

Writers clarify spending concerns

by Scott Baughman

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Editor's Note: An article published on Sunday, Oct. 31, on the state's decision to defer action on a Rutherford County financing package was published without giving due attention to both sides of the story. The article noted that several residents had written letters to the state objecting to approval of the financial package, but did not fully explain what the letter writers' objections were. In an effort to address these issues, the Courier has talked with some of the people involved and produced the following story. The Sunday article also included reference to today's election and a pledge signed by some candidates without providing the specifics of the pledge. The actual pledge is being published as a sidebar with today's article. The Courier regrets any confusion caused by the article.

FOREST CITY — In a rare delay, the Local Government Commission has deferred acting on Rutherford County's proposed financing of several county projects until the entire LGC board can meet on Dec. 7 to review the proposals.

A county plan to borrow \$6 million included money to carry out road improvements and some groundwork at the hotly debated Daniel Road Project site, make improvements to Ray Henson and Frank West parks, work on the Bechtler Mint historic site and to construct a new Emergency Medical Services facility in Henrietta at a cost of \$1.4 million. A portion of the plan also calls for refinancing school construction debt from the turn of the century to realize a savings in financing costs.

But opponents of the plan say bundling the projects together was a way to sneak in work on the Daniel Road Project under the guise of a much needed EMS station in Henrietta.

"We support refinancing the existing school debt for lower interest and lower payments," wrote Henry Edwards in a letter to the LGC. "But if it's only one application to the LGC, then let's stop the application and start over. We also support some of the smaller projects on parks, and on emergency services. County commissioners give us no choice in the matter, it's take it or leave it. So we say leave it."

Edwards' son Duncan also wrote a letter in opposition.

"The North Carolina Constitution mandates contracted debt that is secured by faith and credit of the county be approved by a majority of qualified voters of the county," Duncan Edwards wrote. "As an alternative, the limited obligation bond of the county's application avoids this requirement with a clever, often used but unpopular step around voters. Citizens have a constitutional right to vote on large debts, and county commissioners have an ethical responsibility to uphold that right. The LGC can help

maintain that right for Rutherford County citizens, as you did for Davie County in June 2010, by sending the message to prefer a general obligation issue over any other financing.”

Other letter writers included County Commissioner Susan Crowe and former commissioner Amy Jenkins.

“When I was a county commissioner, it was my duty to vote by the will of the people,” Jenkins said. “Now, you can’t always govern by consensus but in this case I don’t think the will of the people is being done. The current board of commissioners refused to put this up as a ballot initiative. But we have a pretty good idea of where the six county commissioner candidates stand on this issue and so I feel like the election will be that referendum.”

Jenkins was a county commissioner from 1996 to 1998 and said she could see herself supporting the soccer fields, livestock arena, farmer’s market and other portions of the Daniel Road Project during a boom time.

“If this were a great economy, certainly these would be great things for our county to have,” Jenkins said. “But look at it as though it were your own personal finances. Are you going to be putting in a swimming pool at your own home right now?”

Crowe wrote directly to N.C. Deputy Treasurer Vance Holloman to ask him not to approve the borrowing of money.

“Due to the serious economic situation our county finds itself in this is not the time to borrow money and spend it on wants not needs,” Crowe wrote. “We are furloughing county employees for three days now. I tried to get this issue put on the ballot so the citizens could vote on it but was out voted three to two.”

Members of Rutherford 912 — a conservative watchdog group in the county — also came out in force against the borrowing for the Daniel Road project.

“Our county finance director has done an excellent job in identifying an opportunity to save our county over \$1 million by refinancing our massive \$70 million debt,” Rutherford 912 spokesman Zoran Naskov wrote. “I strongly support (this part of the application.) The second part of the application is a result of the ‘lame duck’ board of commissioners’ decision to increase the county’s total debt load by an additional \$6 million. The projects they intend to finance have absolutely no urgency behind them, and a significant part of the new borrowing is intended for a real estate speculation which our taxpayers were never given the opportunity to vote on and approve.”

In an e-mail to County Manager John Condrey and County Finance Director Julie Scherer, Holloman wrote, “Since the newly elected commissioners will constitute a majority of the County’s Board of Commissioners once the new terms begin in December, I have chosen not to present the new money projects for consideration by

the Local Government Commission at its Nov. 2 meeting.”

The LGC’s decision to delay consideration until their Dec. 7 meeting was met with mixed reactions on both sides of the issue.

“I was surprised by the LGC’s decision because usually they’re just a rubber stamp,” said Jenkins. “They just say yes and move on.”

But Commissioner Paul McIntosh, who voted in favor of the Daniel Road Project many times and was 100 percent behind the bundled financing of the 2010 projects said he was shocked with the response.

“I think it is very unfortunate and is very short-sighted by the people that (wrote those letters),” McIntosh said. “I think it is somewhat self-serving on their part. It was five years ago when we did the long-range plan for these EMS stations. This is not anything that is trying to get pushed through at the last minute. I think the LGC will give it the go ahead at their December meeting. Our rating has just been increased by one of the credit rating boards. There’s no reason for it not to be approved unless this group of people continue their motions.”

But letter writer Omer Causey said he felt the LGC had the right — and expected — response.

“I was not surprised the LGC told the county to put the brakes on,” Causey said. “I’m not convinced that everyone understands what the LGC did. The school finance portion is going forward on the LGC agenda for Nov. 2. The objection boiled down to the idea that the county was incurring debt financing without going through a referendum even though they had two years or more to do it. It was pretty clearly a ‘we’re going to do it our way’ by (County Commissioners Chairman Brent Washburn) and Paul on their way out. ... For Brent to accuse a local group of citizens of endangering the health of people in Henrietta was a cheap shot and over the edge. He should know better than that ... The school bond refinancing is a no-brainer, they can sell those bonds in a heartbeat. Where we go after that depends on the outcome of the election.”

Contact Baughman via e-mail at sbaughman@thedigitalcourier.com.

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