

COLUMBUS COUNTY
BOARD OF COMMISSIONERS

MINUTES

The Honorable Board of Columbus County Commissioners met in their said office at 111 West Smith Street, Whiteville, NC at 7:00 P.M., December 6, 2001, for a Special/Emergency Meeting called by the Chairman pursuant to N.C.G.S. §153A-40, for the purpose of holding negotiations with Haworth, Incorporated regarding the closing of the Chadbourn plant.

BOARD MEMBERS PRESENT:

Spruell R. Britt, Chairman

Sammie Jacobs, Vice Chairman

David L. Dutton, Jr.

Amon E. McKenzie

Bill Memory

Lynwood Norris

C.E. Wilson

J. Alan High, Attorney
Representing Hill & High Attorneys

Billy Joe Farmer
County Administrator

Ida L. Smith, Clerk to Board

Chairman McKenzie called the Special/Emergency Meeting to order regarding the proposed closing of Haworth, Incorporated, Chadbourn, NC, which employees 225 full-time and 120 temporary employees. The Chairman requested Phyllis Owens, Economic Development Director, to update the Board on the announcement regarding Haworth.

ECONOMIC DEVELOPMENT - PROPOSED CLOSING OF HAWORTH

Phyllis Owens, Economic Development Director, shared the following announcement with the Board regarding the closing of the Haworth, Incorporated, Chadbourn plant.

Haworth, Incorporated announced on Wednesday, December 5, 2001 a consolidation

of its furniture manufacturing facilities. Production from the company's Chadbourn, NC plant will shift to Haworth's wood manufacturing facility in Canada.

The decision was made in response to a sustained drop in orders, spurring Haworth to bring overhead and capacity in line with order levels and market changes. Current industry performance numbers from the Business & Institutional Furniture Manufacturers Association (BIFMA) show a 21 percent drop in shipments for the third quarter of 2001. In addition, BIFMA forecasts an 18 percent decline in shipment for 2001 and a 9 percent shipment reduction for 2002.

Chadbourn manufacturers wood case goods for Haworth. These products will transition to the company's plant in Calgary, Alberta, Canada. Haworth chose the Calgary facility because of its synergy with existing products, newer capital base, ability to accommodate anticipated growth once the economy rebounds, and overall cost structure.

Closure of the Chadbourn plant (which employs 225 full-time and 120 temporary workers) will begin immediately and complete in the first half of 2002.

Haworth is offering several programs to help ease the transition for employees, such as career transition services and job search resources, resume writing, completing job applications, and honing job-interviewing skills. Haworth will also help connect affected workers with employment opportunities at local companies.

In addition, Haworth is making counseling available through the company's Employee Assistance Program. Displaced employees will also receive severance package, unemployment benefits and continuation of their insurance through the COBRA plan.

Haworth's two other North Carolina manufacturing plants in Lincolnton and High Point are unaffected by the consolidation.

Ms. Owens stated the state would send a team of about ten (10) specialists to work with employees on unemployment benefits, job training and other needs. If the closure can be linked to NAFTA, affected workers could receive up to two (2) years of education.

Ms. Owens reported on the following items regarding the closing of the Haworth Plant in Chadbourn.

1. She has spoken with Chester Clark, Plant Manager, regarding the closing and

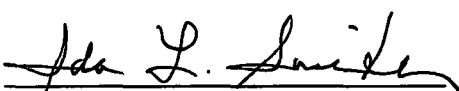
- he stated the press release came from Corporate Headquarters because more than one facility in the United States was being closed. He stated that there is a cost savings of 40% available to the company by moving the operation to Canada. Mr. Clark stated he felt the "what can we do" approach along with ideas on how a cost gap can be reduced would be the best approach.
2. Mr. Ray Denny, Department of Commerce, has been contacted and has offered the State's assistance and is awaiting Columbus County's direction as to what approach to take.
 3. Our state and national congressional delegations were sent copies of the press release and Congressman Mike McIntyre's office called to say they were contacting every agency they could think of to see what, if any, assistance they could come up with.
 4. We need to quickly come to a decision as to what approach the county wants to take and what incentives, if any; we can put on the table. We must consider all the economically impacted companies in the county that will come forward should we provide incentives for Haworth and be prepared with a policy we will follow for every occurrence.

The Board discussed the Haworth's proposed closing of the Chadbourn plant and requested the County to make the matter a priority to assist in anyway possible to keep the Haworth Plant in Chadbourn, NC.

A motion was made by Commissioner Norris, seconded by Commissioner Wilson and passed unanimously to direct Phyllis Owens to put together a proposal and agreed that Phyllis Owens, Rhone Sasser, and Billy Joe Farmer fly to Michigan to present the proposal, when appropriate.

ADJOURNMENT

A motion was made by Commissioner Wilson, seconded by Commissioner Norris and passed unanimously to adjourn the Board Meeting at 7:30 P.M.


 Ida L. Smith, Clerk to Board

APPROVED:


 Amon E. McKenzie, Chairman