

**PASQUOTANK COUNTY, NORTH CAROLINA
APRIL 26, 2011**

The Pasquotank County Board of Commissioners met today in a special meeting on Tuesday, April 26, 2011 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Jeff Dixon, Vice-Chairman
Bill Trueblood
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: Cecil Perry

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant 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 Lloyd Griffin who said the purpose of tonight's meeting is to hold a public hearing on a proposal to provide economic development incentives to Atlantic Wind, LLC and to consider a resolution and economic development agreement to implement the incentives.

Assistant County Manager Rodney Bunch gave a PowerPoint presentation outlining the project and the economic development agreement. He said that Iberdrola Renewables, Inc, with headquarters in Portland, Oregon, proposes to construct a 300 megawatt wind energy project on approximately 20,000 acres in Pasquotank and Perquimans Counties. Its global parent company is the world's leading provider of wind power. The proposed project will create over 200 construction jobs, eight permanent jobs with an average annual compensation of \$80,000, and will pay annual compensation to land owners of up to \$1 million.

Mr. Bunch said the project involves construction of up to 150 wind turbines, including buildings, transmission lines, and substations in the desert area. It is anticipated that the company's capital investment will generate significant ad valorem property tax revenues in addition to creating jobs. The Economic Development Agreement is a mechanism to provide economic development grants to the company as authorized by North Carolina General Statutes to induce the company to construct the facility and create jobs. Without the economic development grants, the company would not agree to locate a portion of the facility or to make an investment in Pasquotank County.

Mr. Bunch explained that the company will make a minimum initial investment in Pasquotank County of \$30 million by December 31, 2015 to fully qualify for grants from the county. The company will pay all real and personal property taxes due to the county in January of each year. The county will pay an annual grant to the company based on a percentage of the tax the company pays to the county over 30 years. The grant percentage will range from approximately 80.41% and decline to 4.99% in years 26 through 30. Only additional qualifying investments would be subject to any grant from the county beyond year 30. For real property taxes, the grant percentage is 70% for 30 years. If the company fails to make a \$30 million initial investment by December 31, 2015, or if the company fails to create at least eight jobs, then the company will pay the county a pro rata refund.

The county would benefit from the project by receiving tax revenues of up to \$375,000 to \$450,000 per year depending on the total investment and future tax rates; the project will provide private sectors jobs with substantially higher wages than the current annual wage in the county; during construction will provide up to 200 jobs, utilization of local contractors and local goods and services; due to the nature and size of the project it's a long-term commitment by the company and therefore a long-term county benefit; no county investment is required to recruit the project and virtually no long-term county service requirements; the project is very compatible and complimentary to agricultural production; annual lease payments to land owners will provide additional economic impact; there will be a future conditional use permit process by county boards to address concerns regarding noise, environmental, property values, etc.

Mr. Bunch stated that the Economic Development Agreement only enables this project to move to the next step. He summarized the benefits by stating that there will be an increase in tax base with no county investment or significant services, there will be temporary and permanent job creation, and there will be annual lease payments to land owners.

Chairman Griffin called on Tax Administrator Patrice Stewart to answer several questions. He said he had been contacted by land owners who have asked if their farm land that is leased to Iberdrola will be taken out of land use value if it is currently in land use. Ms. Stewart said only the footprint of the actual turbine will be taken out of land use and will be assessed according to the use of the property.

Vice-Chairman Jeff Dixon said Iberdrola will be leasing more than the footprint of the turbine. He asked how the extra acre or so around the turbine will be taxed. Ms. Stewart said what she has confirmed from the Department of Revenue is that only the footprint will be taken out of land use because the farmers will be able to farm right up to the turbine. She also said the roads that have to be constructed for access to the turbines will not be in land use.

Mr. Andrew McKee from Iberdrola Renewables clarified that they will not purchase any of the roads, but will have easements for each of them. Commissioner Bill Trueblood asked Mr. McKee if all of the transmission lines would be classified as personal property as the towers themselves. Mr. McKee said he believes that is correct.

Chairman Griffin asked if the underground wiring would be a separate taxing issue or if it would be included in the overall investment. Ms. Stewart stated that it would be considered a leasehold improvement for tax purposes and would therefore be business personal property and not real estate.

Commissioner Joe Winslow said he understands that there will be substantial improvements made to the roads, such as culverts. He asked who would pay the taxes on those improvements. Ms. Stewart said the lessee would pay the taxes because these would also be considered leasehold improvements.

Chairman Griffin declared the meeting to be a public hearing on the proposed resolution and Economic Development Agreement with Atlantic Wind, LLC. He read two letters of support for the project from Toni McGovern, General Manager of the Hampton Inn, and from Andy Montero, owner of Montero's Restaurant.

Chairman Griffin asked if anyone would care to address the Board on the proposed economic development incentives. No one requested to speak for or against the proposed resolution or Economic Development Agreement. At the absence of comments, the public hearing was closed.

Chairman Griffin asked for comments from Commissioners. Commissioner Trueblood asked for clarification on the number of jobs to be created. He said the Pasquotank agreement indicates that eight jobs will be created and the Perquimans agreement indicates that eight jobs will be created. He said this would be a total of sixteen jobs and he asked if this is the intent. Mr. McKee said sixteen jobs would be created for the complete project.

Vice-Chairman Dixon asked if page 10 of the agreement under Section 16. *Notices* could include the current chairman of the Board of Commissioners. It was also suggested that the names of the County Manager and County Attorney be removed because they will most likely not be the same throughout the thirty year term of the agreement.

Chairman Griffin noted that the original proposal provided to the county by Iberdrola included an investment of \$170 million. He said this has now gone to a \$30 million project in Pasquotank County, and Perquimans County's portion of the project includes an investment of \$240 million because the substation and the majority of the infrastructure will be located in Perquimans. He stated that the attorneys from both Pasquotank and Perquimans have requested that the agreements include an indemnity clause and a hold harmless clause in the event there is a breach of the agreement. He added that he has heard that this project will not put a demand on any county services. He said that several existing large businesses, such as Wal-Mart, do not place a demand on county services because they are in the city's jurisdiction. He stated that he feels the agreement is very driven by the company. He said the Board of Commissioners presented ideas or options to the company and their attorneys felt it was too far along in the process to present comments. Chairman Griffin stated that in the initial stages Iberdrola indicated that it wanted to

be fair and be a good business and community partner, however he is not seeing that. He added that he however thinks the project is good for the county.

Commissioner Trueblood said he sees only one of the land owners, Horace Pritchard, at tonight's meeting. He asked if Mr. Pritchard is aware of the decreased numbers that are projected for Pasquotank County. Mr. Pritchard said the key for Pasquotank County was when Chapanoke Farms signed on just a couple of weeks ago. He stated that his understanding is that if Chapanoke had not signed on, it would have been a Perquimans County project. He said the maps show an equal number of turbines in each county. He said if Chapanoke Farms had not come onboard, there probably would not have been more than six turbines in Pasquotank County. Commissioner Trueblood stated that he is in full agreement with what is being done, but he wants the property owners to understand that in this agreement the numbers are a lot different in Pasquotank County than they are in Perquimans County.

County Manager Randy Keaton presented a revised spreadsheet showing a \$30 million cost of the turbines in Pasquotank County, what the valuation would be after the Schedule T depreciation schedule is applied, assuming an average tax rate over 30 years, and what the grant amount would be. He said the net per turbine is the same, however there would be fewer turbines on which taxes would be paid and on which the county would make grants back to the company.

It was requested that the County Attorney check with the attorney for Atlantic Wind, LLC to see if the contract could be amended at a later date to remove the names of the County Manager and County Attorney from Section 16.

Motion was made by Bill Trueblood, seconded by Gary White to approve the Economic Development Agreement and the Resolution Authorizing the County to Pay Economic Development Incentives and to Sign the Economic Development Agreement with Atlantic Wind, LLC. The motion carried by a five to one margin with Chairman Griffin voting against the motion.

The resolution as adopted is as follows:

RESOLUTION
BOARD OF COMMISSIONERS, PASQUOTANK COUNTY

*Authorizing County to Pay Economic Development Incentives and to Sign Economic
Development Agreement*

WHEREAS, Atlantic Wind, LLC ("**Company**"), may lease certain real property in Pasquotank County ("**County**") and Perquimans County with the intent of constructing on that property a wind energy facility, including wind turbines and related equipment;

WHEREAS, if the Company moves forward with the project and signs an economic development agreement ("**EDA**") with the County, the Company will commit to make expenditures on wind turbines and other property it would locate in the County that will equal or exceed \$30 million dollars;

WHEREAS, the Company's construction and operation of the wind energy facility would create at least eight full-time jobs at the facility;

WHEREAS, the average wage that would be paid to the persons holding those eight full-time jobs at the wind energy facility would be substantially higher than the County's average wage;

WHEREAS, the Company's leasing land in the County on which to construct a portion of the facility would result in substantial rent payments to those County landowners leasing land to the Company;

WHEREAS, the Company has requested that the County provide economic development incentives to induce the Company to make the capital investment in the County and to create the jobs at the facility;

WHEREAS, the Company has informed the County that if the County does not provide those economic development incentives, the Company will not locate the facility in the County;

WHEREAS, under the EDA, the Company would agree to refund to the County a portion of the economic development incentive grants it receives if it does not make at least a \$30 million investment in property in the County by December 31, 2015, or if an average of eight jobs are not maintained at the facility during a defined four-year period;

WHEREAS, if the Company constructs the wind energy facility, it is expected to create an estimated 200 construction jobs during a nine-month construction period and, additionally could produce more revenues for, and expand, local businesses as the Company would agree to use reasonable efforts to use vendors and contractors based in the County or the region as it deems appropriate;

WHEREAS, the Company's construction of the wind energy facility would substantially enhance the County's property tax base, increase the County's property tax revenues, and make the Company one of the County's largest taxpayers and probably the County's largest taxpayer;

WHEREAS, the County has reviewed and considered the North Carolina Department of Commerce's May 2010 economic impact analysis study regarding the potential economic impact of a proposed private wind energy electric power generation facility in North Carolina;

WHEREAS, the Company's construction of the wind energy facility would help diversify the County's economy and create new employment opportunities and could serve as a model by which the County could attract similar or complementary businesses and industries;

WHEREAS, the County would be home to a portion of the first commercial scale wind project in the state of North Carolina, creating a new industry in the area;

WHEREAS, the County has recently adopted changes to its zoning ordinance that help protect the County if an owner of a wind energy facility fails to continue to operate the facility, including requiring the decommissioning and removal of the wind energy facility if no electricity is generated for a continuous period of 12 months and requiring the owner of a large wind energy farm to provide a bond or irrevocable letter of credit in favor of the County to cover the estimated removal costs, less equipment salvage value; and

WHEREAS, the Board of Commissioners deems it desirable and in the best interests of County and its businesses and residents to offer certain economic development incentives to the Company and to enter into an EDA with the Company.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pasquotank County, North Carolina, as follows:

1. The Board of Commissioners approves appropriating and spending from the County's general fund amounts to make the following annual cash grants to the Company:

(a) Cash grants, for a term of up to 30 consecutive years, equal to 70% of the real property taxes paid to the County with respect to the facility each year (both directly by the Company and indirectly by a lessor of the real property on which the facility is located if there is an increase in that lessor's real property taxes as a result of the facility and the Company reimburses that lessor); and

(b) Cash grants, for a term of up to 30 years, equal to a percentage of the personal property taxes the Company pays to the County each year ranging from 80.41% to 4.99%, such amount being more specifically described in the draft EDA attached to this Resolution as **Exhibit A ("Economic Development Agreement")**.

2. To implement these incentives and the Company's associated refund obligations, the Board of Commissioners hereby approves the Economic Development Agreement and authorizes the Chair of the Board of Commissioners and the County Manager (or either of them) to execute that Economic Development Agreement on the County's behalf and to take all actions necessary to implement the actions and grants required by that Agreement. The Board of Commissioners also authorizes the Chair of the Board of Commissioners and the County Manager (or either of them), before executing the Economic Development Agreement, to negotiate and approve changes to that Economic Development Agreement's language that do not increase the amounts

of the cash grants the County is required to pay the Company, or decrease the amount the Company is required to refund to the County, under the Agreement.

This 26th day of April, 2011.

Chairman Griffin asked if there was any further business to come before the Board. There being no further business, he asked for a motion to adjourn the meeting.

Motion was made by Jeff Dixon, seconded by Gary White to adjourn the meeting.
The motion carried and the meeting was adjourned at 7:40 PM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
MAY 2, 2011**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, May 2, 2011 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Jeff Dixon, Vice-Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White

MEMBERS ABSENT: Joseph S. Winslow, Jr. (*Out of Town*)

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant 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 Lloyd Griffin. Chairman Griffin gave the invocation and led in the Pledge of Allegiance to the Flag.

1. BOARD OF EQUALIZATION AND REVIEW:

The Clerk swore in members of the Board to serve as the Board of Equalization and Review. Chairman Griffin called on Tax Administrator Patrice Stewart who explained that the Board of Equalization and Review provides an opportunity for taxpayers to express their concerns and appeal their assessments when they feel they are not correct. She stated that with the current state of the economy, some of the assessments are higher than market value, but the tax office cannot reduce the assessments unless there is a clerical error or mathematical error.

Chairman Griffin convened the Board of Equalization and Review for 2011 and asked if there were any appeals to be heard. Ms. Stewart reported that she does not have any appeals to come before the Board of E&R. Chairman Griffin asked if anyone from the public has an appeal to bring before the Board of E&R. There being no appeals, Chairman Griffin asked for a motion to adjourn the Board of Equalization and Review for 2011.

Motion was made by Gary White, seconded by Jeff Dixon to adjourn the Board of Equalization and Review for 2011. The motion carried.

County Manager Randy Keaton asked Ms. Stewart to discuss the timing of the revaluation cycle. Ms. Stewart explained that Pasquotank County's revaluation is on an eight year cycle and the last revaluation was in 2006. She said the county is scheduled to finalize its next revaluation by January 1, 2014 and preparations for the revaluation will begin soon as the process takes approximately two years. She noted that some counties can conduct their revaluations in-house and are on a four year revaluation cycle, however Pasquotank County does not have the staff to do this and must contract with an outside firm to conduct its revaluation.

2. COMMENTS FROM JOLEE GOLDSMITH:

Chairman Griffin recognized Mr. Jolee Goldsmith of 1222 Main Street Extended to address the Board. Mr. Goldsmith stated that he lives next door to property at 1220 Main Street Extended that has been condemned. He said the house was burned several times five or six years ago and the owner has since moved to Virginia leaving all furniture and everything in the house. He stated that there is no back wall on the house and everything is falling out of the house. He said there is a refrigerator in the yard and there are 30 or 40 stray animals. He added that the property is completely overgrown; there are many rats and bugs; and the property is a danger to the neighborhood. Mr. Goldsmith said he has four small children and they live right next to the condemned house, approximately 30 or 40 feet away. He stated that in addition to being a danger to the neighborhood, this house decreases the value of his house and his neighbors' houses. He explained that the property owner has given permission to the city to burn the house, however he understands there are some budgetary issues with removal of the debris. Mr. Goldsmith stated that he has been dealing with this for awhile and he would be willing to pitch in

and help with whatever he could do to get the process moving. He said the entire neighborhood would greatly appreciate any help the county can provide.

County Attorney Mike Cox said that everything Mr. Goldsmith has stated is correct. He noted that the house was condemned and there is no money in the budget to take care of it. Chairman Griffin said this house is in the city's ETJ and he asked if this is a city or a county issue. Mr. Cox responded that he has checked into this and it is a county issue. He said the property owner has given her permission to burn the property. He stated that the Special Projects Committee discussed this at its meeting a couple of months ago and the issue was how to prioritize the projects and how to fund them.

Commissioner Bill Trueblood asked the size of the lot and also asked if the county could prioritize based on the value of a lot. Mr. Cox responded that he thought it could be a factor. Commissioner Trueblood noted that this particular lot is not worth a lot with the dilapidated house on it, but when the house is torn down and the debris is removed it would be worth more.

Mr. Goldsmith stated that he has previously dealt with the city and the city came out and started to remove some of the debris from the back of the house and pushed it to the front of the house by the ditch. Once the city determined it was not a city issue, it just left the debris where it was.

Chairman Griffin asked if the Board has any more questions of Mr. Goldsmith. He suggested that discussion of this item be continued under new business.

3. AMENDMENTS TO THE AGENDA:

Chairman Griffin asked if there were any amendments to the agenda. Vice-Chairman Jeff Dixon requested that the agenda be amended to add the following items recommended by the Finance Committee to the consent agenda: 1) Approval of requests from Social Services Department and EMS Department to fill vacant positions; and 2) Approval of recommendation to purchase Wesley I well site. It was also requested that the agenda be amended to add discussion of the condemned property at 1220 Main Street Extended.

Motion was made by Bill Trueblood, seconded by Jeff Dixon to amend the agenda to add items #1 and 2 to the consent agenda, and to add discussion of the condemned property on Main Street Extended to new business. The motion carried.

4. APPROVAL OF CONSENT AGENDA:

The Board considered the following consent agenda.

a. Approval of Minutes of April 11, 12, 13, and 18, 2011 Commissioner Meetings

b. Approval of Tax Releases

The Finance Committee has recommended approval of the following tax releases:

Releases:

		County	City
1.	Jeremy Wayne Humphreys	121.06	
2.	Ian Shane Maclure	168.80	134.74
3.	Karian R. Martinez-Morales	211.75	
4.	Harlen David Capen	120.52	97.63

c. Approval of Budget Amendments

The Finance Committee has recommended approval of the following budget amendments:

EMS/Hospital

Increase	010.0400.4437.00	Revenue for Services	125,000.00
Decrease	010.0700.4920.01	Albemarle Hospital Revenue	125,000.00

Public Schools

Decrease	010.5910.5630.00	Education-Current Expense	103,719.00
Increase	010.5910.5636.00	Education-Capital Outlay	103,719.00

Governing Board

Decrease	010.6900.5991.00	Contingency	992.00
Increase	010.4110.5499.00	Miscellaneous Expense	992.00

County Manager

Decrease	010.6900.5991.00	Contingency	1,100.00
Increase	010.4120.5310.00	Travel	1,100.00

Tax Admin

Increase	010.0110.4110.10	Ad Valorem Taxes 2010	7,572.00
Increase	010.4140.5440.00	Contracted Services	372.00
Increase	010.4140.5498.00	Tax Foreclosures	7,200.00

Court Facilities

Decrease	010.6900.5991.00	Contingency	3,210.00
Increase	010.4160.5281.00	Magistrate's Office	410.00
Increase	010.4160.5510.02	Clerk of Court	2,800.00

Register of Deeds

Increase	010.0991.4991.00	Fund Balance Appropriated	6,300.00
Increase	010.4180.5800.00	Automation & Preservation	6,300.00

Non-Departmental

Decrease	010.4195.5186.00	Workers Compensation	12,000.00
Increase	010.4195.5185.00	Unemployment Reserve	12,000.00

Non-Departmental

Decrease	010.4195.5450.00	Insurance-Liability	10,200.00
Increase	010.4195.5440.00	Contracted Services	10,200.00

Jail

Decrease	010.6900.5991.00	Contingency	30,576.97
Increase	010.4320.5362.00	Juvenile Services	30,576.97

Central Fire

Increase	010.0991.4991.00	Fund Balance Appropriated	31,164.00
Increase	010.4340.5500.00	Capital Outlay	31,164.00

EMS

Increase	010.0400.4437.00	Revenue for Services	20,000.00
Increase	010.4370.5353.00	Maintenance-Vehicles	15,000.00
Increase	010.4370.5500.00	Capital Outlay	5,000.00

Special Appropriations

Increase	010.0230.4390.04	EDTAP	18,360.00
Increase	010.0230.4390.05	Rural General Public Program	20,082.00
Increase	010.6600.5620.02	EDTAP	18,360.00
Increase	010.6600.5620.03	Rural General Public Program	20,082.00

d. Approval of Emergency Medical Services Rate Increase

The Finance Committee has recommended approval of the following rate increases for the Emergency Medical Services Department:

Service Level	Current Rate	Proposed New Rate
Mileage	\$ 10.50	\$ 12.00
BLS Emergency (BLS E)	\$325.00	\$375.00
Advanced Life Support 1E (ALS 1E)	\$425.00	\$450.00
Advanced Life Support 2 (ALS 2)	\$550.00	\$625.00
Treatment without transport to hospital	\$250.00	\$300.00

e. Approval of Request to Surplus and Junk Vehicles

The Sheriff's Department has requested that the Board declare a 1995 Saturn and a 1997 GMC van as surplus. After they are declared surplus the Sheriff's Department has requested to sell them as junk.

f. Approval to Fill Vacant Positions

The Finance Committee has recommended that the Board authorize the Department of Social Services to fill an Income Maintenance Supervisor position due to an upcoming retirement, and authorize the Central Communications Department to fill a vacant Telecommunicator I position due to a recent resignation.

g. Approval to Purchase Wesley I Well Site

The Finance Committee has recommended that the Board approve the purchase of the Wesley 1 well site for \$40,000. The site has been tested and performed very well.

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

5. APPOINTMENT OF ALS MEDICAL DIRECTOR:

The Board considered the appointment of Dr. Greg Howell as the ALS Medical Director for the Pasquotank-Camden EMS System. Dr. Roger Gallant has recently resigned as Medical Director and the EMS Board has recommended that Dr. Howell be appointed to replace him.

Motion was made by Bill Trueblood, seconded by Gary White to approve the appointment of Dr. Greg Howell as ALS Medical Director for the Pasquotank-Camden EMS System. The motion carried.

6. CONTINUATION OF DISCUSSION REGARDING CONDEMNED PROPERTY:

The Board continued discussion regarding the condemned property at 1220 Main Street Extended. Commissioner Bill Trueblood suggested again that the county look at the value of the property as criteria to determine whether to clear the property since there is no revenue for this purpose. He asked if the county could condemn the property for the sole purpose of ridding it of its nuisance and whether the property could then go up for sale to cover the cost of the demolition. County Attorney Mike Cox said this is not a money-making business and if the county spends money to demolish a house and clear the site and puts a lien on the property, it could be several years before the county gets all of its money back, if ever.

Commissioner Cecil Perry said the Board needs to be careful to not set a precedent. He added that when people cannot afford to remove the debris and the county does it, it will constitute a taking of the property. He said if the county does this in one area, it needs to do it throughout the county and it could be very costly. He said if it is for safety, he would support it, however he feels that the county needs to be consistent.

Commissioner William Sterritt asked if the property has been condemned. Mr. Cox said the property has been condemned and he believes it should be done again since the first condemnation was done a couple of years ago. He stated that the owner has consented to the house being burned.

County Manager Randy Keaton explained that the first step is to condemn the property and give the property owner notice that it is their responsibility to repair the property or clear it. If the property owner does not clear the property, then the county has the option to clear it for them and then place a lien on the property. Mr. Keaton said this does not mean that the property would automatically be sold. Tax Administrator Patrice Stewart stated that after a lien is placed on the property, the foreclosure process could take a couple of years and it could be two or three years before the county gets its money back, assuming the property could be sold.

Vice-Chairman Dixon stated that the county needs to find a way to do this using its own resources because of the safety issues.

Chairman Griffin suggested that staff research the size of the lot and determine whether taxes are being paid on the property. He said the Board can discuss this again at the next Finance Committee meeting.

7. COUNTY MANAGER'S REPORTS:

County Manager Randy Keaton stated that the lottery discussion will be on the floor of the House of Representatives tomorrow. County Commissioners are being asked to call their representatives and remind them of the impact on counties if the reduction in lottery funds goes through. He said with the Board's permission, he will make a phone call to Representative Owens tomorrow and reiterate the effect on Pasquotank County. He suggested that Commissioners also consider making personal calls to representatives.

8. REPORT FROM ASSISTANT COUNTY MANAGER:

Assistant County Manager Rodney Bunch reported that he corresponded last week with Vicki Miller, Director of Community Investment and Assistance with the Department of Commerce, regarding the site of the Fairgrounds project, which was a joint CDBG project with the city. He

said the county has been asked about possible uses of the property to correspond with the plan that was submitted to the state when the grant was received. He stated that he asked Ms. Miller if there was an opportunity to amend that plan and she responded that the project was completed February 22, 1999 and it stays active and is regulated by their grant for five years after that which was February, 2004. Mr. Bunch said since the project was closed out that long ago, the Department of Commerce no longer has any standing in the project. He stated if the city and county decide to amend the plan, the property could be used for something other than what was in the original plan, as long as it complies with city regulations since it is in the city's jurisdiction.

9. REPORT FROM CLERK:

The Clerk advised the Board that the city will be sponsoring a ribbon cutting ceremony for the new Charles Creek Bridge on Monday, May 9 at 9:00 AM. She also stated that the registration needs to be sent in for NCACC County Assembly Day which will be held on May 25 in Raleigh. Those planning to attend should let her know this week.

10. REPORT FROM COUNTY ATTORNEY:

County Attorney Mike Cox said he was in court last week on behalf of the Joint Redevelopment Commission and had several parties added to the Fairgrounds Project condemnations. He said there are now forty or more defendants in this case. He advised that one of the family members informed him of some other heirs that need to be added. He stated that his goal is to have everyone in the lawsuit served by the end of the year.

Mr. Cox referred to a letter in the Commissioners' packets to Representative Bill Owens regarding property in Camden County owned by Albemarle Hospital, Camden County and Albemarle Mental Health Center. It has been discovered that Albemarle Hospital's interest in the property was not transferred to Pasquotank County when the hospital became an authority in 2000, and in order for the property to be transferred to Pasquotank County, all parties must consent to the transfer. Since Albemarle Mental Health no longer exists, it cannot consent to the transfer and this creates a dilemma. Mr. Cox stated that Representative Owens wants the General Assembly attorneys to determine how to correct this.

Mr. Cox explained that a few years ago the county passed regulations prohibiting residential uses in the A-2 zoning district. He said the regulations cannot stop the land owner from dividing a parcel, but require access to a state-maintained road and access to a public water supply in order to be developed for residential purposes. The regulations were challenged in court through the Tontar Lawsuit and the county prevailed. He stated that House Bill 806 has been introduced which is a direct attempt to overturn that lawsuit, and if it is passed it would effectively do away with everything the county won in that lawsuit. Assistant County Manager Rodney Bunch added that the county did a lot of research at the time the regulations were developed and gave a lot of consideration to this issue. Mr. Cox said he does not know why this legislation was introduced or who requested it. Mr. Bunch noted that some of the wording in the proposed bill is the exact wording that was in the county's ordinance. Mr. Cox asked if the Board would like for staff to draft a letter to the sponsors of the bill or to Representative Owens explaining the county's position and expressing opposition to the proposed legislation.

Motion was made by Bill Trueblood, seconded by Jeff Dixon to direct staff to contact Representative Bill Owens tomorrow and express the Board's opposition to the proposed House Bill 806, and to request that Pasquotank County be exempted from the legislation. The motion carried.

Mr. Cox asked if Pasquotank County cannot be removed from the proposed legislation if the Board would like to oppose it. Members of the Board indicated that a lot of sweat equity had been invested in the regulations.

Motion was made by Bill Trueblood, seconded by Jeff Dixon to request that Pasquotank County be excluded from proposed House Bill 806, and if this is not possible, to go on record opposing the legislation. The motion carried.

Mr. Cox reported that he believes that the Southern Shores property will close and the purchasers are looking to move the closing date to the first week in July. Commissioner Jeff Dixon said he understands the delay is because the height of Towne Bank's cupola exceeds Southern Shores' height restrictions and the building will have to be redesigned. It was suggested that the Board

wait until the next meeting to receive an update and possibly approve an extension of the closing date on the property if necessary.

11. REPORTS FROM COMMISSIONERS:

Commissioner William Sterritt reported that the Chairman of the SPCA will soon be meeting with Assistant County Manager Rodney Bunch. He said the Board is aware that the SPCA would like to build a larger building, but cannot afford to buy property and build a building. The SPCA does however have the funds to design and build a building and wants to know if the county has a piece of property it would give to the SPCA. He said this request will be forthcoming.

At 7:45 PM Chairman Griffin asked for a motion to recess the meeting and move to the Commissioners Board Room where it will reconvene in ten minutes in order to hold a conference call.

Motion was made by Gary White, seconded by Jeff Dixon to recess the meeting and move it to the Commissioners Board Room. The motion carried.

The meeting was reconvened at 7:55 PM in the Commissioners Board Room.

12. CLOSED SESSION TO PRESERVE THE ATTORNEY CLIENT PRIVILEGE:

Chairman Griffin asked for a motion that the Board enter Closed Session to preserve the attorney client privilege.

Motion was made by Bill Trueblood, seconded by Cecil Perry that the Board enter Closed Session to preserve the attorney client privilege. The motion carried.

Upon the end of Closed Session;

Motion was made by Gary White, seconded by Jeff Dixon that the Board return to Regular Session. The motion carried.

13. BUDGET WORK SESSIONS:

The Board scheduled budget work sessions for May 9 and May 23 from 4:00 PM until 7:00 PM.

There being no further business;

Motion was made by Bill Trueblood, seconded by Cecil Perry to adjourn the meeting. The motion carried and the meeting was adjourned at 8:50 PM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
MAY 9, 2011**

The Pasquotank County Board of Commissioners met today in a budget work session on Monday, May 9, 2011 in the Community Room at the W.C. Witherspoon Memorial Library.

MEMBERS PRESENT: Lloyd E. Griffin, III, Chairman
Bill Trueblood
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Joseph S. Winslow, Jr.

MEMBERS ABSENT: Jeff Dixon, Vice-Chairman

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

Also present were all members of the Board of Education, Superintendent Linwood Williams, School Finance Director Raymond Leonard, Director of Transportation Dan Lilly, and Maintenance Director Alvin Parker. Chairman Griffin called the work session to order at 4:00 PM and called on the Board of Education to present its budget request for FY 2011-12. Dr. Leonard presented the school budget and reviewed the various budget categories. He explained that most of the projected \$321,000 increase in current expenses are items over which they have no control such as fuel, electricity, insurance, and retirement. He stated that the school capital outlay budget is an increase of \$1,186,000 over last year. He said it does include a request for three new activity buses which are desperately needed to replace aging activity buses that are no longer allowed to leave the county. Dr. Leonard noted that there are still some unknowns in the school budget due to uncertainties regarding the state budget. School Board Chairman Mark Small said the Board of Education realizes this is a very tough budget year and will do the best possible with whatever allocation the county provides. Chairman Griffin thanked the Board of Education for attending today's meeting.

Following a five minute recess, the meeting was reconvened. The Board discussed a possible cap on the EMS subsidy which is paid by Albemarle Hospital in exchange for the county receiving all of the proceeds from the sale of the Southern Shores property. The Chairman and County Manager were asked to meet with Hospital Administration to discuss a possible cap.

The Board also discussed the possibility of financing school capital expenses using Qualified School Construction Bonds which have been extended through 2011. The County Manager was asked to contact the Local Government Commission to investigate this possibility.

The Board reviewed the county's general fund budget. County Manager Randy Keaton presented a spreadsheet summarizing projected increases and decreases in revenues, both restricted and unrestricted. He also reviewed increases and decreases in expenditures for various departmental budgets and noted which services are mandated and which are non-mandated. He said the largest increases are for the Sheriff's Department, Jail, and Parks & Recreation. Mr. Keaton provided a current estimate of the tax base, an increase of about \$18 million over last year. The Board discussed possible options for closing the \$2,668,800 gap between projected revenues and budget requests.

Motion was made by Lloyd Griffin, seconded by Gary White to adjourn the meeting. The motion carried and the meeting was adjourned at 7:05 PM.

CHAIRMAN

CLERK TO THE BOARD