

**PASQUOTANK COUNTY, NORTH CAROLINA
MARCH 15, 2010**

The Pasquotank County Board of Commissioners met today in an abbreviated work session on Monday, March 15, 2010 in the Commissioners Board Room in the Pasquotank County Courthouse.

MEMBERS PRESENT: Marshall H. Stevenson, Jr., Chairman
Bill Trueblood
Matt Wood
Cecil Perry
Charles H. Jordan

MEMBERS ABSENT: Lloyd E. Griffin, III, Vice-Chairman (*Out of Town*)
Jeff Dixon (*Out of Town*)

OTHERS PRESENT: Randy Keaton, County Manager
R. Michael Cox, County Attorney
Sheri Small, Finance Officer
Karen Jennings, Clerk to the Board

The meeting was called to order at 3:32 PM by Chairman Marshall Stevenson. County Manager Randy Keaton stated that he would like for the Board to try to resolve the issue regarding retiree health insurance that has been discussed previously. He outlined what the current policy provides. He stated that there are about 10 retirees who are now receiving retiree health insurance, and it is estimated that approximately 30 employees will be eligible to retire over the next five years. Mr. Keaton stated that an actuarial study that has been completed found that Pasquotank County's potential liability for retiree health insurance over the next 20 years could total \$7.2 million. Finance Officer Sheri Small said the study suggested that \$500,000 be set aside per year to fund the future liability for retiree health insurance. The County Manager provided information on the type of coverage surrounding counties provide for retirees. The Board reviewed the recommendations from the County Manager which included: continuing the current coverage for pre-65 retirees; changing to a Medicare supplement for post-65 retirees; and changing benefits for all new employees hired after a certain date.

The Board requested that the County Manager obtain additional information before a decision is made regarding retiree health insurance.

The work session was adjourned at 4:15 PM.

CHAIRMAN

CLERK

**PASQUOTANK COUNTY, NORTH CAROLINA
MARCH 15, 2010**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, March 15, 2010 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Marshall H. Stevenson, Jr., Chairman
Matt Wood (*Arrived at 8:00 PM*)
Bill Trueblood
Cecil Perry
Jeff Dixon
Charles H. Jordan

MEMBERS ABSENT: Lloyd E. Griffin III, Vice-Chairman (*Out of Town*)

OTHERS PRESENT: Randy Keaton, County Manager
R. Michael Cox, County Attorney
Karen Jennings, Clerk to the Board

The meeting was called to order at 7:00 PM by Chairman Marshall Stevenson. Commissioner Charles Jordan gave the invocation and Commissioner Bill Trueblood led in the Pledge of Allegiance to the American Flag.

1. PRESENTATION OF PROCLAMATION FOR FAIR HOUSING MONTH:

Chairman Stevenson recognized Ms. Virginia Goodspeed and Ms. Lenora Jarvis-Mackey with River City Community Development Corporation to accept the following proclamation declaring April as Fair Housing Month.

**PROCLAMATION FOR
FAIR HOUSING MONTH
APRIL 2010**

WHEREAS, April 2010 marks the 42nd anniversary of the Federal Housing Act of 1968 and the 27th anniversary of the North Carolina Fair Housing Act. Both laws prohibit discrimination in housing because of race, color, sex, religion, national origin, handicap and familial status; and

WHEREAS, Pasquotank County, Albemarle Area Association of Realtors, City of Elizabeth City, Elizabeth City State University Community Development Program, North Carolina Cooperative Extension Service Pasquotank Center, Northeastern Community Development Corporation, and River City Community Development Corporation, and county and local governments, concerned citizens and the housing industry, are working to make fair housing opportunities possible for all our citizens. Through their efforts, they are encouraging others to abide by the letter and the spirit of the fair housing laws; and

WHEREAS, one of the most important concerns of Pasquotank County citizens is the availability of housing to them as individuals and families. By supporting and promoting fair housing and equal opportunity, we are contributing to the health of our County and our State;

NOW, THEREFORE, the Pasquotank County Board of Commissioners hereby proclaims April 2010 as “**Fair Housing Month**” in Pasquotank County and urges our citizens to rededicate themselves to ensuring that fair housing laws are always upheld and citizens are protected against discrimination.

ADOPTED, this 15th day of March, 2010.

Ms. Goodspeed thanked the Board on behalf of all of the entities working to help citizens obtain fair housing.

2. PRESENTATION FROM YOUTH COUNCIL:

Chairman Stevenson called on Dr. Travis Burke, District Extension Director, to make a presentation to the Board regarding the Pasquotank Youth Council. Dr. Burke explained that a nationwide study was conducted on the behaviors of young people. He said the study looked at five different types of behaviors of young people and academic performance. He said a similar study has been conducted in Pasquotank County and North Carolina with data being collected over the past three years. He recognized representatives of the Pasquotank Youth Council to

present the results of the nationwide study compared to the statewide study. Tony Royle stated that the nationwide study involved 33 states and 2,491 students. He said Pasquotank Youth Development builds upon the five c’s which include:

- Competence – positive view of one’s actions
- Confidence – internal sense of overall positive self-worth and self-efficacy
- Connection – positive bonds with people and institutions
- Character – respect for societal and cultural norms
- Caring – sense of sympathy and empathy
- Contribution – how we contribute to our society

Other members of the Youth Council, Katelyn Twine, Jinger Russell, Bobby Harris, Jamye Wood, Makayla Proctor, and April Parker presented several graphs showing how North Carolina compared to the nationwide study in: The Five C’s and Youth Contribution; Self-Perceived Academic Experience; Future Academic Expectations; Peers and Community; Participation in “Out of School Time” Activities; Participation in Science, Engineering and Computer Technology Activities; Performance in Science, Engineering, and Computer Technology Subjects; Plans to Take Science Engineering, and Computer Technology Courses after High School; Personal Characteristics; Family and Mentoring; and Risk Behaviors.

After questions, the Board thanked the Youth Council for their presentation and for their hard work.

3. VOLUNTARY AGRICULTURAL DISTRICT ORDINANCE:

Dr. Travis Burke provided the Board with copies of the proposed Voluntary Agricultural District Ordinance for consideration. He outlined several minor changes that have been made by NCSU’s attorney since the previous draft. He noted that Elizabeth City is included as a region in the ordinance because there are some agricultural areas within the city limits. If there are property owners in the city who want their land to be included in the Voluntary Agricultural District, a memorandum of understanding between the city and the county would be needed as has been a common practice in other counties.

Chairman Stevenson asked Dr. Burke to explain what a VAD is and what it does. Dr. Burke explained that Voluntary Agricultural Districts are a way to create awareness of the agricultural area and related agricultural activities that might occur in that area. Signage would be placed on the state right-of-way adjacent to the property and information would be recorded in the Register of Deeds Office. This could circumvent nuisance complaints and create awareness for those who might be considering purchasing property near the VAD. The VAD is strictly voluntary and if property is put into a VAD, it can also be taken out. Dr. Burke provided a list of proposed members of the VAD Advisory Board from each of the townships. The Advisory Board would review and approve or disapprove applications from landowners to include their land in the VAD and would make recommendations to the Board of Commissioners concerning proposed amendments to the Ordinance, among other duties. Dr. Burke advised that a grant has been received from the Department of Agriculture to assist with the cost of getting the land on record in the Register of Deeds Office. The proposed VAD Committee members are as follows:

Newland	Providence	Nixonton	Salem	Mt. Hermon
Glenn Harris Mike Hewitt Lenon Madre John Spence Brian Stallings Ed Winslow	Steve Harris H.C. Pritchard	Ken Bateman Michael Gray Billy Mercer Wesley Moore Tommy Stevenson	Maurice Berry Murray Berry Shelton Davis James Fletcher Ike Jackson Reuben Earl James Eddie Jennings Mark Small Allen Weeks	Kevin Brickhouse Chuck Jackson/ Rufus Jackson Todd Perry Wayne Rogerson Jimmie Winslow

Motion was made by Jeff Dixon, seconded by Bill Trueblood to move forward with adoption of the Voluntary Agricultural District Ordinance and to approve the proposed list of VAD committee members. The motion carried 5-0.

The County Attorney noted that since a unanimous vote of all members of the Board of Commissioners must be received on first reading of an ordinance of this type, and two Board Members are not present tonight, the ordinance will have to be voted on again at the next meeting where it can be passed by a simple majority vote.

4. AMENDMENTS TO THE AGENDA:

Chairman Stevenson asked if there were any amendments to the agenda. County Attorney Mike Cox asked that the Board confirm its vote from the last meeting on the Peddlers and Solicitors Ordinance since all members were not present at that meeting. Even though it was a unanimous vote, only six members were present for that meeting. The ordinance can be passed by a simple majority vote at this meeting.

Motion was made by Bill Trueblood, seconded by Cecil Perry to approve an amendment to the agenda to add consideration of the second reading of the Peddlers and Solicitors Ordinance which was approved at the last meeting. The motion carried.

5. ADOPTION OF PEDDLERS AND SOLICITORS ORDINANCE:

Motion was made by Bill Trueblood, seconded by Cecil Perry to adopt the Peddlers and Solicitors Ordinance as presented at the March 1 meeting. The motion carried.

6. ADDITIONAL AMENDMENTS TO THE AGENDA:

Chairman Stevenson asked for additional amendments to the agenda. It was requested that the agenda be amended to add to the consent agenda the following two items recommended by the Finance Committee: 1) Approval of change order for Cherry Glade area wellfield expansion; and 2) Approval of donation of \$1,800 to North Carolina Potato Festival.

Motion was made by Jeff Dixon, seconded by Cecil Perry to approve the amendments to the agenda as recommended. The motion carried.

7. APPROVAL OF CONSENT AGENDA:

Commissioner Jeff Dixon requested that Item 7F, Attendance Policy, be removed from the consent agenda and considered separately. The Board considered the following consent agenda:

a. Approval of Minutes of February 24 and March 1, 2010 Commissioner Meetings

b. Approval of Tax Releases, Tax Refunds and Solid Waste Fee Releases

The Finance Committee has recommended approval of the following tax releases, tax refunds and solid waste fee releases:

Releases:

		County	City
1.	Brian Joseph Chepan	101.79	
2.	Robin Lynn Sparks	266.94	210.34
3.	Aaron Alan Stoddard	124.61	
4.	Victory Praise & Worship Center	255.14	103.95
5.	Roger Neil Meyers	177.70	
6.	Nicholas Giaculli	100.56	82.36
7.	Catherine Avie Phillips	127.34	106.57
8.	Billy Thomas Duncan, II	120.74	
9.	Jon S. Crouse Trustee	175.50	
10.	Sean Patrick Priest	119.63	
11.	Cornelius Edward Cummings IV	147.24	
12.	Diane Marie Lower	120.10	97.39

Refunds:

1.	Thomas E. Stevenson, Jr.	143.63	
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Solid Waste Fees:

	Owner's Name	Parcel ID Number	Reason for Release
1.	Terry B. Meads	P 6-21A	Not Livable

c. Approval of Audit Contract for 2009-10

The Finance Committee has recommended approval of an extension of the current audit contract with Douglas Hollowell for the fiscal year ending June 30, 2010 in the amount of \$29,000, which is the same price as the current fiscal year.

d. Approval of Sketch Plan for Dental School Project

The Finance Committee has recommended approval of Proposal A as prepared by McDowell & Associates for the proposed location of the dental school facility on the property across from Albemarle Hospital.

e. Appointments to Boards and Committees

The Appointments Committee has recommended the appointments of Mr. William Kruse and Dr. Hezekiah Brown to the Planning Board to replace Commissioner Charles Jordan and Dr. Herman Brown.

f. Approval of Change Order for Cherry Glade Area Wellfield Expansion Project

The Finance Committee has recommended approval of a change order for the RO project to add two more wells for future expansion. Phase 1 is the only portion that would be completed at this time at a total cost of \$572,839.

g. Approval of Contribution to North Carolina Potato Festival

The Finance Committee has recommended a contribution in the amount of \$1,800 to assist with the cost of the 2010 North Carolina Potato Festival.

Motion was made by Bill Trueblood, seconded by Cecil Perry to approve the consent agenda as amended. The motion carried.

8. APPROVAL OF ATTENDANCE POLICY FOR BOARDS AND COMMITTEES:

The Board reviewed a proposed attendance policy for boards and committees appointed by the Board of Commissioners. The policy as drafted would provide that any member appointed by the Board who fails to attend at least 75% of the regular meetings in a calendar year shall be removed from the committee except in the case of illness, the death or illness of a relative, or other extraordinary circumstances.

Commissioner Jeff Dixon noted that several citizens are serving on more than one committee. He said he would like to suggest that the policy also include a provision that one person shall not serve on more than one committee. He stated that this would provide opportunities for more citizens to serve on boards and committees. Commissioner Bill Trueblood noted that it is very difficult to get people to serve on boards and committees and in some instances those particular people serving on committees are the only ones who will accept the positions. He said he believes these people who are willing to serve should not be excluded if there is no one else willing to serve. Commissioner Cecil Perry suggested that the Board take a total look at committees and see if Commissioner Dixon's recommendation could be incorporated, and also take into consideration Commissioner Trueblood's statement that it is difficult to find people who will serve. Commissioner Charles Jordan stated that he agrees with Commissioner Trueblood that it is sometimes hard to find people to serve and maybe sometimes the same people work on different committees because of their skill level. He said it would be nice if the Board could get different people to serve on all the committees, but it just might not be possible to do. Chairman Stevenson added that he believes it is a worthy goal to do as Commissioner Dixon has advocated, however it is not an easy job to find people who are willing to take their time and volunteer to go to meetings. He stated that the policy that has been drafted might result in some people dropping off of committees if they are required to attend 75% of the meetings. He said he would be willing to back off of the 75% number somewhat because if it is implemented, the Board will have problems getting people to serve on boards and committees.

Motion was made by Jeff Dixon, seconded by Bill Trueblood to approve the attendance policy for boards and committees as presented with members required to attend at least 75% of regular meetings within a given calendar year.

Discussion followed and Chairman Stevenson said he would really like to see the percentage decreased somewhat, possibly to 60%. He asked if this could be considered in the motion. Commissioner Trueblood said he believes if someone agrees to be on a committee, they should also agree to be there. He said there will be times when there are illnesses or uncontrolled circumstances, however most committees have set meeting times and when someone commits to

serve on a committee they should commit to being at the meetings at least 75% of the time. Commissioner Perry stated that it should be indicated if people are ill or have a conflict that it is acceptable that they would be excused. He added that it is sometimes hard to get seven Commissioners to attend meetings and he believes the Board should also look at establishing some type of rule to encourage attendance. Commissioner Jordan stated that he has served on a couple of committees and sometimes they were not able to take care of their business because there were not enough members in attendance.

The motion was amended to change from 75% to 60% the percentage of regular meetings a member of a board, commission, committee, or council must attend within a given calendar year. The amended motion carried 5-0.

9. CONSIDERATION OF AMENDMENT TO ANIMAL CONTROL ORDINANCE:

The Board considered a draft amendment to the Animal Control Ordinance that would place a limit of three dogs per household in residential subdivisions. County Attorney Mike Cox stated that Chairman Stevenson had requested that language be added to the ordinance that provides that if the number of dogs decreases on one of the nonconforming lots, the dog could not be replaced. Chairman Stevenson said he would also recommend that the word "household" be removed because he does not think that dogs in a house would bother a neighbor, only those dogs that are outside in residential areas. Commissioner Dixon stated that he would like to have Sheriff Cartwright explain how he will enforce this ordinance because he sees some huge labor-intensive work for the Sheriff's Department. He asked who will determine which homes are grandfathered and who will track the ages of puppies to 16 weeks. He said he believes the people who are having issues will be grandfathered in, so the ordinance would not address the problems. He stated that the county does not have a code enforcement officer who could be assigned to enforce the ordinance. Chairman Stevenson stated that he sees this as complaint driven and if no one is complaining there is not a problem. He said the city has an ordinance such as this and he does not know of any problems with the city enforcing its ordinance.

Note: Commissioner Wood joined the meeting at this time.

Commissioner Wood said his 83 year old mother cannot enjoy being in her yard because when she goes in her yard, the neighbor's dogs bark at her and frighten her. He stated that he feels people should have the enjoyment of their own yards. He said sometimes neighbors can work out problems such as this, but when they cannot, the county has to step in and help resolve it. He added that this is why the county has ordinances.

Commissioner Dixon stated that he knows there is an issue in the county with puppy mills and he thinks the ordinance should be directed to the puppy mills and not to individuals who want to have more than three dogs.

Chairman Stevenson said this is slanted toward those people who have deer dogs. He stated that there are some properties in residential areas of the county that have dog pounds with 20 hunting dogs. He said hunting dogs are not quiet and there is a constant need to clean up behind them which is not done much of the time creating an odor problem. He stated that it is his opinion that this should not be allowed in a residential area where houses are close together. He added that this is the intent of this ordinance.

County Manager Randy Keaton noted that he would encourage the Board to leave the word "households" in the ordinance because if someone has a lot of dogs in their house it is probably not a healthy situation for the dogs or the family. He said if it is in a subdivision, it would deteriorate the property.

Commissioner Trueblood said this ordinance will allow when there is a problem for the problem to be addressed. He stated that he does not believe the Sheriff's Department will expend the manpower tracking down someone who has four or six dogs that are not causing any problems. He reiterated that it would be complaint-driven. He added that the ordinance would only apply to subdivisions with the R or RMH zoning classifications.

Commissioner Dixon stated that the Board passed an ordinance to regulate nuisance dogs awhile back and he believes that a lot of the problems being discussed tonight would fall under that ordinance.

Chairman Stevenson noted that this has been discussed for over two years and he would like to bring it to a vote and move forward with it if there is will to do so.

Motion was made by Matt Wood, seconded by Cecil Perry to move forward with the amendment to the Animal Control Ordinance to place a limit of three dogs per household in residential subdivisions. The motion carried by a five to one margin with Commissioner Dixon voting against the motion.

County Attorney Mike Cox advised that this ordinance amendment needs to come back before the Board for a second vote since all members are not present tonight. He stated that a public hearing is not required, but if the Board chooses to have one, it may do so.

The Board concurred to hold a public hearing on the ordinance amendment at the next meeting.

10. APPROVAL OF INTERLOCAL AGREEMENT TO CONSOLIDATE PARKS AND RECREATION DEPARTMENTS:

The Board reviewed a proposed interlocal agreement to consolidate the city's and county's parks and recreation departments. The County Attorney stated that the city has approved this agreement in form, however the City Manager advised him that the City Council had directed him to do some type of study.

Motion was made by Bill Trueblood, seconded by Matt Wood to lay this interlocal agreement on the table until a definitive answer has been received from the city.

Discussion followed and the County Manager stated that this proposed consolidation was discussed by the city and county at the last joint meeting and it was agreed to revisit the issue after the initial agreement was drafted. Chairman Stevenson stated that he has a real problem with starting a joint agreement with the county paying 55% to begin with because the populations of the city and the county are about the same. He said he also has a problem with joining forces and not saving money. He added if this continues to be the case, he will not vote for the agreement. The County Manager stated that the percentage is based on what is actually being spent now. Commissioner Dixon said he also thought there was going to be some savings, and he understands there might be some savings in the future. He said he believes the community does not need to have two parks and recreation departments. Commissioner Wood stated that it makes sense that over time there will be some efficiencies in having one operation.

Commissioner Wood withdrew his second to the motion and the motion died due to the lack of a second.

Motion was made by Matt Wood, seconded by Jeff Dixon to proceed with approval of the Interlocal Agreement to Consolidate the City and County Parks and Recreation Departments as presented. The motion carried by a four to two margin with Commissioners Stevenson and Trueblood voting against the motion.

11. CONSIDERATION OF REQUEST FROM RESIDENTS FOR CROSSOVER AT INTERSECTION OF POSSUM QUARTER ROAD AND US 17 NORTH:

The Board considered a request from residents for a crossover where Possum Quarter Road intersects with US 17 North. The residents have indicated that it is a traffic hazard for them to turn right and go up to the next crossover and make a left to go toward Elizabeth City.

Motion was made by Matt Wood, seconded by Jeff Dixon to request the North Carolina Department of Transportation to initiate a study for a possible crossover at the intersection of Possum Quarter Road and U.S. 17 North. The motion carried.

12. PUBLIC HEARING ON INSTALLMENT FINANCING AGREEMENT TO REFINANCE A PORTION OF THE COST OF THE JAIL PROJECT:

County Manager Randy Keaton stated that the Board needs to convene a public hearing on whether the Board of Commissioners should approve an installment financing agreement to refinance a portion of the cost of a new jail. He asked that the Board open the public hearing and then recess it as well as tonight's meeting until sometime early next week. He stated that the

documents were not ready today because of uncertainty as to whether the Local Government Commission would be able to meet before the end of the month.

Chairman Stevenson declared the meeting to be a public hearing on whether the Board of Commissioners should approve an installment financing agreement to refinance a portion of the cost of a new jail. The public hearing was recessed until Monday, March 22 at 9:00 AM.

13. OFFICE SPACE FOR RED CROSS:

Mr. Keaton stated that the Red Cross has requested financial assistance from the county. They provide a lot of direct assistance to the county specifically during disasters and home fires and spend a considerable amount of money to provide this assistance. The Red Cross is currently renting office space so a portion of the money they raise goes toward paying rent. Mr. Keaton said he had suggested the possibility of allocating some of the space at Edgewood Center to the Red Cross in lieu of cash assistance. This could potentially save the Red Cross about \$11,000 per year that they would not have to pay in the form of rent. Mr. Keaton reported that a meeting has been held with the Red Cross and they have looked at possible office space at Edgewood Center to relocate their offices. He said the space being considered is at the back of Edgewood Center that is somewhat isolated from the rest of the Mental Health space. It has a corridor that provides direct access so they would not have to go through any other areas to get to the space. Mr. Keaton stated that the Red Cross would like to know if they make the move how long the county would allow them to use the space. They wanted to avoid making a move and then having to move again in a year.

The Board concurred to approve a two-year initial lease with the Red Cross with year by year renewals.

14. REPORTS FROM COMMISSIONERS:

Commissioner Dixon reported that the Tourism Development Authority has decided to get involved with the School Board regarding use of athletic facilities. He said the TDA has recognized that sports tourism is becoming a big player in North Carolina due to normal tourism revenues being down. He stated that the TDA plans to meet with the Board of Education in April and will be requesting them to adopt a resolution to approve a uniform policy regarding the use of school athletic facilities by outside organizations.

Commissioner Jordan reported that he attended a recent Community Watch meeting during which the group communicated some of their concerns. He said he also attended the 911 Advisory Board meeting last week and learned that they had applied for some additional frequencies which was approved by the FCC. He stated that some concern was expressed at the meeting regarding NC Aware which is working very well in Camden County and Pasquotank County. He said it is not working as well in the City of Elizabeth City because the city is not utilizing it which is causing more work for the telecommunicators. He added that the program may have to be stopped completely if more cooperation is not received from the city. Commissioner Jordan stated that he was also able to meet with the volunteer firefighters at Newland and Providence Volunteer Fire Departments.

Commissioner Perry reported that the Jail Commission has hired a person who will be responsible for maintenance at the new jail. He stated that the person hired is very capable of doing the job. Commissioner Perry said that he received a telephone call this week asking if the Board of Commissioners had adopted the resolution regarding healthcare reform that was presented at the last meeting. He stated that the Board should respond as to how it plans to deal with the resolution.

Commissioner Perry stated that he would like to be the person appointed to represent Pasquotank County on the Highway 17 Association Board of Directors. Commissioner Wood noted that Commissioner Dixon has already volunteered to be appointed.

Motion was made by Bill Trueblood, seconded by Matt Wood to appoint Commissioner Jeff Dixon as Pasquotank County's representative on the Highway 17 Association Board of Directors. The motion carried.

Chairman Stevenson stated that Commissioner Perry has brought up the issue of the resolution that was presented at the last meeting on healthcare reform. It was requested that the County Manager re-circulate the resolution for the Board to review further.

Chairman Stevenson asked if there was any further business to come before the Board. There being no further business;

Motion was made by Matt Wood, seconded by Jeff Dixon to recess the meeting until Monday, March 22 at 9:00 AM in the Commissioners Board Room. The motion carried and the meeting was recessed at 8:52 PM.

CHAIRMAN

CLERK

**PASQUOTANK COUNTY, NORTH CAROLINA
MARCH 22, 2010**

The Pasquotank County Board of Commissioners met today in a recessed regular meeting on Monday, March 22, 2010 in the Commissioners Board Room in the Pasquotank County Courthouse. The meeting was reconvened at 9:25 AM.

MEMBERS PRESENT: Marshall H. Stevenson, Jr., Chairman
Bill Trueblood
Cecil Perry
Jeff Dixon
Charles H. Jordan

MEMBERS ABSENT: Lloyd E. Griffin III, Vice-Chairman
Matt Wood

OTHERS PRESENT: Randy Keaton, County Manager
R. Michael Cox, County Attorney
Karen Jennings, Clerk to the Board

The Chairman of the Board of Commissioners for the County of Pasquotank, North Carolina (the "County") announced that this was the place, time and date fixed for the recessed public hearing for the purpose of considering whether the Board of Commissioners for the County (the "Board") should approve a proposed installment financing agreement and certain related documents pursuant to G.S. §160A-20, as amended, for the purpose of providing funds in an amount not to exceed \$12,000,000, with any other available funds, to refinance a portion of the cost of the Project hereinafter defined. Such portion of the cost of the Project was initially financed pursuant to an Installment Financing Contract, dated February 15, 2007, between the Bank of America, N.A., and the County, as modified by a Modification Agreement, dated April 14, 2008, and a Second Modification Agreement, dated June 29, 2009, between the same parties (the "Prior Contract"). The County is considering refinancing such portion of the cost of the Project by paying the amount to come due under the Prior Contract with the proceeds of such proposed agreement and any other available funds. The County would secure the repayment by it of moneys advanced pursuant to such proposed agreement by granting a security interest in all or a portion of the Project and certain related property.

The Project consists of the construction and other accomplishment of a jail and related site improvements on approximately 15 acres of land owned by the County in the Pasquotank County Commerce Park and the acquisition of furnishings and equipment therefor. The Project will house inmates from Pasquotank, Perquimans and Camden counties and will replace the existing Albemarle District Jail. The Project will be owned by the County and leased to the Albemarle District Jail Commission for operation.

The Chairman of the Board then announced that the construction of the Project has been delayed and that the refinancing described above cannot be accomplished as anticipated until after the Project has been completed. Accordingly, the Board is also considering whether the County should modify further the Prior Contract to extend its term to include the current estimated completion date of the Project and will also consider as a part of this public hearing whether the County should so modify the Prior Contract.

This public hearing was to be held on March 15, 2010 but was recessed to this place, time and date. Notice of this public hearing was published in the The Daily Advance not less than 10 days before March 15, 2010.

The County Manager and the Finance Officer of the County then described the current status of the Project, the current plan of the County to refinance a portion of the cost of the Project as described above and the need to modify further the Prior Contract to extend its term to include the current estimated completion date of the Project.

The County Manager and the Finance Officer of the County then presented and described a proposal that the County had received from the United States of America to refinance a portion of the cost of the Project as described above. Such proposal appears to be appropriate to meet the

County's needs under the related circumstances and constitutes the proposed agreement that is a subject of this public hearing.

The County Manager and the Finance Officer of the County then also presented and described a proposal to modify further the Prior Contract that the County had received from the Bank in response to the County's request for such a proposal. Such proposal appears to be appropriate to meet the County's needs under the related circumstances and includes the modification to the Prior Contract that is also a subject of this public hearing.

The Chairman of the Board then announced that the Board would immediately hear anyone who might wish to be heard on such matters.

No one appeared, either in person or by attorney, to be heard on such matters and the Clerk to the Board announced that no written statement relating to such matters had been received.

Thereupon, upon motion of Commissioner Bill Trueblood, seconded by Commissioner Cecil Perry, the Board determined to refinance a portion of the cost of the Project as described above and to approve on a preliminary basis the proposal from the United States of America substantially as presented. Such motion was approved by the following vote:

Ayes: Commissioners Marshall H. Stevenson, Jr., Bill Trueblood, Jeff Dixon, Cecil Perry, and Charles Jordan.

Noes: None.

Thereupon, upon motion of Commissioner Bill Trueblood, seconded by Commissioner Cecil Perry, the Board also determined to continue to finance a portion of the cost of the Project pursuant to the Prior Contract, as modified further by the proposed modification, and to approve the proposed modification substantially as presented. Such motion was approved by the following vote:

Ayes: Commissioners Marshall H. Stevenson, Jr., Bill Trueblood, Jeff Dixon, Cecil Perry, and Charles Jordan.

Noes: None.

Thereupon the Chairman of the Board announced that the public hearing was closed.

Thereupon Commissioner Marshall Stevenson introduced the following resolution, a copy of which had been provided to each Commissioner and which was read by its title:

RESOLUTION APPROVING A THIRD MODIFICATION AGREEMENT AND CERTAIN OTHER DOCUMENTS AND APPROVING AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE FINANCING OF A PORTION OF THE COST OF A NEW JAIL OF THE COUNTY OF PASQUOTANK, NORTH CAROLINA.

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

WHEREAS, the County, Camden County, North Carolina and Perquimans County, North Carolina (collectively, the "Participating Counties") have determined to participate in an undertaking, pursuant to Section 153A-219 and Chapter 160A, Article 20, Part 1 of the North Carolina General Statutes, as amended, to finance a portion of the cost of a project to provide improved regional or district jail or confinement facilities for housing prisoners from the Participating Counties and, in order to execute such undertaking, entered into an Intercounty Agreement Concerning a New Regional Confinement Facility, dated November 17, 2006 (the "Intercounty Agreement"); and

WHEREAS, such project consists of the construction of a jail and related site improvements on approximately 15 acres of land owned by the County in Pasquotank Commerce Park and the acquisition of furnishings and equipment therefor (the "Project"); and

WHEREAS, pursuant to the Intercounty Agreement, the County financed a portion of the cost of the Project by entering into an Installment Financing Contract with RBC Centura Bank (“RBC”), dated November 21, 2006 (the “RBC Contract”), and financed another portion of the cost of the Project by entering into an Installment Financing Contract with Bank of America, N.A. (“BofA”), dated February 15, 2007, as modified by a Modification Agreement, dated April 14, 2008, and a Second Modification Agreement, dated June 29, 2009, between the same parties (the “BofA Contract”); and

WHEREAS, the County and BofA desire to modify further the BofA Contract to extend its term and to make certain related changes; and

WHEREAS, pursuant to the Intercounty Agreement, it is now necessary or advisable for the Board of Commissioners for the County (the “Board”) to approve certain documents and to approve and authorize certain actions in connection with modifying further the BofA Contract; and

WHEREAS, there have been presented for consideration by the Board copies of the following documents relating to such matter:

(a) a draft of a Third Modification Agreement, dated March 29, 2010, between the County and BofA (the “Third Modification Agreement”), which would extend the term of the BofA Contract from March 31, 2010 to May 4, 2010 and make certain related changes; and

(b) a draft of a Third Amendment to Escrow Deposit Agreement, dated March 29, 2010, among the County, RBC, BofA and RBC Centura Bank as escrow agent (the “Third Amendment to Escrow Deposit Agreement”), which would amend an Escrow Deposit Agreement, dated February 15, 2007, among the same parties, as amended by an Amendment to Escrow Deposit Agreement, dated April 14, 2008, and a Second Amendment to Escrow Deposit Agreement, dated June 29, 2009, among the same parties, that provides for the investment and disbursement of the proceeds of each of the RBC Contract and the BofA Contract so that such Escrow Deposit Agreement refers to the BofA Contract, as modified by the Third Modification Agreement; and

(c) a draft of a Third Amendment to Intercreditor Agreement, dated March 29, 2010, among RBC, BofA and the County (the “Third Amendment to Intercreditor Agreement”), which would amend an Intercreditor Agreement, dated February 15, 2007, among the same parties, as amended by an Amendment to Intercreditor Agreement, dated April 14, 2008, and a Second Amendment to Intercreditor Agreement, dated June 29, 2009, among the same parties, that provides for the relative rights and duties of such parties with respect to certain provisions of the RBC Contract and the BofA Contract so that such Intercreditor Agreement refers to the BofA Contract, as modified by the Third Modification Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The Board hereby confirms that the Project and its use are essential for the County and that the Project will permit the County to carry out public functions that it is authorized by law to perform.

Section 2. The Board hereby finds and determines that it is in the best interest of the County to enter into the Third Modification Agreement, the Third Amendment to Escrow Deposit Agreement and the Third Amendment to Intercreditor Agreement (collectively, the “Documents”) in order to effectuate the modification of the BofA Contract as described above.

Section 3. The form and content of each of the Documents, each of which will be a valid, legal and binding obligation of the County in accordance with its terms, are hereby approved in all respects and the Chairman of the Board, the Finance Officer of the County and the Clerk to the Board or their designees are hereby authorized and directed to execute and deliver the Documents, as may be applicable, in substantially the forms presented to the Board, together with such additions, changes, modifications and deletions as they, with the advice of counsel, may deem necessary and appropriate, and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Board and the County; provided, however, that the due date of the final Installment Payment is not later than May 4, 2010 and that the aggregate amount of the principal components of the Installment Payments does not exceed \$12,000,000.

Section 4. The Board hereby approves, ratifies and confirms the actions of the County Manager, the Finance Officer and the County Attorney of the County in connection with this matter.

Section 5. The officers and employees of the County are authorized and directed (without limitation except as may be expressly set forth herein) to take such other actions and to execute and deliver such other documents, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effectuate the transactions contemplated by the Documents.

Section 6. The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), as applicable to the BofA Contract, as modified by the Third Modification Agreement, except to the extent that the County obtains an opinion of nationally-recognized bond counsel to the effect that noncompliance would not result in the interest components of the Installment Payments (as defined therein) being includable in the gross income of the recipient thereof under Section 103 of the Code, as more specifically provided therein.

Section 7. This resolution shall take effect immediately upon its passage.

Upon motion duly made and seconded, the foregoing resolution was passed by the following vote:

Ayes: Commissioners Marshall H. Stevenson, Jr., Bill Trueblood, Jeff Dixon, Cecil Perry, and Charles Jordan.

Noes: None.

Motion was made by Jeff Dixon, seconded by Cecil Perry to adjourn the meeting. The motion carried and the meeting was adjourned at 9:40 AM.

CHAIRMAN

CLERK