

Chowan County Board of Commissioners
Regular Meeting
Monday October 1, 2007
6:00pm
1767 Chowan County Courthouse
117 East King Street

MINUTES

The Chowan County Board of Commissioners held its regular meeting on Monday, October 1, 2007, at 6:00 pm in the upstairs meeting room of the 1767 Chowan County Courthouse, 117 East King Street.

Present: Jimmy Alligood, Ralph Cole, Bill Gardner, Kenny Goodwin, Jerry Downum, Louis Belfield and Harry Lee Winslow. Also present were County Manager, Cliff Copeland; County Attorney, Peter Rascoe and County Clerk, Susanne Stallings.

Chairman Cole called the meeting to order and Commissioner Alligood offered the invocation.

Consent Agenda

Commissioner Goodwin moved that the Consent Agenda be approved including the minutes from the September 10, 2007 Regular Meeting and the following budget amendments:

Budget Amendments

| | | | |
|------------------|----------|-----------|---|
| 5321 DSS | decrease | \$500 | Reduction of special adoption fund award |
| 5321 DSS | decrease | \$780 | Reduction in TANF DV Funding |
| 5384 DSS | increase | \$1,856 | Increase in daycare funding |
| 5372 DSS | increase | \$11,884 | Increase in CRISIS funding |
| 5321 DSS | increase | \$5,997 | Increase in Adult Daycare Funding |
| 5100 Solid Waste | increase | \$70,657 | Solid Waste Expenses |
| 4370 EMS | increase | \$65,000 | Increase contribution to EMS Fund |
| General Fund | increase | \$396,465 | jail upgrades, Medicaid expense, contribution to EMS Fund |

Tax Release

| | | | |
|------------|--|----------|------------------------------------|
| Brooks, E. | | \$654.29 | House should be on a different PIN |
|------------|--|----------|------------------------------------|

Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

Chairman Cole then noted an amendment to the agenda.

Update on Edenton Commons

Mr. Copeland shared a PowerPoint slide that detailed an overview of the proposed Edenton Commons Shopping Center. He said that Edenton Commons has submitted an application to the Town for construction of a shopping center. He said that he enclosed a copy of the fiscal impact study that highlights the fiscal impact on the County and Town, noting that this will create 352 jobs and bring the tax revenues to Edenton. Mr. Copeland said that at the request of the

Commissioners, he has drafted a resolution of support of the application. Mr. Copeland noted that the main concern on the shopping center is the projected impact on Downtown Edenton.

Commissioner Allgood moved that the Board accept the resolution (below). Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

Edenton Commons Shopping Center Resolution

WHEREAS, Wheeler Development group has proposed to construct a shopping center, to be known as Edenton Commons, at the intersection of NC 32 and Whitemon Lane; and,

WHEREAS, this Shopping Center will generate 350 full time and part time jobs and also directly impact Chowan County's property and sales tax collections at an estimate between \$750,000 and \$1,000,000; and,

WHEREAS, Edenton Commons will not only increase the shopping opportunities for the citizens of Chowan County, but will also serve as a regional commercial hub; and,

WHEREAS, Chowan County has not realized any significant increase in sales tax collections in three years; and,

WHEREAS, Chowan County has increased property taxes for the last three years; and,

WHEREAS, Chowan County will be addressing many needs in the foreseeable future such as a new County Office Building, expansion of the Courthouse, additional recreational facilities and a 30 million dollar plan to renovate John A. Holmes High School; and,

WHEREAS, the increased revenue from Edenton Commons will help lessen the need for property tax rate increases; and,

WHEREAS, Chowan County appreciates the importance of Downtown Edenton to Chowan County; and,

WHEREAS, the County believes that Downtown Edenton possesses many assets that can be developed that will ensure a viable Downtown Edenton; and,

NOW, THEREFORE BE IT RESOLVED, that Chowan County hereby finds that Edenton Commons to be of immense benefit to our community and strongly encourages the Edenton Planning Board and Edenton Town Council to support and approve this development; and,

FURTHER BE IT RESOLVED, a copy of this resolution be submitted to the Town of Edenton Planning Board and Edenton Town Council;

Adopted this 1st day of October, 2007.

Resolution – Modify Loan Amount for the Public Safety Center.

Mr. Copeland said that the USDA approved 2 loans for the Public Safety Center, one for the building and one for the equipment. He said that when the bids for the building exceeded the estimates, USDA allowed a transfer of the monies for equipment to the building fund. He asked that the Board approve the attached USDA resolutions to authorize the transfer.

Commissioner Belfield moved that the Board accept the resolutions. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

LOAN RESOLUTION
(Public Bodies)
(EQUIPMENT ONLY)

A RESOLUTION OF THE Board of Commissioners OF THE COUNTY OF CHOWAN AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING Equipment and Furnishings Needed to Equip the Chowan Emergency Operations Center (HEREIN AFTER CALLED EQUIPMENT) TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the COUNTY OF CHOWAN,
(Public Body)

(herein after called the Public Body) to raise a portion of the cost of such undertaking by the approval and execution of an Installment/Purchase Contract (herein after called Contract) in the principal amount of ONE MILLION ONE HUNDRED THOUSAND AND NO/100 Dollars pursuant to the provisions of G.S. 120A-20: and

WHEREAS, the Public Body intends to obtain assistance from Rural Housing Service, United States Department of Agriculture (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Housing Service Act (7 U.S.C 1921 et seq.) in the planning, financing, and supervision of such undertaking.

NOW THEREFORE, in consideration of the premises the Public Body hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the adoption of the Contract containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of the Contract upon the request of the Government if at any time it shall appear to the Government that the Public Body is able to refinance its debt obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Housing Service Act [U.S.C. 1983(c)].
3. To provide for, execute, and comply with Form FmHA 400-4, Assurance Agreement," and Form FmHA 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Public Body. Such indemnification shall be payable from the same source of funds pledged to pay the loan or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the loan or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the loan or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the equipment and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the equipment, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Public Body, and default under any such instrument may be construed by the Government to constitute default hereunder.

6. Not to sell, transfer, lease, or otherwise encumber the equipment or any portion thereof, or interest therein, or permit other to do so, without the prior written consent of the Government.

7. Not to defease the Contract, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the equipment (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the indebtedness.

8. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the equipment in good condition.

9. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the equipment financed by Rural Housing Service.

10. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.

11. To establish and maintain such books and records relating to the operation of the equipment and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.

12. To provide the Government at all reasonable times, access to all books and records relating to the equipment and access to the equipment so that the Government may ascertain that the Public Body is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.

13. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:

- (a) Paying the cost of repairing or replacing any damage to the equipment caused by catastrophe.
- (b) Repairing or replacing short-lived assets.
- (c) Making extensions or improvements to the equipment.

Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.

14. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or Public Body.

15. To accept a grant in an amount not to exceed -0- under the terms offered by the Government; that the Chairman and the Clerk of the Public Body are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant, and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instruments, shall be binding upon the Public Body for the life of the loan. The provisions of sections 6 through 14 hereof may be provided for in more specific detail in the Contract; to the extent that the provisions contained in such Contract should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Public Body and the Government or assignee.

The vote was: Yeas 7 Nays 0 Absent 0

IN WITNESS WHEREOF, the BOARD OF COMMISSIONERS of the COUNTY OF CHOWAN has duly adopted this resolution and caused it to be executed by the officers below in duplicate on the 1st day of October, 2007.

BE IT RESOLVED:

THAT Chowan County accepts the conditions set forth in the Letter of Conditions dated April 4, 2005 and amended October 1, 2007.

THAT Chowan County approves the proposed budget as shown on Form RD 442-7, "Operating Budget".

THAT the Chairman and the Clerk be authorized to execute all forms necessary to obtain a loan from USDA Rural Development, including but not limited to the following forms:

Form RD-NC 1942-47-1 Loan Resolution (Public Bodies) (Equipment Only)
Form RD 1942-46 Letter of Intent to Meet Conditions

This resolution to become a part of the official minutes of the Chowan County Commissioners meeting held on October 1, 2007

LOAN RESOLUTION
(Public Bodies)
(REAL ESTATE ONLY)

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHOWAN AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING AND/OR EXTENDING ITS EMERGENCY OPERATIONS CENTER (HEREIN AFTER CALLED FACILITY) TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the COUNTY OF CHOWAN
(Public Body)

(herein after called the Public Body) to raise a portion of the cost of such undertaking by the approval and execution of an Installment/Purchase Contract (herein after called Contract) in the principal amount of \$9,856,600.00 pursuant to the provisions of North Carolina General Statutes: and

WHEREAS, the Public Body intends to obtain assistance from Rural Development, United States Department of Agriculture (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C 1921 et seq.) in the planning, financing, and supervision of such undertaking.

NOW THEREFORE, in consideration of the premises the Public Body hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the adoption of the Contract containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of the Contract upon the request of the Government if at any time it shall appear to the Government that the Public Body is able to refinance its debt obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act [U.S.C. 1983(c)].
3. To provide for, execute, and comply with Form FmHA 400-4, Assurance Agreement," and Form FmHA 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Public Body. Such indemnification shall be payable from the same source of funds pledged to pay the loan or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the loan or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the

loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the loan or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Public Body, and default under any such instrument may be construed by the Government to constitute default hereunder.

6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.

7. Not to defease the Contract, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the indebtedness.

8. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.

9. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by Rural Development.

10. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.

11. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.

12. To provide the Government at all reasonable times, access to all books and records relating to the facility and access to the facility so that the Government may ascertain that the Public Body is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.

13. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:

- (a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
- (b) Repairing or replacing short-lived assets.
- (c) Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.

14. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain Rural Development's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Public Body.

15. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instruments, shall be binding upon the Public Body for the life of the loan. The provisions of sections 6 through 16 hereof may be provided for in more specific detail in the Contract; to the extent that the provisions contained in such Contract should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Public Body and the Government or assignee.

The vote was: Yeas 7 Nays 0 Absent 0

IN WITNESS WHEREOF, the Board of Commissioners of the County of Chowan has duly adopted this resolution and caused it to be executed

by the officers below in duplicate on the 1st day of October, 2007.

BE IT RESOLVED:

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THAT the Chairman and the Clerk be authorized to execute all forms necessary to obtain a loan from USDA Rural Development, including but not limited to the following forms:

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Form RD 1942-46 Letter of Intent to Meet Conditions

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Modification Agreement BB&T

Finance Officer, Lisa Jones, presented a Modification Agreement between Chowan County and BB&T for refinancing the Elementary School financing. She said this modification will result in the saving of \$482,000 over the next 8 years. She added that this refinancing reduces the annual interest rate from 5.51% to 3.91%.

Commissioner Alligood moved that the Board accept the modification. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

Chairman Cole noted that the agenda would be amended to give an update on the Finance Committee.

Finance Committee Update

Ms. Jones said that the Finance Committee was given updates on the Recycle Program. She said that weekly ads run, brochures went out with water bills, 64 gallon carts were ordered for the Town, magnets and notepads were ordered to be given out and weekly prize winners are drawn from people who are given a ticket for recycling in Town and at the sites.

Board Appointments

County Manager, Cliff Copeland presented the following Board Appointments for the Board's consideration:

Chowan County Planning Board

1 Year Appointment

Roger Spivey

Jack Held

2 Year Appointment
Lia McDaniel
Fred Smith

3 Year Appointment
Kathy Williams
Jim Leggett
William Holley

Chowan County Board of Adjustment

1 Year Appointment
David Barrett
Vacant (Alternate)
Vacant (Alternate)

2 Year Appointment
Brian White
Sheri Hare

3 Year Appointment
Harry Rosenblatt
Charles Britton

Clerk to the Board, Susanne Stallings noted that the appointments will be retroactive effective July 1, 2007.

Commissioner Allgood moved that the appointment nominations be accepted by the Board. Chairman Cole asked for all in favor. The motion carried unanimously (7-0).

Mr. Copeland noted the item number 5 on the agenda would be omitted from the agenda and presented at a later time.

Resolution – OLF

Mr. Copeland said that the Board has previously received information about 5 potential OLF sites. He presented a resolution drafted by Perquimans County. Mr. Copeland said that the bottom line is that the County understands the need for an OLF but why not locate it where the need is, that being in Virginia.

Commissioner Winslow moved that the Board accept the resolution. Chairman Cole asked for all in favor, the motion carried unanimously (7-0).

RESOLUTION

WHEREAS, Governor Easley formed a study group charged with examining and reporting on the strategic, environmental and economic impacts of the proposed Navy outlying landing field (OLF) in North Carolina in February of 2004; and

WHEREAS, the Navy and the North Carolina Department of Environment and Natural Resources have proposed four new potential OLF sites in Northeast North Carolina to the Governor's OLF Study Group on September 19, 2007; and

WHEREAS, the Navy reported to the OLF Study Group that the proposed OLF would be used primarily by aircraft stationed at Oceana Naval Air Station at Virginia Beach, VA and not at Cherry Point Marine Corps Air Station at Havelock, NC; and

WHEREAS, these new proposed sites are in addition to other Northeast North Carolina sites identified and studied in 2002 for consideration by the Navy; and

WHEREAS, Northeast North Carolina would not recognize any benefits from an OLF at any of the previously identified or newly proposed sites; and

WHEREAS, Northeast North Carolina would only receive detrimental impacts on our citizens should an OLF be located in the region.

NOW, THEREFORE, BE IT RESOLVED, the Chowan County Board of Commissioners opposes locating a new outlying landing field in Chowan County or in Northeast North Carolina;

FURTHER, BE IT RESOLVED, the Chowan County Board of Commissioners believes that an OLF to primarily support Oceana Naval Air Station should be located in Virginia and not North Carolina;

AND BE IT FURTHER RESOLVED, the Chowan County Board of Commissioners requests more representatives from the counties of Camden, Chowan, Currituck, Gates, Hertford, Pasquotank, and Perquimans on the Governor's OLF Study Group.

Adopted this the 1st day of October, 2007.

First Call Demonstration

Patty Madry, Emergency Management Coordinator, provided a demonstration on the First Call alert system. She said that this is a phone messaging service that will alert every household in Chowan County by phone of any notifications of emergencies or advisories. She said there are groups set up in the system to also notify County Employees of delays or closings.

Phyllis Cranford, IT Director, gave an overview of how to call the service, record a message, select a group to notify and have the phone message delivered.

Patty said that the Buzzline, Water Bills and internet will provide citizens with unlisted numbers or those that only have cell phone numbers, instructions on how to register their phones.

A test call was enabled and the Board and those present were able to hear the recorded test message.

Vipor 800mh Demonstration

Sheriff, Dwayne Goodwin gave an overview of the new Vipor 800mh radios. He said that the purpose of these new radios are to allow communication between fire, rescue, police and sheriff

agencies through out the County as well as state wide. He said this system would have been very useful during Hurricane Isabel when communication was difficult. He said that the radios have great clarity and called an officer in the Northern end of the County to demonstrate the clarity. He said that the Department currently has 18 radios and are looking at grant monies to obtain more. He said that some larger Counties have transferred to the new system and that is the goal for his department as well. He said the newly constructed tower helps to provide the service and that the towers are strategically located throughout the state.

Manager's Report

Mr. Copeland said that Sandy Point's permit has been issued, the design work is to begin immediately. He said that the School system is looking at obtaining a loan to construct affordable housing at the site of the Albemarle Learning Center. He noted an article on the proposed fishing pier as the proposal being a "model project". Mr. Copeland noted the County Picnic on October 24th and a Flood Plan Map meeting on October 9th.

Public Comment

Chairman Cole asked for any public comment, there was none.

There being no further business before the Board, the meeting was adjourned.

Ralph V Cole
Chairman

L. Susanne Stallings
Clerk to the Board

(SEAL)