

**STATE OF NORTH CAROLINA  
COUNTY OF McDOWELL  
BOARD OF COMMISSIONERS  
SPECIAL SESSION-JUNE 24, 2011**

**ASSEMBLY**

The McDowell County Board of Commissioners met in special session at 12:00 p.m. on Friday, June 24, 2011 in the Commissioners' Board Room, the usual place of meeting.

**MEMBERS PRESENT**

David N. Walker, Chairman; Barry E. McPeters, Vice-Chairman; Josh Dobson, Michael Lavendar; and Andrew K. Webb.

**OTHERS PRESENT**

Charles R. Abernathy, County Manager; Allison Morgan, Finance Officer; Ashley Wooten, Assistant to the County Manager; representatives from Isothermal Planning and Development Commission and Steve Herrill, Plant Manager for Rock Tenn.

**CALL TO ORDER**

Chairman David Walker called the meeting to order. He explained that there were two items on the agenda for the Board to accomplish. One issue is to hold the second public hearing for the CDBG Building Reuse Grant Application and the second was to provide direction on the 2011-12 fiscal year budget recommendation.

**PUBLIC HEARING**

Chairman Walker explained that it was ten minutes prior to the public hearing time and that he would like for staff to provide a brief overview of the project prior to entering the public hearing. County Manager Chuck Abernathy briefly overviewed the Rock-Tenn project. The project would create 124 jobs with over 25 million in investment. The company has purchased the Swift Galey building and is seeking a building reuse grant in the amount of \$750,000 to bring the building up to code and readiness.

Amy Bridges of Isothermal Planning and Development Commission provided a brief overview. Ms. Bridges provided an overview of the project that included \$5.5 million in building and machinery and 124 new jobs. The program is a "forgivable loan." The loan is for five years and the loan is forgiven in full if the job obligations are met.

Ms. Bridges reviewed the documentation required to process the application, which included the formal Resolution, a Disclosure Report, an Application Summary, a Debarment Form and the Environmental Review.

Steve Herrill with Rock-Tenn added to the discussion by explaining that the bulk of the jobs will be added in 2012 and the equipment will be installed in 2012. The total investment being made by Rock-Tenn would exceed \$25 million.

Chairman Walker declared the Board in public hearing and asked if anyone would like to make a comment or ask questions. No request was made. A motion made by Vice Chairman McPeters with a second by Commissioner Webb to end the hearing and the vote was unanimous.

A motion was made by Commissioner Webb to approve the grant resolution, debarment form, environmental report, the grant application, and other grant documents. Vice Chairman seconded the motion and the vote to approve was unanimous.

#### RESOLUTION

#### RESOLUTION FOR THE COUNTY OF MCDOWELL APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR THE ROCK TENN BUILDING REUSE PROJECT

WHEREAS, the McDowell County Board of Commissioners has previously indicated its desire to assist in economic development efforts within the County; and,

WHEREAS, the Board has held two public hearings concerning the proposed application for Community Development Block Grant funding to benefit the Rock Tenn Corporation; and,

WHEREAS, the Board wishes the County to pursue a formal application for Community Development Block Grant funding to benefit Rock Tenn Corporation; and will invest monies in the amount of \$382,000 into the project as committed to in the application.

WHEREAS, the Board certifies it will meet all federal regulatory and statutory requirements of the Small Cities Community Development Block Grant Program.

NOW, THEREFORE BE IT RESOLVED, by the County's Board of Commissioners that the County of McDowell is authorized to submit a formal application to the North Carolina Department of Commerce for approval of a Community Development Block Grant for Economic Development to benefit the Rock Tenn Corporation.

Adopted this the 24<sup>th</sup> day of June, 2011.

#### **BUDGET WORKSHOP**

Chairman Walker overviewed the current budget situation. He began with the fund balance and the considerable stress currently on County finances. The Board

discussed the Davidson's Fort request and recommendation. Questions were raised regarding TDA allocations and the intent of the legislation that increased the occupancy tax. The Board agreed that the volunteers were very hard working people and that the project was a good benefit. There was also a general feeling that the project is very uncertain, especially regarding the interest payments on the property. The recommended allocation was \$2,500 for the next fiscal year. Again, the TDA fund would focus on advertising instead of on the property. Considerable discussion took place. The agreement or consensus of the Board was that the funds would be placed in the budget but not distributed until clarification on several matters was provided.

The next issue discussed was the request from the McDowell Mission. The Mission had requested over \$30,000 and the recommendation in the budget was that it not be funded since all new requests were not recommended. The Board expressed substantial appreciation for the work of the Mission and their Board. The allocation desired to be made by individual Board members ranged from \$2,500 to the full amount. Discussion also focused on the funding being one time funding only and there was also discussion of a "Challenge Grant" being part of the approval. Chairman Walker asked if the item could be tabled until discussion had taken place on other matters and the Board agreed.

The next item of discussion was funding for the public school system. The Chairman asked the County Manager to lead out on this item and to provide a recommendation. The Manager suggested a small general fund allocation and the transfer of substantial funds from the School System Capital Outlay to the Current Expense line-item. The rationale for this move was to demonstrate support for the school system in difficult times plus a strategy to maximize Low Wealth Funding from the State. The increase in Low Wealth Funding could be enhanced based on the formulas used. Such a strategy could shore up current expense and lessen the burden that would be placed on the School System fund balance. The amount of \$10,000 from the general fund and \$150,000 transfer from Capital Outlay to Current Expense was discussed. Considerable discussion took place by Board members. The consensus of the Board was to accept the recommendation and to request from the School System a projection on the impact of this allocation to the Low Wealth funding program.

The next item discussed was the list of capital needs for the Community College. Considerable discussion took place on the roof and the auto maintenance electric needs. There was discussion on accreditation, borrowing the money needed for capital improvements and which items were priorities. The clear consensus of the Board was that the roof repair work was the priority. The price for the roof was estimated by the staff of the Community College to be \$60,000. Discussion on the approximate \$400,000 available for renovations and rehabilitation made available by the General Assembly was referenced as a possible method to address the needs. The funds could be funds that would have to be reverted back to the State. However, if reversions were not required the funds would be available for renovations. The consensus of the Board was to place \$30,000 in the budget for the roof and request the College to use \$30,000 in discretionary funds to make the repairs. The Board was undecided on other capital needs and stated that additional information was needed.

The Board next discussed additional funding for the water line on Watson Road. The County Manager explained that an additional \$85,000 to \$125,000 was needed to complete the extension on South Creek. It was agreed that the funds would be identified and made available for the project out of next year's budget.

Discussion next occurred on the need by the EMS Department for an additional \$16,000 for staffing at the Nebo base station. The Chairman suggested that this topic be addressed next week when the budget is finalized.

**ADJOURNMENT**

The Chairman stated that substantial progress had been made on the budget. The County Manager agreed to send out a draft ordinance by Monday afternoon. The Board adjourned until Wednesday at noon for the adoption of the budget.

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DAVID N. WALKER, CHAIRMAN

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CHARLES R. ABERNATHY  
COUNTY MANAGER