

**IREDELL COUNTY BOARD OF COMMISSIONERS
REGULAR MINUTES
NOVEMBER 23, 2010**

The Iredell County Board of Commissioners met in Regular Session on Tuesday, November 23, 2010, at 7:00 P.M., in the Iredell County Government Center (Commissioners' Meeting Room), 200 South Center Street, Statesville, NC.

Board Members Present

Chairman Marvin Norman
Vice Chairman Steve Johnson
Scott Keadle
Frank Mitchell
Ken Robertson

Staff present: County Manager Joel Mashburn, Assistant County Manager Ron Smith, Finance Director Susan Blumenstein, Assistant Finance Director Deb Alford, Fire Marshal Ronny Thompson, Fire Marshal Program Assistant JoAnn Davidson, Fire Prevention Educator Misty Sherrill, Social Services Director Yvette Smith, Emergency Management Director David Martin, Solid Waste Director David Lambert, and Clerk to the Board Jean Moore.

CALL TO ORDER by Chairman Norman

INVOCATION by Commissioner Johnson

PLEDGE OF ALLEGIANCE

ADJUSTMENTS OF THE AGENDA: MOTION by Commissioner Johnson to approve the following agenda adjustments:

Deletion: Request from the Fire Marshal's Office for Approval of a Fee Schedule Effective January 1, 2011

Addition: Request from the North Carolina Department of Transportation for a Waiver of Fees Associated with the Proposed Abandonment of a Section of Garden Valley Road (Road abandonment request is included as an Administrative Matter.)

VOTING: Ayes – 5; Nays – 0.

APPOINTMENT BEFORE THE BOARD

Presentation of the Comprehensive Annual Financial Statements for Fiscal Year Ended June 30, 2010 by Martin Starnes & Associates CPAs, PA: CPA Amber McGinnis provided an overview of the annual audit. Audit highlights are as follows:

- Unqualified opinion
- Cooperative staff
- General Fund Cash of \$35,382,960
- General Fund Revenues of \$157,677,105
- General Fund Expenditures of \$158,588,467

Comparison of 2009 & 2010 Fund Balance		
2009	2010	
\$44,971,343	\$43,078,871	Total Fund Balance
(17,717,372)	(17,966,718)	Reserved Fund Balance
\$27,253,971	\$25,112,153	Unreserved, undesignated

McGinnis mentioned that with the state's budget deficit, counties could expect late payments for any money owed. She encouraged the county to file state reimbursement requests early. McGinnis said the state would have to find solutions to the budget crisis, and many options were available, for example, new taxes, tax reform, 15% cuts, a potential job loss of 10,000+ state jobs, and changes to the retirement system.

In conclusion, McGinnis said the June 30, 2011 financial statements would reflect an accounting standards change in special revenue funds and fund balance reporting. She said the county's management team would be informed about the new accounting structure in early 2011.

PUBLIC HEARING

Chairman Norman declared the meeting to be in a public hearing.

Consideration of an Economic Development Incentive for the NGK Ceramics Company: Economic Developer Russ Rogerson said NGK, a company operating in Mooresville since 1988, was planning a 12th expansion. He provided the following information about the company (1) currently employs 431 full-time and 122 temporary workers (2) the company manufactures ceramic honeycomb catalytic converters primarily for the automotive industry, but the expansion will include trucks (3) the expansion will allow the company to create a new extrusion line (4) the bulk rail line will be expanded and a spur will create less blockage on Mazeppa Road (5) the expansion should be completed in 2011 for a total investment of \$43.9 million (6) at completion of the expansion, 60 full-time positions will be created and (7) with the hiring of the 60 new people, NGK will be one of the top five employers in the county. Rogerson asked for a five-year incentive of \$717,000.

NGK Vice President and General Manager Steve Dailey said support was being asked due to the company's newest endeavor. He said NGK's headquarters evaluated expansion sites based on favorable business climates. Dailey said NGK would continue to create high quality products and provide good jobs. He said it was possible that all of the 60 new jobs might be filled within the newspaper reach of Mooresville, and that 4 or 5 of them were management positions.

No one else chose to speak, and Chairman Norman adjourned the hearing.

MOTION by Commissioner Robertson to grant the \$717,000 economic incentive, over a five-year period, based on NGK's \$43.9 million investment.

VOTING: Ayes – 4; Nays – 1 (Keadle).

ADMINISTRATIVE MATTERS

Request from the Fire Marshal's Office for Approval to Submit an FM Global Fire Prevention Grant Application for a Patches & Pumper Robot for use in Education/Prevention Programs: Fire Marshal Ronny Thompson requested permission to submit a \$10,698.50 grant application to FM Global, a commercial insurance company, for funds to purchase a fire truck robot to aid in fire prevention programs.

Fire Marshal Program Assistant JoAnn Davidson said a battery for the robot was included, and it was predicted to last 20 years. She said educational materials and CDs were also provided.

MOTION by Commissioner Mitchell to approve the request as presented.

VOTING: Ayes – 5; Nays – 0.

(Note: "Patches" is a fully animated Dalmatian dog, and the fire truck measures 37" in length; 24" in width; and 37" in height.)

Request from the Solid Waste Department for Approval to Submit an Electronics Recycling Reimbursement Grant Application: Solid Waste Director David Lambert said the state had banned the disposal of electronic waste in landfills effective July 2, 2011. He said there was already an electronics recycling program, and as such, the county might be eligible to apply for a grant. He said it was predicted the grant could add five to eight cents per capita to the enterprise budget.

MOTION by Commissioner Keadle to approve the request as presented.

VOTING: Ayes – 5; Nays – 0.

Request from the Solid Waste Department for Approval to Amend the 2009 Solid Waste Management Plan: Solid Waste Director David Lambert said the disposal of computers, televisions, and other types of electronics would be prohibited in North Carolina landfills as of July 1, 2011. He said the county had to make provisions for the proper disposal and recycling of the items, and the state understood that recycling programs could be expensive. Lambert said grants were available to offset the expenses, but the Solid Waste Management Plan would have to be amended. He said the amended plan would verify that the recycling program met the state standards.

MOTION by Commissioner Keadle to approve the amendment.

VOTING: Ayes – 5; Nays – 0.

The amendment is as follows:

Amendment to the Iredell County 2009 Solid Waste Plan Electronics Recycling

I. Introduction

Iredell County was a pioneer in electronics collection and recycling with one day collection events beginning in February of 2000. Everyday collection started at the Twin Oaks Landfill in Statesville in November of 2005. In September 2008, everyday collection was expanded to all sites through the use of a waste reduction grant. There has been 429.79 tons recycled since the initial one day event. Iredell County now wishes to enhance its program by adding to the amount collected through increased efficiency and recycling opportunities to the public.

II. Program

Iredell County has entered into an agreement with Creative Recycling Systems (CRS) for the recycling of electronics. This agreement has been signed and is effective as of October 13, 2010 with collections underway. CRS has both E-Steward and R-2 certifications which are nationally recognized standards. The following electronic materials will be accepted as well as some other materials such as power tools, non Freon containing small appliances and miscellaneous electrical items.

ACCEPTED MATERIALS:

Personal Computers	Fax Machines
Monitors	Cell Phones
VCRs	Scanners
Radios	Servers
Stereos	Remotes
DVD Players	Modems
Microwaves	Televisions
Power Supplies	Cameras
Rechargeable Batteries	Remotes
Vacuums	Copy Machines
Telephones	Printers
Pagers	Keyboards
Laptops	Small Appliances

Anything with a cord with the exception of:

UNACCEPTED ITEMS:

White Goods	Light Bulbs
Florescent Tubes	Mercury Devices

CRS has agreed to the following key terms and responsibilities.

Contractor Responsibilities

- The Contractor agrees to pickup and transport electronics from each of the Solid Waste Facility sites and deliver all electronics to the contractor’s facility for purposes of recycling.
- The Contractor will guarantee all hard drives are erased or rendered unusable. Contractor will provide description of method used.
- The Contractor will provide Certificates of Recycling.
- The Contractor agrees to obtain any certifications required by the state of North Carolina, the federal government or any of either’s authorized agencies that are now required or may be required in the future for the duration of the Contract. This will be deemed to include any

certifications that may be required to make the county eligible for any reimbursements or grant funds.

- The Contractor will not deliver, attempt to deliver or return any electronics waste to any County Facility.
- The Contractor will respond to a request for pick-up within 24-48 hours and pick-up within 3-5 days of request of need by the County.
- The Contractor will provide all materials for packaging such as pallets, Gaylord boxes and shrink-wrap as needed by the County for proper packaging and shipment of all electronics.
- The Contractor's Marketing Department will work with Iredell County to develop marketing materials that can be used for print, radio and television.
- The Contractor will provide all services to include transportation, shipping supplies and marketing materials at **NO CHARGE** to Iredell County for the duration of this contract.

III. Public Awareness and Education

Iredell County and CRS will officially kick-off a public awareness campaign by conducting one day collection events at various locations throughout the county. These events will be advertised through public service announcements and news articles. Flyers and printed materials will be produced to emphasize the everyday program. CRS has in-house ability to create ads and banners to be adapted to the county's needs. Local advertising venues such as newspapers, radio, TV and county website will be utilized to inform the public.

IV. Tracking Tonnages

Iredell County has scales at two locations, the Twin Oaks Landfill and the Mooresville Transfer Station. Trucks picking up at these two locations will be weighed in and out to determine the weight and a market ticket will be generated. The smaller convenience sites do not have the advantage of having scales. It will therefore be necessary for CRS to weigh in at Twin Oaks and then proceed to pick up at the convenience sites. Upon completion of the route they will return to Twin Oaks and weigh out. CRS will verify those weights at their facility as well. CRS will separate the TV tonnage from the rest of the materials and provide reports to the county on each load.

- V. Iredell County has historically accepted recyclables including electronics from other units or agencies of government from within the County. The Iredell Statesville School System in particular has benefited from this arrangement. The county will continue to accept these materials from other governmental units. CRS has agreed to provide pickup at any of these agencies or government location if given advance notice.

VI. Expenditure of Funds

Iredell County Solid Waste will reserve a dedicated revenue and expense line item for electronics recycling. Specified expenses in this line include electronics supplies, promotions/education and equipment needs. The county intends to deposit any reimbursements into this account to be used as needed for these specified purposes.

Request from the Solid Waste Department for Approval to Accept a \$135,000 Grant to Replace Aging Diesel Engines (GRADE) to be used for the Purchase of a Low Emissions Landfill Compactor: Solid Waste Director David Lambert said the board previously approved the submission of a grant application to replace a diesel engine, and notification had been received of an award of \$135,000 (The department applied for the maximum amount of \$150,000.) Lambert said a 1980 compactor valued at \$40,000 would be replaced by a low emissions version with the costs exceeding \$700,000.

MOTION by Commissioner Johnson to allow the acceptance of the \$135,000 grant.

VOTING: Ayes – 5; Nays - 0

Request from the Finance/Solid Waste Departments for Approval of a Financing Proposal to Purchase a Terex Compactor along with Approval of Budget Amendment #18A to Appropriate Retained Earnings for the Same and to Recognize GRADE Grant Funds: Finance Director Blumenstein said that with acceptance of the GRADE equipment grant, a financing plan for a Terex compactor purchase had been researched. She said a lease-purchase arrangement had originally been proposed in the FY 11 budget. Blumenstein said current interest rates from leasing companies were over three percent, but an installment purchase financing from a bank could be found in the two and a half percent range. Blumenstein said that over \$6 million was set aside in the Solid Waste Closure Fund that was earning less than .5%. She recommended that instead of borrowing the amount from an outside agency, that an appropriation of \$454,000 in retained earnings (reserved for landfill closures) be used for the compactor purchase. Blumenstein

also recommended budgeting funds to repay the Sold Waste Closure Fund, including interest at two and a half percent, over the next four fiscal years.

MOTION by Commissioner Keadle to accept the finance director’s recommendation by approving Budget Amendment #18A.

VOTING: Ayes – 5; Nays – 0.

BA#18A 11/23/2010 Account #	To appropriate funds and recognize the GRADE grant for the purchase of a Terex TC550 compactor.	Current	Change	Amended
		General Fund		
524880 499520	Appro - Res. Closure/Post Closure	-	(454,000)	(454,000)
524750 438234	GRADE + Grant	-	(135,000)	(135,000)
525721 534501	Rental Payments - Equipment	162,000	(138,000)	24,000
525721 610000	Depreciable Assets	180,300	727,000	907,300

Request from the Solid Waste Department for a Resolution Approving the Issuance of a Sanitary Landfill Permit from the Division of Waste Management: Solid Waste Director David Lambert said there was a need to develop the next landfill phase. He said the state had numerous requirements with one being the adoption of a resolution approving the issuance of a sanitary landfill permit.

MOTION by Commissioner Johnson to approve the resolution as requested.

VOTING: Ayes – 5; Nays – 0.

The resolution is as follows:

*RESOLUTION TO ISSUE A SANITARY LANDFILL PERMIT
AS REQUIRED BY 15A NCAC 13B.1618(5)*

BE IT RESOLVED, that the Board of Commissioners of Iredell County hereby grants prior approval for the issuance of a sanitary landfill permit by the Division of Waste Management to Iredell County. The landfill will be expanded on an additional 57 acres with a combined total of 284 acres, as shown on the attached map. All acreage is located within the incorporated limits of Iredell County.

The Board of County Commissioners hereby approves the following items related to this proposed solid waste management facility:

- 1. The population and area to be served is Iredell County and its population of 158,153.*
- 2. Total capacity of the landfill, Phases 1 through 9, is approximately 12,733,843 cubic yards, which includes daily and intermediate operational cover.*
- 3. A projection on the useful life of the facility, based on the estimated tons/day or tons/year of disposal, is approximately 24 years.*

Request from the Planning Department for Approval of Budget Amendment #19 for the Acceptance (Contract) & Appropriation of a \$25,000 Grant from the North Carolina Department of Environment & Natural Resources to Assist with the Removal of Abandoned Manufactured Homes: Assistant County Manager Ron Smith said earlier this year the board approved a request from planning and solid waste to apply for a grant to assist in the removal of abandoned manufactured homes. He said the grant had been approved, and \$25,000 would be available to assist in the removal of homes meeting the program criteria. Smith said a budget amendment would be needed to appropriate the grant funds, plus the state was requiring the board to sign a contract indicating acceptance of the \$25,000.

MOTION by Commissioner Johnson to approve Budget Amendment 19 along with authorization for the staff to sign the contract.

VOTING: Ayes – 5; Nays – 0.

BA#19 11/23/2010 Account #	To appropriate a grant from NCDENR in the Solid Waste Division to assist in the removal of abandoned manufactured homes.			
		Current	Change	Amended
524750 458525	General Fund NCDENR - Abandoned Mobile Homes	-	(25,000)	(25,000)
525751 537508	Contracted Services - Other	26,048	25,000	51,048

Request from the Planning Department for Approval of (1) a Resolution of Intent to Close and Abandon a Section of SR 2145 Garden Valley Road as Requested by the North Carolina Department of Transportation (NCDOT) (2) to Call for a Public Hearing on December 21, 2010 Regarding the Same and (3) to Consider a Request from the NCDOT for a Waiver of Fees Associated with the Abandonment: Assistant County Manager Ron Smith said the state desired to close a portion of Garden Valley Road that was located in the eastern part of the county. He said the road extended north to south, it crossed under the interstate, and over the South Yadkin River. Smith said the state desired to close 840 feet located at a wooden bridge due to the age of the structure along with it being a debris collection site after heavy rainfall. Smith said the bridge had to be closed for inspections when heavy rains occurred to ensure it was structurally sound. Smith said the state desired to permanently close the bridge off and abandon 0.76 miles of roadway. He said contact had been made with emergency responders, the local postmaster, as well as school officials, and no problems with the closure were mentioned. Smith said access could be made using another route to get to the same point, and the state had asked the county to waive the \$500 fee for road abandonments. He said the funds were used for staff time as well as legal notices (published three consecutive weeks), and for notifying adjacent property owners.

Commissioner Johnson asked why the state wanted the fee waiver. He said the county had picked up the retirement costs for the state.

Smith said a reason was unknown.

County Manager Mashburn said the request before the board was to call for a public hearing about the abandonment.

Smith said a resolution had been included in the agenda materials, and there was a proposed hearing date of December 21.

Commissioner Keadle asked if the abandonment was a good idea.

Smith said the road didn't have much traffic, and it would be expensive to construct a new bridge.

Keadle asked if the old bridge could remain.

Smith said it was his understanding that either a roadway abandonment would have to occur or the construction of a replacement bridge.

County Manager Mashburn recommended that the fee waiver occur even though a precedent would be set. He said the county had experienced a good relationship with the local NCDOT.

Keadle said he understood the county didn't have to waive the fee. He said it seemed rational for the board to save the \$500 and strange that an entity would expect the county to act irrationally. Keadle said it was unclear to him why the county would give away money to the state when it (State of North Carolina) had billions to spend.

Commissioner Johnson said it was irrational to spend \$3.5 billion (state deficit) that it (State of North Carolina) didn't have. He said problems had never been experienced with the local DOT, but there were problems with the people who ran the state.

Smith agreed with Mashburn that there had been a cooperative relationship with the local DOT.

Keadle asked if the county had been good to the state.

Smith said yes.

Keadle said the state should then give the county \$500.

Johnson said the local DOT employees were professional and competent, and they accomplished much with what funds were provided to them.

MOTION by Commissioner Johnson to waive the \$500 fee.

VOTING: Ayes – 3; Nays – 2 (Keadle and Robertson)

Commissioner Robertson said the board had agreed to make the waiver; however, he desired for the staff to ask the DOT why the request had been made.

MOTION by Commissioner Johnson to call for a public hearing on December 21, 2010 regarding the proposed abandonment of a section of Garden Valley Road.

VOTING: Ayes – 5; Nays – 0.

The resolution is as follows:

RESOLUTION OF INTENT BY THE BOARD OF COMMISSIONERS TO CLOSE AND ABANDON A SECTION OF GARDEN VALLEY ROAD

WHEREAS, Garden Valley Road (SR 2145) is located on Iredell County Geospatial Information Systems Grid Map 4797; and

WHEREAS, the applicant, North Carolina Department of Transportation, wishes to close and abandon a .16 mile section of Garden Valley Road to avoid the replacement of a bridge over the South Yadkin River; and

WHEREAS, the section of Garden Valley Road is bound to the east by lands belonging to Iris Sowers (PIN 4787947801), William & Shirley Ketchie (PIN 4797059183), William Ketchie & Ed Ketchie & Martha Lambert (PIN 4797169776). It is bound on the west by lands belonging to Jerry & Freda Alford (PIN 4787957463), and 1st Choice Housing Inc.(PIN 4797060511); and

WHEREAS, all landowners have a reasonable egress and ingress to their property pursuant to G.S. 153A-241; and

WHEREAS, the abandonment of a portion of said right-of-way is not contrary to the public interest and no individual owning property on said right-of-way would be denied reasonable means of ingress and egress to his/her property.

NOW, THEREFORE BE IT RESOLVED by the Chairman and members of the Board of County Commissioners of Iredell County, North Carolina, that they do hereby declare their intention to abandon that portion of the public right-of-way herein described and do call a public hearing on the question to be held on the 21st day of December, 2010, at 7:00 PM in the Commissioner's Meeting Room of the Iredell County Government Center (Old Courthouse) at 200 South Center Street in Statesville, North Carolina; and that a copy of the resolution be posted, published, and mailed by registered or certified mail as required by G.S. 153-241.

New Social Services Director Introduced: County Manager Mashburn welcomed Yvette Smith, the new Social Services Director.

Request from the Social Services Department for Approval of Budget Amendment #20 To Recognize Federal Temporary Cash Assistance for Needy Families (TANF) and Private Foundation Funds for the Work First Employment Program: Social Services Director Yvette Smith said a \$158,400 Job Boost Subsidized Employment Program proposal was being submitted to assist 30 TANF eligible individuals in obtaining jobs. She requested approval of a budget amendment to accept and appropriate the funds.

Commissioner Johnson asked if the employees would be trained to work.

Smith said social services would partner with two temporary employment agencies in assisting individuals in finding jobs.

Commissioner Robertson asked if there were any expectations that the employees would remain with the companies on a full-time basis.

Smith said this was a goal.

Commissioner Robertson asked if the employer had to show that the jobs could develop into full-time positions.

Smith said the goal was always for the temporary positions to lead into full-time work; however, this was not a guarantee. Smith said the money would pay for 20 weeks of employment.

Robertson said the employers didn't have to make a case that they planned to continue the employment after 20 weeks.

Mrs. Smith said this was correct.

Commissioner Keadle asked if the county was making an on-going commitment to provide anything after the federal funds ceased.

Smith said the temporary agencies took "ownership" of the recipients' assistance. She said that after the 20 weeks, if some of the individuals didn't have full-time jobs, further opportunities would be found for them.

Keadle asked if the federal government was requiring the county to continue any part of the program.

Smith said no.

MOTION by Commissioner Keadle to approve Budget Amendment #20 for the appropriation of the Work First Job Boost Funds.

VOTING: Ayes – 5; Nays – 0.

BA#20 11/23/2010 Account #	To appropriate Work First Job Boost funds in the DSS department.	Current	Change	Amended
	General Fund			
104630 450053	Work First Job Boost	-	(158,400)	(158,400)
105630 56603	Work First Job Boost	-	158,400	158,400

Request from the Communications Department for Approval of Budget Amendment #21 Regarding a Memorandum of Agreement with the North Carolina Emergency Management Homeland Security Branch for the Acceptance of Funds, as a Sub-Grantee, in the Amount of \$800,000 to Construct a VIPER (Voice Interoperability Plan for Emergency Responders) Site on Fox Mountain in Iredell County and to Allow the County Manager to Sign the Agreement: Communications Director David Martin requested approval of a memorandum of agreement for Iredell County to act as a sub-grantee with the NC Emergency Management Homeland Security for a VIPER grant that would place a tower on Fox Mountain. He said the state had received \$5.2 million to build six VIPER sites, and the Fox Mountain location had been approved by the highway patrol, the entity providing program oversight.

Commissioner Mitchell asked who owned the land and the tower height.

Martin said Mr. Godfrey owned the land, and a lease had already been worked out with the highway patrol. He said the tower was expected to reach 400 ft.

Commissioner Johnson asked the planning director about any other towers in the area.

Ron Smith said he was not aware of any. He said the Federal Aviation Administration would require a study on the issue.

MOTION by Commissioner Johnson to approve Budget Amendment #21 as presented.

VOTING: Ayes – 5; Nays – 0.

BA#21 11/23/2010 Account #	To appropriate a Homeland Security Grant in the Office of Emergency Management for VIPER equipment. This is a pass-through grant to the NC State Highway Patrol.	Current	Change	Amended
	General Fund			
104546 438404 14549	2010 Homeland Security	-	(800,000)	(800,000)
105546 577301 14549	Grant Purchase Other Agency	-	800,000	800,000

Request from the Tax Department for Approval of the October 2010 Tax Refunds and Releases: County Manager Mashburn said the refunds/releases were recommended for approval by the tax department.

MOTION by Commissioner Keadle to approve the October refunds and releases.

VOTING: Ayes – 5; Nays – 0.

Releases for the month of October 2010 **Monthly Total** \$87,043.55

Breakdown of Releases:

County	\$20,023.67
Solid Waste Fees	\$405.00
E. Alex. Co. Fire #1	\$0.00
Shepherd's Fire #2	\$42.31
Mt. Mourne Fire #3	\$24.60
All County Fire #4	\$613.97
B&F Fire #5	\$67.90
Statesville City	\$1,911.13
Statesville Downtown	\$50.72
Mooresville Town	\$60,460.18
Mooresville Downtown	\$0.00
Mooresville School	\$3,346.91
Love Valley	\$9.11
Harmony	\$0.00
Troutman	\$88.05
Davidson	\$0.00

Refunds for the month of October 2010 **Monthly Total** \$1,898.85

Breakdown of Refunds:

County	\$350.36
Solid Waste Fees	\$0.00
E. Alex. Co. Fire #1	\$0.00
Shepherd's Fire #2	\$0.00
Mt. Mourne Fire #3	\$9.49
All County Fire #4	\$71.69
B&F Fire #5	\$1.20
Statesville City	\$0.00
Statesville Downtown	\$0.00
Mooresville Town	\$1,211.82
Mooresville Downtown	\$0.00
Mooresville School	\$254.29
Love Valley	\$0.00
Harmony	\$0.00
Troutman	\$0.00
Davidson	\$0.00

Request for a Discussion Regarding the Oversight of Funds in the Special Operations Division of the Sheriff's Department: County Manager Mashburn said information was previously e-mailed, from the finance department, on how the special operations fund oversight was structured.

Commissioner Keadle said his motion would be to designate one member of the board to assist in the oversight, and he would recommend for this person to be the chairman. He said this person would be consulted by any department requesting funds for confidential purposes. Keadle said the designee could discuss the matter with the other board members prior to disbursement of the funds.

Chairman Norman said the information from the finance department indicated the county manager was responsible, the finance officer was responsible, and the law enforcement chief was responsible. He asked how many more people had to be responsible.

Commissioner Keadle said the e-mail indicated that Mrs. Blumenstein had established a paper trail where an audit would produce any evidence of wrong doing, but barring such an audit, which would be retrospective, wrong doing might not be seen. Keadle said the sheriff was an elected position with oversight of the department, and in an executive type of way, he (sheriff) decided the usages for the special operations funds. He said, however, the commissioners had been given oversight of the spending, and it seemed that prior to the spending of this type of money, which sometimes exceeded six figures, the board members should be given a chance to ask questions. Keadle said he wanted someone on the board to know the usage, and for that person to inform the other members about the appropriateness, or inappropriateness, of the spending.

Commissioner Johnson said he was reminded of the World War II saying, "Loose lips sink ships." Johnson said these types of investigations were sensitive, and the fewer people who knew about the circumstances the better. He said the greater the number of people knowing about the matter, the more it was compromised. Johnson asked, "How much should we know, and when should we know it?" He said earlier it was thought the designee could report to the other board members after an indictment occurred, but after considering the matter more, he reached a conclusion that if an informant had been paid, then that person's well being might be in jeopardy. Johnson asked Mr. Mashburn if the names of everyone involved in the special operations were redacted, whether they were informants, officers, or the objects of the investigations. He also asked the county manager if there was satisfaction with the current finance department's audit structure for the funds.

County Manager Mashburn said the financial controls were in place.

Johnson said there should be a differentiation between the expenditure auditing and the effectiveness of the spending. Mr. Johnson said he was satisfied with the county's auditing procedures. He said that if monitoring of the expenditure's effectiveness was needed, the sheriff's department might be asked to return to the board and explain the investigation results without mentioning any names. Johnson said he wanted to be careful that (1) no investigations were compromised and (2) no one involved was compromised by having too many people privy to the operations.

Commissioner Keadle asked the county manager if the auditing procedures were retrospective, or they looked back to what happened to the funds.

Mashburn said they would look back.

Keadle said that when the funds were issued, the board members didn't find out what happened unless an investigation occurred, and if an investigation did occur, it happened after the fact, or the money had been spent.

County Manager Mashburn said that when the sheriff's department requested the money, there was follow-up reporting to show how the funds were expended. Mashburn acknowledged, however, that the finance department would not know what "buy" was made and who the participants were. He said there was no reporting; however, to show the expenditures were actually made.

Blumenstein said this was correct. She said typically a check was converted to cash and the cash was used in the investigation. Mrs. Blumenstein said then, the funds were used in the investigation. She said the expenditure, as well as the fund balance, were reported to her office at the end of each month. Blumenstein said that either she or the Assistant Finance Director traced out each disbursement. She said normally there were case numbers, and she did not want any individuals' names listed on the reports.

Keadle asked Mrs. Blumenstein if the county had a definition for "special operations."

Blumenstein said there was not a definition.

Keadle said that if someone converted a case to some non-public use, the finance department would not know about the situation unless an investigation occurred.

Blumenstein said the reported information was accepted based on case files or numbers.

Keadle said this was at face value.

Blumenstein said at face value.

Keadle said that if someone lied, there was no way of knowing.

Blumenstein said this was correct; however, she had never had any indication there might be a problem. She said her experience with the special operations fund had existed since 1985. Blumenstein said that if collusion were occurring, the financial controls could be avoided.

Keadle noted that several deputies in Davidson County were sent to jail about ten years ago.

Blumenstein said she understood what was being said.

Keadle said it was not the business of the board to determine if collusion or criminal activities were occurring, but it was the board's business to ensure that funds were spent for public purposes and good public purposes in an efficient manner. He said it was incumbent upon the board to ask questions deemed appropriate to have satisfaction that taxpayer money was appropriately being spent.

Chairman Norman asked Blumenstein if there were employees in the sheriff's department who had oversight over the funds.

Blumenstein said yes, there was a supervisor, along with several officers. She said that at the end of the month, the cash was counted by the chief deputy who certified the amount of funds on hand in each officer's account.

Chairman Norman said it appeared there was already much oversight. He asked Blumenstein if more controls were needed.

Blumenstein said the checks and balance responsibilities for her office were being accomplished. She said it was preferred that neither she nor her staff members knew the names of anyone involved in the cases. She said that once critical information had been leaked, it was difficult to determine where the leak occurred.

Commissioner Mitchell asked Blumenstein to list the types of activities that could be paid out of the funds.

Blumenstein said typically they were used for "buy" money and payments to informants.

Commissioner Mitchell said the funds could not be placed in the general fund.

Blumenstein said this was correct.

Mitchell said they were totally seized funds.

Blumenstein said some county funds had been used in the past, but for the last couple of years, only seized money had been used. She said five years ago, there wasn't that much seized money. Blumenstein said at one point in time, crime prevention funds (line item in the budget) had \$90,000. She said for FY 10-11, the amount was \$27,500.00, and 100% of this was seized money.

Mitchell said he had read that Sheriff Redmond's department led the state in obtaining seized funds and eliminating drugs off the highways.

Blumenstein said the department had done well, but the receipts this year had not been as large as in the past. She said \$300,000 was in federal equity sharing funds.

Commissioner Robertson said that if money went to an informant, or for a small "buy" leading up to a larger purchase, it was known this type of money wouldn't be returned. He said that if arrests immediately occurred after a "buy," then the money would be recovered. Robertson asked if the finance department knew, beforehand, if the money would be returned.

Blumenstein said the finance department would only know how much the sheriff's office requested.

Commissioner Johnson said a few years ago, the sheriff's department requested \$30,000 in taxpayer funds. He said tobacco purchases at J.R.'s were investigated, and it was found that cigarettes were being transported to other states and resold. Johnson said the investigation resulted in a federal trial in Charlotte where it was shown the cigarette profits were funding terrorism. He said that if someone felt he was a poor steward of money because he didn't want to know much about the special operations, then he would bear that burden. Johnson said the reason he didn't want to know more was due to caring more about the persons on the ground performing the investigations and their well being. Johnson said he couldn't figure out any methodology in measuring the effectiveness of such an endeavor on the front-end without compromising the special operation. He said one methodology to determine the fund's usage, after the fact, would be for the board members to be advised about how the money had been spent. He said then, the board members might know whether or not similar expenditures should occur in the future. Johnson said the sheriff's department could say this many people were arrested, this much money was spent, and here's what is in federal revenue. He said future requests could be based on this type of information. Johnson said this was "Monday morning quarter backing," but he didn't know of a front-end methodology that could be used without putting too many people in the loop which might compromise the officer's safety.

Keadle said he wasn't suggesting anything in conflict with Commissioner Johnson's statements. He said the designee could have an ongoing conversation with the sheriff's department and continually monitor the matter without compromising the investigation. Keadle said the person would be in the know to the extent that they could look at the rest of the board members and say, "Someone outside of the department has looked into this matter, and I believe the department continues to do the right thing. It continues to be a good use of the taxpayer money, and I recommend that you vote for it. That person may say, however, I recommend you vote against this based on reasons that I will be glad to give you in a closed session." Commissioner Keadle said his recommendation was consistent with Mr. Johnson's wishes.

Commissioner Mitchell requested to table the special operations discussion until after the board met in closed session.

Request for Approval of the November 9, 2010 Minutes: **MOTION** by Commissioner Keadle to approve the minutes as presented.

VOTING: Ayes – 5; Nays – 0.

ANNOUNCEMENT OF VACANCIES OCCURRING ON BOARDS & COMMISSIONS
(none)

APPOINTMENTS TO BOARDS & COMMISSIONS

Recreation Advisory Board (4 appointments): Commissioner Mitchell nominated Barbara Thorson.

Commissioner Robertson nominated Bob Howell, Bill Freshwater, and Marc Heiland.

MOTION by Chairman Norman to close the nominations and appoint Thorson, Howell, Freshwater, and Heiland by acclamation.

VOTING: Ayes – 5; Nays – 0.

Zoning Board of Adjustment (4 appointments): Commissioner Mitchell nominated Mac McCombs and Linda Brater.

MOTION by Chairman Norman to close the nominations, appoint McCombs and Brater by acclamation, and to postpone the remaining appointments.

VOTING: Ayes – 5; Nays – 0.

Board of Health (4 appointments): Commissioner Mitchell nominated Mark Tart (engineer appointee), Dr. Kimberly Randall (veterinarian appointee), Dr. Heather Day (optometrist appointee), and Mary Johnson (pharmacist appointee).

MOTION by Chairman Norman to close the nominations and to appoint Tart, Randall, Day, and M. Johnson by acclamation.

VOTING: Ayes – 5; Nays – 0.

Home & Community Care Block Grant Committee (6 appointments): Commissioner Johnson nominated Dot Blackwelder, Vickie Caldwell, Mildred Johnson, Mary Joe Danner, Barbara Barrier, and Carolyn Jordan.

MOTION by Chairman Norman to close the nominations and to appoint Blackwelder, Caldwell, M. Johnson, Danner, Barrier, and Jordan by acclamation.

VOTING: Ayes – 5; Nays – 0.

Farmland Preservation Board (1 appointment): No nominations were submitted, but Commissioner Johnson mentioned that he was trying to recruit a person who resided in southern Iredell County.

Criminal Justice Partnership Program Committee (6 appointments): Commissioner Robertson nominated Sarah Kirkman and Carl Robbins.

MOTION by Chairman Norman to close the nominations, appoint Kirkman and Robbins by acclamation, and to postpone the other four appointments.

VOTING: Ayes – 5; Nays – 0.

Personnel Advisory Committee (1 appointment from the Reminder Sheet): Commissioner Robertson nominated Denny Miller.

MOTION by Chairman Norman to close the nominations and to appoint Miller by acclamation.

VOTING: Ayes – 5; Nays – 0.

PUBLIC COMMENT PERIOD

An opportunity to speak was provided; however, no one accepted. (Previously Mr. Britt Walden signed up to speak, and he attended a portion of the meeting, but left before the public comment segment.)

COUNTY MANAGER’S REPORT: County Manager Mashburn said that at the recent Farm-City Dinner, it was announced that over \$118 million in farm income had occurred within the county in 2009. He said this indicated that agriculture continued to have an important economic role in the county.

CLOSED SESSION: In accordance with Personnel – G.S. 143-318.11 (a) (6), Chairman Norman at 8:30 P.M., made a motion to enter into closed session.

(RETURN TO OPEN SESSION AT 8:50 P.M.)

Salary Set for Register of Deeds-Elect Matt McCall: MOTION by Commissioner Keadle to establish the salary for the newly-elected Register of Deeds at the county step closest to \$57,000 and at a Grade 75.

VOTING: Ayes – 5; Nays – 0.

(Note: No further discussion occurred about the sheriff’s special operations funds.)

ADJOURNMENT: MOTION by Commissioner Mitchell to adjourn the meeting at 8:52 P.M. (Next meeting: Monday, December 6, 2010 beginning at 8:15 A.M., in the Iredell County Government Center, 200 South Center Street, Statesville, NC.)

VOTING: Ayes – 5; Nays – 0.

Approved: _____

Clerk to the Board