

**Regular Meeting
Monday October 1, 2012
6:00 pm
Chowan County Public Safety Center
305 West Freemason Street**

Minutes

The Chowan County Board of Commissioners held their regular meeting on Monday, October 1, 2012 at 6:00 pm at the Chowan County Public Safety Center. Present: Chairman Eddy Goodwin, Commissioners Keith Nixon, Jeff Smith, Emmett Winborne, Ellis Lawrence, Ralph Cole and John Mitchener.

Staff present: County Manager Zee Lamb, Finance Officer Kim Woodley and Board Clerk Susanne Stallings.

Chairman Eddy Goodwin called the meeting to order and led the pledge. Commissioner Keith Nixon offered the invocation.

Public Comment

Chairman Goodwin called for public comment, there was none.

Consent agenda

a. Tax Release and Collector's Report (attached)

Bergevin, E.	\$298.35	Adjusted boat value due to condition
Boessenkool, H.	2,182.95	SITUS Buncombe County
Brabble, C.	115.12	Corrected year of mobile home
Maas, R.	356.00	SITUS – Buncombe County
Shook, R.	318.16	Corrected sq. footage of house
Parrish, F.	173.66	Vehicle traded

b. Approval of Minutes

Attached are the minutes of the September 17, 2012 and September 26, 2012 meetings for Board review.

c. Budget Amendments

<u>BA 1213-020:</u>		INCR	DECR	
11-3835-820-00	Sale of fixed assets	2,422		
11-8200-451-00	Insurance-property & liability	2,422		
Appropriate additional funding to cover the flood insurance premium for the library.				

BA 1213-021:		INCR	DECR	
11-3616-536-00	Alb Comm-gen purpose grant	11,753		
11-4268-600-00	Senior Center-gen purpose	11,753		
Appropriate funding received for General Purpose funding from Albemarle Commission.				

BA 1213-022:		INCR	DECR	
11-3616-537-00	Alb Comm-Health Prom grant	869		
11-4268-601-00	Senior Center-Hlth Promotion	869		
Appropriate funding received for Health Promotion grant from Albemarle Commission.				

BA 1213-023:		INCR	DECR	
11-3495-363-00	SHIIP Grant	4,208		
11-4950-600-00	SHIIP Grant	4,208		
Appropriate funding received for the State Health Insurance Information Program (SHIIP) grant.				

BA 1213-024:		INCR	DECR		
11-3990-990-00	Fund balance appropriated	417			
11-4330-321-00	Telephone & postage	417			
Funding was received 5-17-11 from Albemarle Regional Health Services for reverse 911 charges in the amount of \$1,850.00. This funding is now being appropriated for reverse 911 charges from First Call for said purposes.					

Chairman Goodwin asked if the Board had any questions regarding the consent agenda.

Commissioner Nixon asked if budget amendment 020 has been budgeted in previous years.

Ms. Woodley stated it has been budgeted in the past but was not included in the original budget. She noted that there will also be a refund from the previous year for workers comp and that was also not included in the budget.

Commissioner Nixon asked where the refund is credited.

Ms. Woodley stated it would be designated to this line item.

Commissioner Lawrence arrived to the meeting at 6:05pm.

Commissioner Nixon stated he would prefer that the money from the sale of fixed assets go back into the fixed assets line. He stated he would rather pull this expense from contingency and then when the refund comes in, credit that amount to contingency.

Ms. Woodley stated this would have to be credited to workers comp.

Commissioner Cole asked if budget amendment 022 is the Health Department.

Ms. Woodley stated this is Albemarle Commission.

Commissioner Smith stated he still had questions about the refund from workers comp.

Commissioner Cole moved that the Board remove 020 from the consent agenda and approve all other items included in sections a, b and c.

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

Ms. Woodley stated that all insurance is accounted for in the central services budget. She stated that because of the refund for workers comp insurance, there will be excess budget money and that could be moved from that budget line once the refund is included. She stated the refund would be approximately \$10,500.

Commissioner Smith asked if the library flood insurance increased by \$2,042.

Ms. Woodley state no, the amount was not budgeted.

He asked if the library budget was being increased.

Ms. Woodley stated the monies were not budgeted in the library account, but it would increase the general fund.

Mr. Lamb stated he felt this expense should be reflected in the library budget.

Ms. Woodley offered to take the budget amendment and re-write it for the next meeting, she stated it would be best to do it this way and the Board will also be able to determine the exact amount of the workers comp refund.

Commissioner Nixon stated he agreed the expense should be reflected within the library budget. He then moved to allow the finance officer time to revise budget amendment 020 and bring it to the next Board meeting.

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

External Board and Committee Reports

Commissioner Mitchener reported on the activities of the Workforce Development Consortium and provided the Board with a handout of notes from the meeting.

Commissioner Cole reported on the activities of the Health Department Board.

Commissioner Lawrence reported on the activities of the COA Board.

Maintenance Items

DSS Building

Maintenance Director Terry Rose provided the Board with two quotes from electrical contractors to price the addition of a generator to the DSS Building. He stated that he has attempted to get direct pricing and has found that dealers offer a better price to the County. He noted the generator priced in the quote will not provide power for the HVAC equipment.

DSS Director Clifton Hardison stated that his main concern is the ability to continue to remain operational and maintain phones in the event of a disaster or power failure.

Commissioner Lawrence indicated his concern over hardware over heating if there were extended power outages in hot months.

Mr. Hardison noted that most staff will be working at the shelters during a disaster.

Commissioner Lawrence asked about server and switch locations.

Board Clerk Susanne Stallings noted that most of that equipment is housed at the Public Safety Center.

Mr. Lamb stated that there is \$23,874 remaining in the DSS move/renovation budget.

Commissioner Nixon stated that he felt the County should look into grants for the generators and expressed his concern over costs for maintenance of a generator in the future.

Mr. Rose stated he has not been successful in contacting agencies in Raleigh with inquiries regarding grants or reduced costs for government.

Commissioner Nixon recommended the County look into what other County DSS agencies do for back-up power.

Mr. Lamb stated that there are insurance proceeds remaining from Hurricane Irene that can be used to address other capital needs. He stated the generator at the old County Office Building has been relocated to the Animal Shelter to allow the shelter to serve as a pet shelter during a disaster.

The Board discussed the location of the generator from Center Hill Crossroads Fire Department as well as the expense of wiring the panel at the DSS building for a three phase generator.

Commissioner Winborne asked if the lack of power at DSS could be a public safety concern.

Mr. Hardison stated his main concern is that DSS would be non-operational with no telephones. He noted the building as well as services offered by DSS are completely automated.

Commissioner Nixon stated that the state often offers resources in the event of a disaster. He asked if the County could get a generator for the DSS Building upon request.

Mr. Palmer stated the county could request a generator, or the county could consider entering into a contract with a company that would only bill the county once the contract is activated for a generator, he noted this cost could be reimbursable by FEMA.

Mr. Lamb stated that the Board should also consider situations where a generator may be needed for power failures not related to a disaster.

The Board discussed the costs of the generator at the Animal Shelter and Mr. Lamb noted that he will discuss with the other counties, sharing the costs of the generator installation at the Shelter.

Mr. Rose noted that the DSS Building would need to be wired to be ready for a generator. He stated this could be costly as well.

Commissioner Nixon stated he would request that the County look into what other county DSS do for back-up power, are the buildings wired, what is the long term cost for maintenance and is the cost for a generator eligible for 50/50 reimbursement. He added that he would like a third quote on the cost.

Ag Building

Mr. Rose presented the Board with quotes for repair of the roof at the Ag-Extension Building. He stated that he would work to get more specific information and quotes however the dormers to the building are the source of the roof leaks which he feels are becoming severe.

Commissioner Nixon stated he would require a guarantee on the roof.

Ms. Stallings noted that when Interim County Manager John Ed Whitehurst was working for the County he provided the Board with a report on the source of the leaks. She stated she would locate this information and share it with Mr. Rose.

Resolution Approving the Modification of Existing Installment Financings

Ms. Woodley provided the Board with information from the Case I scenario of the Debt Affordability Analysis. She stated that the Board selected Case 1 at the meeting on September 17, 2012. She provided an excerpt of a page from a document that includes bond calculations on

loans to be modified or refunded. She noted the information covers two loans with BB&T which will be modified and two loans with USDA that will be refunded. She stated the Board is asked to consider a resolution that is approving modifications of existing installment financings, and installment financing contract to refinance other existing installment financings and a deed of trust with respect thereto and delivery thereof and providing for certain other related matters. She stated the resolution authorizes the Chairman, County Manager,, Clerk and Finance Officer to execute documents on October 16th and later in October or early November for the first transactions. She noted the modification and refunding cannot be done in the same transaction.

Chairman Goodwin clarified that this action allows the county to be free of debt in 2024 where previously the debt would be paid by 2048. With some loans being paid off by 2020, saving the county approximately \$10.2 million.

Ms. Woodley noted that there will be three additional refunding in January.

Chairman Goodwin asked for any questions or comments from the audience.

Larry Sellers asked if the savings would be used for county functions like the Recreation Department.

Chairman Goodwin stated that the County will have additional monies to spend in the future.

Commissioner Nixon noted the county is using funds from the 1.5 cents designated for fund balance to be used for debt service, reimbursement monies from the Solid Waste fund will be used to pay the debt and monies from a USDA reserve would also be utilized to pay the debt.

Mr. Lamb stated that short term the county has budgeted \$2.054 for debt but will have to spend \$2.4 million.

Commissioner Winborne stated he feels the plan is functional and is happy the plan will not impact individual budgets negatively.

Mr. Sellers stated his concern for the lack of fall baseball activities in the Recreation Department.

The Board and staff discussed fall activities in the recreation department.

Recreation Director Jason Petersen stated that the activities that Mr. Sellers was referring to were privately sponsored travel teams and were not sanctioned by the Recreation Department. He noted that baseball is offered by the recreation department during spring and summer. He added that there is little room to offer a fall baseball program with the many other activities sponsored by Recreation in the fall months.

Commissioner Nixon noted that during the budget planning over the past years, the Recreation Advisory Board discussed programs including core sports such as baseball. He stated that Chowan County currently leads the area in the County contribution to Recreation.

Being no further discussion on the resolution, Commissioner Smith moved to approve the resolution as presented. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHOWAN, NORTH CAROLINA, APPROVING MODIFICATIONS OF EXISTING INSTALLMENT FINANCINGS, AN INSTALLMENT FINANCING CONTRACT TO REFINANCE OTHER EXISTING INSTALLMENT FINANCINGS AND A DEED OF TRUST WITH RESPECT THERETO AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Chowan, North Carolina (the "*County*") is a validly existing political subdivision existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "*State*");

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina to (1) purchase real and personal property, (2) enter into installment purchase contracts in order to finance or refinance the purchase of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased to secure repayment of the purchase price;

WHEREAS, the Board of Commissioners of the County (the "*Board of Commissioners*") has determined and hereby determines that it is in the best interest of the County to (1) modify existing installment financing contracts (the "*Modifications*") with Branch Banking & Trust Company (the "*Bank*") that financed construction and improvements to DF Walker Elementary School, Northern Chowan Community Center and Adult Day Health Center (now Chowan County Dept. of Social Services) to lower the interest rate, (2) enter into an Installment Financing Contract (the "*Contract*") with the Bank in order to refinance two installment financing contracts (the "*Prior Contracts*") entered into with the United States Department of Agriculture Rural Development that financed construction of the Public Safety Center and acquisition of fire trucks, and (3) to enter into a deed of trust and security agreement (the "*Deed of Trust*") related to the real property on which the Public Safety Center is located (the "*Site*") that will provide security for the County's obligations under the Contract;

WHEREAS, the Board of Commissioners adopted a resolution on September 4, 2012 making certain findings with respect to, among other things, the proposed refinancing of the Prior Contracts;

WHEREAS, the Board of Commissioners conducted a public hearing with respect to refinancing the Prior Contracts on September 17, 2012 to receive public comments on the proposed refinancing, the Contract and the Deed of Trust;

WHEREAS, the County has filed an application with the LGC for approval of the LGC with respect to the County entering into the Contract in an aggregate principal amount of not to exceed \$10,000,000, and the County hereby determines that all findings, conclusions and determinations of the County in this Resolution are subject to such approval by the LGC;

WHEREAS, there has been presented to the Board of Commissioners the forms of the Contract and the Deed of Trust (collectively, the “*Instruments*”), copies of which have been made available to the Board of Commissioners, which the County proposes to approve, enter into and deliver, as applicable, to effectuate the proposed refinancing at an interest rate as specified in the term sheet provided by the Bank to the County; and

WHEREAS, it appears that each of the Instruments is in appropriate form and is an appropriate instrument for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF CHOWAN, NORTH CAROLINA, AS FOLLOWS:

Section 1. **Ratification of Prior Actions.** All actions of the County, the County Manager, the Finance Officer of the County and the Clerk to the Board and their respective designees in effectuating the proposed refinancings are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments and the Modifications.

Section 2. **Approval, Authorization and Execution of Contract.** The County hereby approves the refinancing of the Prior Contracts in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The County hereby approves the amount advanced by the Bank to the County pursuant to the Contract in an aggregate principal amount not to exceed \$10,000,000, such amount to be repaid by the County to the Bank as provided in the Contract. The form, terms and content of the Contract are in all respects authorized, approved and confirmed, and the Chairman of the Board, the County Manager, the Finance Officer of the County and the Clerk to the Board or their respective designees (the “*Authorized Officers*”) are, individually and collectively, authorized, empowered and directed to execute and deliver the Contract for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Contract, the Authorized Officers are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

Section 3. **Approval, Authorization of Deed of Trust.** The form, terms and content of the Deed of Trust are in all respects authorized, approved and confirmed, and the Authorized Officers are, individually and collectively, authorized, empowered and directed to execute and deliver the Deed of Trust for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Deed of Trust, the Authorized Officers are hereby authorized, empowered

and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

Section 4. **Approval, Authorization and Execution of Modifications.** The form, terms and content of the documents necessary to implement the Modifications that result in lower the interest rates on the prior installment financings being modified are in all respects authorized, approved and confirmed, and the Authorized Officers are, individually and collectively, authorized, empowered and directed to execute and deliver the Modifications for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Modifications, the Authorized Officers are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the Modifications as executed

Section 5. **Further Actions.** The Chairman of the Board, the County Manager and the Finance Officer of the County are hereby designated as the County's representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Modifications, and the Chairman of the Board, the County Manager and the Finance Officer of the County are authorized and directed to proceed with the refinancings in accordance with the terms of the Instruments and the Modifications, and to seek opinions on matters of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The Chairman of the Board, the County Manager and the Finance Officer of the County are hereby authorized to designate one or more employees of the County to take all actions which the Chairman of the Board, the County Manager and the Finance Officer of the County are authorized to perform under this Resolution, and the Chairman of the Board, the County Manager and the Finance Officer of the County or their designees are in all respects authorized on behalf of the County to supply all information pertaining to the transactions contemplated by the Instruments. The Authorized Officers are authorized to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments and the Modifications or as they may deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution, including the on-going administration of the Instruments and the Modifications.

Section 6. **Repealer.** All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

Section 7. **Severability.** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 8. **Effective Date.** This Resolution is effective on the date of its adoption

Bonding Company for RiverSound Development Agreement with Chowan County

Mr. Lamb presented the Board with an Agreement between International Fidelity Insurance Company and Chowan County. He stated that the County Attorney, John Morrison has reviewed the agreement and recommended one change to section 5, to include the language "in a competent and workmanlike manner". He stated that the agreement basically states that as work is completed the County will release and waive surety of the bonds.

Commissioner Mitchener asked who will certify that the work has been completed.

Mr. Lamb stated the County will rely on the engineer, Bill Diehl for his professional opinion. He added that the project manager and bonding company have indicated that the project will be complete by the end of 2012. He stated that once the development is complete the county will be able to issue building permits which would be a tremendous boost to the tax base. He stated that most systems are 90-95%. He stated that sewage has been the main concern all along.

Commissioner Nixon asked about the status of road paving.

Mr. Lamb stated that the developer is aware there are unpaved roads that should be paved. He stated that the County has refused certain requests for release because DOT has not taken over the roads until they are certified.

Chairman Goodwin recommended that the County Attorney and staff look into the County's liability in the event of any system failure.

Commissioner Mitchener asked if Bill Diehl would provide the Board with an update on the status of the development in November or December.

Mr. Lamb stated he would request this.

Commissioner Winborne stated this would be a good time for Mr. Diehl to provide an update on the discharge violation at Valhalla.

Commissioner Mitchener moved to approve the agreement as presented. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0). A copy of the agreement is in the meeting file labeled October 1, 2012.

Timely and Important Matters

Rural Fund for Development

Chairman Goodwin stated that this organization has requested a member of the Board of Commissioners or a representative be appointed to serve on their Board of Directors. He asked any interested commissioners to let him know.

Recreation Department Request

Recreation Director Jason Petersen presented the Board with quotes to remove the building at Fisher Field. He stated the building is in poor condition and has become a safety hazard. He noted that there has been a problem with people breaking into the building and there is a suspicion of illegal activities occurring in the building. Mr. Petersen provided two quotes and stated that the quote from J&J Environmental is more comprehensive because it includes disposal of the asbestos shingles as well as demolition of the building.

Commissioner Smith asked where the money to pay for the request would come from.

Mr. Lamb stated that the previous purchase of a lawn mower is coming from various line items in the existing budget.

Commissioner Nixon stated he felt the issue should be addressed, especially if the County has code enforcement ordinances to enforce.

Chairman Goodwin asked about the status of the transfer of ownership from the Town to the County for the recreation facilities.

Mr. Lamb stated that with the Board's permission he would notify the Town and inquire about the status of the deed transfer.

Commissioner Nixon moved to allow staff to proceed with demolition by taking the funds from the capital improvement line item and award the bid to J&J Environmental and to also authorize the County Manager to work with the Town Manager to deed the properties.

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

COA

Commissioner Lawrence shared additional information from the COA Board.

Mutual Aid Agreement

Emergency Management Coordinator Cord Palmer presented the Board with a proposed agreement between Chowan County and 12 other Northeastern North Carolina Counties. He stated the agreement allows the counties to assist each other if the need arises during a disaster. He stated this is something the counties are already doing however the state has requested that agreements be put in writing. He noted that the EMPG grant will provide the county with \$2,500 for putting this agreement in place.

Commissioner Mitchener moved to approve the agreement. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0). (A copy of the agreement is in the meeting file labeled October 1, 2012)

Animal Shelter Request

Commissioner Nixon noted that there have been staffing issues at the Shelter recently and the county has obtained a 19 hour employee to help on the days the staffing is short. He stated that comp time accrual has increased during this time. He stated the budget ordinance requires the

County Manager and Finance Officer obtain Board permission to transfer monies in and out of the salary line. He then moved to authorize the manager to move \$2,500 from the existing budget into the salary line to maintain the 19 hour position for two months.

Commissioner Smith asked if the transfer will impact the other two counties.

Mr. Lamb stated no since the funds are coming from within the shelter budget. He noted the \$2,500 would allow the county to continue funding the 19 hour position for two months.

Commissioner Nixon stated the director is getting her license for euthanasia which will reduce time for travel to transport animals. He added that a software program that was purchased for the shelter has not been implemented because the director is stretched in covering the staffing. He added he felt there would be savings in other line items during the year.

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

Closed Session

Commissioner Cole moved that the Board go into closed session in accordance with NCGS 143-318.11 (5 and 6). Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

The minutes of the closed session are sealed.

Being no further business for the closed session, Commissioner Smith moved that the closed session be adjourned. Chairman Goodwin asked for all in favor, the motion passed unanimously (7-0).

Chairman Goodwin announced that the position of the Clerk to the Board/Administrative Assistant to the County Manager would be reclassified to Clerk to the Board/ Executive Assistant to the County Manager.

Adjourn

Being no further business before the Board the meeting was adjourned.