)	-	1,008,494			-
Growth/Decrease in Register of Deeds Fees	(302,980)	-	50,000		-
Growth in Other Revenues	785,611	750,000	750,000	750,000	750,000
Growth in Building Inspection Revenues	(500,000)	-	50,000		-
Growth in Ambulance Revenues	525,000	150,000	150,000	150,000	150,000
State Hold Harmless (Medicaid Reform)		1,994,043	1,102,691		
Growth/Decrease in Sales taxes (1% inc FY12 to FY 14)	(581,995)	-	227,927	230,206	232,508
Addition of 1/4 cent sales tax for education cost	-	2,211,684	3,202,519	108,284	

Reduction in Taxes - Article 39 and Article 44 (Medicaid)	(5,321,210)	(1,306,508)	(32,981)	(33,311)	(33,644)
Total Revenues	194,522,662	196,400,115	203,654,272	220,495,492	226,460,799
Budgeted Expenditures for:					
Estimated operating expenditures from previous fiscal year	188,866,429	188,276,086	196,023,278	202,505,722	211,821,406
RCCC Current Expense Funding	-	89,925	94,421	99,142	104,099
School Current Expense Funding:					
Current Operations	1,177,695	883,957	1,113,931	1,473,320	1,498,297
Building and Grounds Maintenance	(96,792)	40,488	81,380	82,194	83,016
Opening New Schools	-	-	-	-	3,000,000
New Debt Service (estimated):					
Housing Unit for Detention Center	1,841,494	3,100,000	(154,250)	(124,001)	(124,000)
School Debt Issue	-	-	-	3,982,767	3,045,646
Parking Deck	-	-	733,205	214,300	-
Retirement of Debt Service Fulfilled/Added Econ Dev Incentive Grants	(1,970,923)	(1,184,764)	(842,483)	(1,485,615)	(180,502)
Maximum County Contribution for NC Research Campus	424,770	500,969	(162,000)	(764,000)	(249,000)
Salaries and Benefits:					
COLA, Merits, and Health Insurance Increases	1,501,953	757,708	2,401,558	2,519,821	2,641,014
Avg Growth in New Positions inclusive of all benefits	402,739	500,000	500,000	500,000	500,000
New Positions inclusive of all benefits - EMS Shift	-	-	-	-	-
New Positions inclusive of all benefits - Detention Unit	-	1,719,189	1,716,189	1,543,259	-
Increase in operational cost for the Housing Unit	-	600,000	119,900	-	-
Increase in Contingency	650,000	(500,000)	-	-	-
Misc. Increases in Operational Expenditures	(1,611,619)	300,000	350,000	500,000	600,000
Vehicles New & Replacements - General Govt	(331,741)	-	-	-	-
Building Maintenance Repairs	130,300	-	100,000	100,000	100,000
Decrease in Medicaid	(3,371,013)	-	-	-	-
Additional Cabarrus Health Alliance contribution due to population growth	-	126,765	130,466	134,276	138,197
Total Operating Expenditures	188,276,086	196,023,278	202,505,722	211,821,406	223,998,951
Funding for Capital Projects:					
Capital Improvement Plan	1,686,850	-	1,130,000	8,674,085	2,550,566
Contribution to Capital Reserve Fund	4,559,726	-	-	-	-
Total Expenditures	194,522,662	196,023,278	203,635,722	220,495,491	226,549,517
Revenues over (under) Expenditures	-	376,836	18,550	0	(88,718)
Estimated Unreserved Fund Balance as a % of Current Budget	36,741,776 / 19%	37,118,612 / 20%	37,137,162 / 18%	37,137,162 / 18%	37,048,444 / 16%
Property Tax Rate	.63 / 100	.635 / 100	.635 / 100	.635 / 100	.635 / 100
Total Debt Service Payments as a % of Current Budget	37,671,897 / 19.37%	39,587,133 / 20.20%	39,323,605 / 19.31%	41,911,056 / 19.01%	44,652,200 / 19.71%

Comparison of the Two Plans

	Par Value	Projected Interest Rate	Total Debt			Tax Increase				
			Total Interest	Total Principal	Total Service	2010	2011	2012	2013	2014
May 2009	94,300,000	4.372	38,687,950	94,300,000	132,987,950	-	2.00	2.50	-	-
May 2012	134,955,000	6.353	86,814,830	134,955,000	221,769,830	-	0.50	-	-	-
Difference	40,655,000	1.981	48,126,880	40,655,000	88,781,880	A				

A Increase in cost is due to Construction inflation from 2009 to 2012 and increase in interest rate over the same time period.

Ms. Dubois reviewed the two plans with the Board, noting all factors on both plans are the same except for the following: the property tax rate increases are different; the introduction of current expense for opening new school facilities is in two different years; and the debt service for the two different programs are different. She thoroughly reviewed the options and answered questions from the Board.

Ms. Dubois pointed out if the Board chooses the Capitalized Interest option, another public hearing will be required May 18, 2009 to add capital interest as an option as a financing mechanism.

Ms. Dubois also reviewed the comparison between the two options. She answered questions from the Board regarding how the financials were derived and how economic factors were taken into consideration when calculating these figures.

In response to questions from Vice Chairman Mynatt, Mr. Day explained the timing of the school debt payments in both scenarios is around the increased revenue that would be produced by revaluation. He stated the alternative to that is to raise taxes without a revaluation, yielding the same result.

Brent Weisner, Tax Administrator, explained to the Board that the County's revaluation increases are due to land values increasing rapidly in this part of the Nation. He stated the following: estimates used in these options were a projection of a 10.5 percent increase due to a revaluation in 2013; so far, the sales numbers from 2009 show a decline of 5-6 percent in market value of residential properties; historically, the County has an average of 6 percent growth over the last 10 years; etc.

A lengthy discussion ensued between the Commissioners and staff concerning sales tax; future capital improvement projects; etc.

Vice Chairman Mynatt expressed concern over increasing property taxes in the near future, noting the lack of income to offset the increase in taxes. She stated the need to consider the private citizens and business owners and what they're being asked to give.

Chairman White stated the importance to hear from the schools to get a better understanding of their situation and needs.

Commissioner Poole stated that schools are extremely overcrowding and delaying the construction of any capital projects would be detrimental.

Commissioner Carruth stated the need to evaluate the budget and consider making strategic reductions or cuts, either temporarily or long term. He also expressed the need to engage the public in this process.

Chairman White reported: approximately \$187 million dollars has been provided to North Carolina; interest free loans are available to qualified counties for school construction, based on size, need, free lunch, and similar qualifications; several counties have already received disbursements from these funds, leaving approximately \$100 million to be allocated over the next two years; and decisions made by the Board should not be based on the County receiving any of those funds.

Mr. Day clarified that in order to use the capitalized interest mechanism, a public hearing must be held on May 18.

Ms. Dubois informed the Board that at their April regular meeting, the Board approved a resolution approving installment contract financing for various public school projects in an aggregate principle amount of up to \$100,000,000.00. That plan, which uses interest only to pay the debt for the first two years, is scheduled to be evaluated by the Local Government Commission (LGC) at their meeting on May 5, 2009. She said if the Board does not plan to use the interest only scenario, it is recommended that the Board ask the LGC to pull that item from their agenda.

Mr. Day explained: (1) the interest only option is not configured into the budget and will require a significant tax increase; and (2) that due to the degree of uncertainty on which direction the Board will go, he recommended the Board ask the LGC to pull this item from their agenda for now. A discussion ensued and the following issues were addressed: the need for public input and procedural concerns. Ms. Dubois reiterated that in order for the Board to use the capitalized interest financing mechanism, a public hearing must be held and a resolution adopted on May 18 to be considered by the LGC at its June 2 meeting.

UPON MOTION of Commissioner Poole, seconded by Commissioner Carruth, and unanimously carried, the Board voted to schedule a public hearing for May 18, 2009 at 6:30 p.m. regarding an option to utilize capitalized interest to fund various school construction projects.

Upcoming Meetings

Chairman White announced that the Board's regular meeting will be held Monday, May 18, 2009 at 6:30 p.m. and Budget Workshops are scheduled for May 19, 20, and 21, 2009 at 3:30 p.m. to be held in the Multipurpose Room of the Governmental Center.

Chairman White stated the need to schedule a meeting to hear rezoning cases from the Planning and Zoning Commission. The Board consulted their calendars to choose a meeting date. Chairman White suggested scheduling the meeting for May 28, 2009 at 3:30 p.m., which is currently the time set for an optional Budget Workshop.

The Board scheduled the meeting for May 28, 2009 at 3:30 p.m. to be held in the BOC Chambers.

UPON MOTION of Commissioner Poole, seconded by Vice Chairman Mynatt, and unanimously carried, the Board voted to place the Proposed FY 2010 Cabarrus County Budget on the June 15, 2009 Regular Agenda as a New Business Item and scheduled a public hearing for 6:30 p.m.

Closed Session

UPON MOTION of Commissioner Carruth, seconded by Commissioner Privette and unanimously carried, the Board moved to go into Closed Session to discuss threatened or pending litigation (Tanika Lawings vs. Cabarrus County) in accordance with N.C.G.S. 143-318.11(a)(3).

UPON MOTION of Commissioner Carruth, seconded by Commissioner Privette, and unanimously carried, the Board moved to come out of Closed Session.

Adjourn

UPON MOTION of Commissioner Privette, seconded by Vice Chairman Mynatt, and unanimously carried, the meeting adjourned at 6:32 p.m.


Clerk to the Board