

**PASQUOTANK COUNTY, NORTH CAROLINA
DECEMBER 1, 2010**

The Pasquotank County Board of Commissioners met today in a special meeting on Wednesday, December 1, 2010 in the Board Room at the Health & Social Services Building.

MEMBERS PRESENT: Marshall H. Stevenson, Jr., Chairman
Lloyd E. Griffin, III, Vice-Chairman
Matt Wood
Bill Trueblood
Jeff Dixon

MEMBERS ABSENT: Cecil Perry
Charles H. Jordan

OTHERS PRESENT: Randy Keaton, County Manager
Rodney Bunch, Assistant County Manager
R. Michael Cox, County Attorney
Shelley Cox, Planning Director
Karen Jennings, Clerk to the Board

Also present were Commissioners-Elect Gary White, Joseph Winslow, and William Sterritt. The meeting was called to order at 2:00 PM by Chairman Marshall Stevenson.

1. APPROVAL OF MINUTES FROM NOVEMBER 8 AND NOVEMBER 15, 2010 COMMISSIONER MEETINGS:

The minutes of the November 8 and November 15, 2010 Commissioner meetings were presented for Board approval.

Motion was made by Lloyd Griffin, seconded by Bill Trueblood to approve the minutes from the November 8 and November 15, 2010 Commissioner meetings as presented. The motion carried.

2. VIDEO CONFERENCE ON WIND FARMS:

Chairman Stevenson stated that the purpose of today's meeting is to have a video conference on wind farms. Commissioner Bill Trueblood stated that he, Rodney Bunch, Shelley Cox, Wayne Harris, and representatives from surrounding counties recently visited Somerset County, Pennsylvania to look at a wind farm. They met with Somerset County Commissioner Jimmy Marker who explained to them the process by which his county created and adopted a wind energy ordinance. Commissioner Trueblood stated that the ordinance Somerset County adopted was later adopted by the State of Pennsylvania, and since then has been used by other states. He said the State of North Carolina is also looking at Pennsylvania's wind energy ordinance. Commissioner Trueblood explained that he wanted the rest of the Board to hear what Commissioner Marker had to say, so he asked that today's video conference be arranged.

Planning Director Shelley Cox stated that the wind energy ordinance she is proposing was prompted by the interest in the utility scale wind turbines out in the desert area. It will also address the small scale and residential scale wind turbines in which there has been some interest over the last few years, as well as the medium size turbines which would serve an institutional use. The utility scale wind turbines would automatically require a conditional use permit and would be reviewed by both the Planning Board and the Board of Commissioners. Ms. Cox said there would be some pretty significant setback requirements for utility scale turbines.

Commissioner Jimmy Marker provided a history of the Somerset County wind ordinance. He explained that in 1999 a group developed a wind farm in a small town in their county as a test to determine the feasibility of wind power. He said it was one of the first in the Eastern United States. In 2002 a group of residents approached the Board regarding other wind farms being proposed and their concern that wind farms would be located on every mountain top and detract from the scenic beauty of the county. Commissioner Marker said the Board of Commissioners did not know about wind farms until they read the release in the newspaper. At that time they formed a task force to determine if the wind farms would proliferate every ridge top, what type

of windmills they would be, what they would generate, etc. He said the task force did a lot of research and had a series of public meetings. Within about six months, the task force came back to the county with its recommendation which was to have no county regulation at that point due to the fact that wind farms needed to be located so that they could take advantage of nearby transmission lines and the right type of wind. Commissioner Marker stated that the county accepted that recommendation and did not implement a wind ordinance at that time, however some people still felt that there should be regulation. The task force also recommended if there was a disproportionate number of wind farms being developed, the county would need to put regulations in place to be able to see what was going on with the wind industry. A couple of years later, it became obvious that there were going to be more and more wind farms, so the county decided to revisit the issue. Commissioner Marker said their biggest concern was that the county knew nothing about proposed wind farms until they read it in the newspaper. He stated that they knew they had to protect natural beauty and protect landowners, those who wanted to have a wind farm on their property as well as neighboring landowners. He explained that they looked at ordinances and siting regulations that had been adopted in other states and began drafting a wind ordinance for Somerset County which was implemented. The ordinance states that no occupied structure, whether commercial or residential, can be located within an area five times the height of the tower from the base to the hub where the blades connect. If a company wanted to build within that setback, it would have to get the property owners' permission to do so. The ordinance also has a decommissioning provision which requires that a windmill be taken down if it does not generate power for one year. He said the wind farms do create some noise which could be annoying for residents.

Commissioner Marker stated that the wind ordinance has worked extremely well and he has found the wind companies to be very protective of the environment. He said the wind farms generate money into the local economy and are also ancillary economic generators, especially during construction. He noted that each wind tower pays the landowner about \$20,000 upfront, then that landowner gets royalties every year depending on how much electricity those towers generate. The royalties are what the county actually bases its taxation on. He stated that other counties and townships in the State of Pennsylvania have used Somerset County's wind ordinance as a model in developing their own wind ordinances. He added that wind energy has been a good industry for Somerset County and has generated a lot of money into the economy. He noted that the wind turbines also have an appeal from a tourism standpoint.

After questions and discussion;

Motion was made by Lloyd Griffin, seconded by Jeff Dixon to adjourn the meeting. The motion carried and the meeting was adjourned at 3:10 PM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
DECEMBER 6, 2010**

The Pasquotank County Board of Commissioners met today in a work session on Monday, December 6, 2010 in the Community Room at the W.C. Witherspoon Memorial Library.

MEMBERS PRESENT: Lloyd E. Griffin, III, Vice-Chairman
Cecil Perry
Bill Trueblood
Jeff Dixon

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 Commissioners-Elect Gary White, Joseph Winslow, and William Sterritt. The work session was called to order at 2:00 PM by Vice-Chairman Lloyd Griffin.

1. TAX RELEASES, REFUNDS AND SOLID WASTE FEE RELEASES:

The Board reviewed tax releases, refunds and solid waste fee releases that had been submitted by the Tax Office. After review, the Board agreed to move these forward to the next Commissioner meeting agenda.

2. FUNDING REQUEST FROM COMMUNITY RELATIONS COMMISSION:

The Board considered a request from the Community Relations Commission for reimbursement totaling \$124.03 for one-half of the cost of the reception recently held for the Witherspoon-Harris Community Service Award Ceremony and the cost of a plaque. The City of Elizabeth City will pay the other half of the cost. The County Manager stated that there is no money in the budget this year for the Community Relations Commission and the CRC did not request funding until after the budget was adopted. If the Board approves the request for funding a budget amendment would be needed. The Board agreed to move this request forward to the next Commissioner meeting agenda. Commissioner Perry suggested that the Community Relations Commission be asked to provide the county with a budget request during budget preparations so that funding can be incorporated in the budget and the Community Relations Commission will not have to request funding during the middle of the year.

3. UPDATE ON TRANSFER OF PROPERTY TO EAST CAROLINA UNIVERSITY FOR DENTAL CLINIC:

County Attorney Mike Cox updated the Board on the proposed transfer of the Vicki-Villa property owned by the county and leased to Albemarle Hospital Authority to East Carolina Dental School for a dental clinic. He explained that ECU has proposed that the deed contain no restrictions, but that there be a separate agreement with certain conditions outlined. The agreement as proposed would provide for transfer of the property from the county to ECU for \$1. ECU would agree to use the property for dental clinical services. ECU would have an appraisal done of the property without improvements which would be the "2011 valuation" of the property. ECU would grant the county a right of first refusal that if it sells the property the county would have the option to purchase it less the "2011 Valuation" of the land. If the county declines to purchase the property ECU would be free to sell the property and would give the county the "2011 Valuation" of the land. Mr. Cox added that a right of first refusal is only good for a period of 30 years per general statute.

Mr. Cox explained that ECU is trying to fast track the project. The Hospital Authority Board would like to act on the proposal before the county does because it has an interest in the transaction since it has a leasehold interest in the property and would like to make sure the property is not used to compete with the hospital. The Hospital Board may call a special meeting to act on the proposal prior to the next Commissioner meeting. Mr. Cox noted that this is only for the Board's information at this time. Mr. Keaton stated that staff wanted the Board to be aware of what ECU is requesting.

4. STATUS OF TWO RAW WATER PRODUCTION WELLS FOR RO PLANT:

Water Superintendent John Gregory updated the Board on the problems being encountered by the contractors on the Ownley and Larabee wells for the RO project. The Water Committee had requested that the engineer develop a recommendation for the Board to consider regarding specific deadlines for rehabilitation of the wells. The Board was provided a copy of the engineer's recommendations which included that rehabilitation and development of both wells may be allowed to continue through the end of December. The contractor would provide results of the rehabilitation work for both wells prior to the January 5, 2011 Water Committee meeting. If the rehabilitation efforts fail to meet specifications by that time, the contractor would be required to move over approximately 30 feet and drill new wells at the contractor's expense. The Board concurred to accept the recommendations from the engineer and move this item forward to tonight's regular Board meeting.

5. COUNTY FUNDING FOR EAST CAROLINA BEHAVIORAL HEALTH:

The Board reviewed a letter from East Carolina Behavioral Health regarding a proposal that all member counties appropriate funds to ECBH at a minimum level of \$2.79 per capita. This would equate to \$119,281 in addition to the \$50,000 that was appropriated to ECBH for the current year which was to be allocated to three nonprofits. Commissioner Cecil Perry, who serves on the ECBH Board, explained that ECBH felt there was no equity in the amount of funding provided by the counties, and as a result developed this proposal. Mr. Keaton said the ECBH Board plans to take final action at their next meeting, but wanted all counties to be aware of what they were considering.

6. PROPOSED LEASE AGREEMENT WITH EAST CAROLINA BEHAVIORAL HEALTH:

County Manager Randy Keaton gave a background on the office space at Edgewood Center that was previously provided for Albemarle Mental Health. Since East Carolina Behavioral Health assumed administration of mental health services in Pasquotank County, ECBH has not occupied the office space, however two of their subcontractors are using a portion of the space. Mr. Keaton said a third subcontractor would like to use office space. He stated that he believes the subcontractor should be charged a rental fee and he would propose a rental rate of \$2 per square foot for the shell. Assistant County Manager Rodney Bunch explained that he met with representatives from ECBH and Port Human Services, the subcontractor who wants to use office space, to discuss potential renovations for the space. The renovations included removing one wall and cutting a hole through another wall. Mr. Bunch said most of the work would be cosmetic, and there would be no structural changes, however they cannot move forward until there is an approved lease agreement.

The Board agreed to move this item forward to tonight's Commissioner meeting with a recommendation for approval.

7. REQUEST TO EXTEND LEASE AGREEMENT FOR MEADS POOL:

Mr. Keaton stated that he has received a request from Carl Ralph and Shirley Meads to extend their inspection of Meads Pool and final determination until January 31. They had originally been given until December 15 to make their final determination. The Board reached a consensus to extend the final determination date until January 31, 2011.

8. NHS CIVICS STUDENTS:

Vice-Chairman Griffin recognized and welcomed Jessie Parker and Michael Barnes who were in attendance at today's meeting as part of an assignment for their Northeastern High School Civics Class.

There being no further business, the work session was adjourned at 5:25 PM.

CHAIRMAN

CLERK TO THE BOARD

**PASQUOTANK COUNTY, NORTH CAROLINA
DECEMBER 6, 2010**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, December 6, 2010 in Courtroom C in the Pasquotank County Courthouse.

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

MEMBERS ABSENT: None

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 7:05 PM by Clerk to the Board Karen Jennings. The Rev. Charles McKenzie, Pastor of City Road United Methodist Church, gave the invocation and Commissioner Lloyd Griffin led in the Pledge of Allegiance to the American Flag.

1. OATH OF OFFICE FOR COMMISSIONERS:

The Honorable Jerry Tillett, Senior Resident Superior Court Judge, administered the Oath of Office to newly elected Commissioners Gary White and William Sterritt. The Honorable Herbert W. Small, Retired Superior Court Judge, administered the oath to newly elected Commissioner Joseph Winslow and to re-elected Commissioner Cecil Perry.

2. ORGANIZATION OF THE BOARD OF COMMISSIONERS:

The Clerk to the Board explained that state law requires the reorganization of each Board of Commissioners during the first meeting in December through the selection of a Chairman and a Vice-Chairman. She opened the floor for nominations for Chairman of the Board. Commissioner Jeff Dixon nominated Commissioner Lloyd Griffin to serve as Chairman for the next year. Upon a vote of the Board, Commissioner Griffin was unanimously elected as Chairman.

The meeting was turned over to Chairman Griffin who called for nominations for Vice-Chairman of the Board. Chairman Griffin nominated Commissioner Jeff Dixon to serve as Vice-Chairman of the Board. Upon a vote of the Board, Commissioner Jeff Dixon was unanimously elected as Vice-Chairman.

Chairman Griffin thanked the Board for its confidence and support in electing him as Chairman.

3. PRESENTATION OF RESOLUTION TO DAVID HARRIS:

Chairman Griffin called on Mr. David Harris to receive a resolution adopted by the Board at the November 15 meeting thanking him for his 23 years of service on the Planning Board. He read and then presented to Mr. Harris the framed resolution. Mr. Harris thanked the Board for the confidence shown in him by allowing him to serve on the Planning Board for 23 years. He also commended the members of the Board for their willingness to step up and serve the citizens of the county.

4. AMENDMENTS TO THE AGENDA:

Chairman Griffin asked if there were any amendments to the agenda. It was requested that the agenda be amended to add to the consent agenda the following items that were recommended at today's work session: 1) Approval of recommendations regarding two raw water production wells for the RO plant; and 2) Approval of lease agreement with East Carolina Behavioral Health for office space at Edgewood Center.

Motion was made by Jeff Dixon, seconded by Bill Trueblood to add to the consent agenda the two items recommended at today's work session. The motion carried unanimously.

5. APPROVAL OF CONSENT AGENDA:

The Board considered the following consent agenda:

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

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

Releases

		County	City
1.	Forrest L. Bartlett	1,651.76	1,204.08
2.	Michael Aaron Pike		126.86
3.	Angela Ramirez	53.45	41.08
4.	Bradley Donald Kopf	107.06	87.35

Solid Waste Fees

OWNER'S NAME	PARCEL ID #	REASON FOR RELEASE
Donnie & Cheryl Russell	P7-26A	Abandoned trailer
Morrie & Quincy Tharp	47-K-5	Vacant since 2007

b. Approval of Budget Amendment

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

Increase	010.0991.4991.00	Fund Balance Appropriated	44,975.00
Increase	010.4920.5440.00	Contracted Services	44,975.00

c. Approval of Family Subdivision Request #10-10 by Marie Cuthrell to Create a Gift Lot for a Child on Main Street Extended

The Planning Department has recommended approval of a request from Marie M. Cuthrell to create a gift lot for a child in accordance with Article 5, Section 303 of the Pasquotank County Subdivision Ordinance. The request is to create a 1.04 acre gift lot to be conveyed to Jennifer Meads. A total of 140 feet of road frontage has been provided to the parcel off of Main Street Extended. Documentation has been provided that the plat qualifies as a family subdivision and a septic evaluation permit has been issued by Albemarle Regional Health Services. Staff has indicated that the application meets the minimum requirements for a family subdivision and recommends approval.

d. Approval of Request to Surplus two Lexmark X845e Copiers for Sale on GovDeals.com

The Register of Deeds Office has replaced two Lexmark copiers with a new copier/printer/scanner and has requested that the Board surplus the two copiers so that they can be sold on GovDeals.com.

e. Approval of Recommendation from Engineer Regarding Two Raw Water Production Wells for RO Plant

The county's engineer, Hobbs Upchurch & Associates, has provided a letter regarding recommendations for the Larabee well and the Ownley well which are in the process of being rehabilitated and developed by the contractor. At today's work session, the Board concurred with the engineer's recommendations which included that rehabilitation and development of both wells may be allowed to continue through the end of December. The contractor will provide results of the rehabilitation work for both wells prior to the January 5, 2011 Water Committee meeting. If the rehabilitation efforts fail to meet specifications by that time, the contractor would be required to move over approximately 30 feet and drill new wells at the contractor's expense.

f. Approval of Lease with East Carolina Behavioral Health

At today's work session, the Board concurred to approve a lease with East Carolina Behavioral Health for office space at Edgewood Center for a subcontractor at the rate of \$2.00 per square foot. The subcontractor would be allowed to make minor renovations to the office space.

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

6. DISCUSSION ON JANUARY MEETING SCHEDULE:

The Board considered amending the January meeting schedule due to the fact the second meeting falls on Martin Luther King, Jr. Day. Commissioner Trueblood stated that Martin Luther King, Jr. Day is always the third Monday in January, and will always be in conflict with the second Commissioner meeting in January. He suggested that the first meeting be held on January 3rd as planned and that a determination regarding the second meeting be made at a later date. He also suggested that staff look at a long-term plan.

Motion was made by Bill Trueblood, seconded by Jeff Dixon to have the January 3rd Commissioner meeting as planned and to make a determination regarding the second January meeting in the near future. The motion carried unanimously.

7. CONSIDERATION OF REQUEST FROM POLICE ATHLETIC LEAGUE FOR USE OF FIRST FLOOR OF ELIZABETH CITY MIDDLE SCHOOL BUILDING:

Ms. Debbie Leete presented a request from the Police Athletic League (PAL) to use the first floor of the old Elizabeth City Middle School Building. PAL currently leases the gym from the county. Ms. Leete said their gym use is increasing as they now are about 500 to 600 members strong with the students who are participating in their athletic program. She stated they are currently doing tutoring and after school mentoring along the side court of the gym which is not very conducive to effective study habits. She explained that they have open gym time which is picking up in popularity, and there are also teams holding practice sessions in the gym. She said the U.S. Boxing Association, the Amateur Coaches, and the Coastal Combat Martial Arts League have lost space to hold classes and they have come to them in an effort to have a joint opportunity to hold their own sessions. In return for use of space, PAL would like to have them have PAL membership for their students to learn boxing, martial arts and wrestling. Ms. Leete said they would like to use the former ECMS library and several classrooms on that hallway for this purpose. She stated they have also been hosting dances and have had a benefit dance for a student at Pasquotank High School that had well over 200 in attendance. They also had a dance for Northeastern High School which had well in excess of 200 students. Ms. Leete said these dances were fundraisers for PAL. She stated that PAL has begun holding fitness classes and held its first class this past Saturday. She noted that they are running out of room for programs and would like to propose use of the former ECMS library for a boxing area; several of the classrooms to house the martial arts and the wrestling mats; and also use one of the other classrooms for a tutoring area and bring in computers that are being donated by Elizabeth City State University and Roanoke Bible College, and provide internet access to assist students with homework and school assignments.

Ms. Leete stated that they have found that vandalism has increased in the building and they believe that more eyes and bodies in the old school section might lead to decreased vandalism in that area of the school. She invited the Commissioners to look at the spaces and see what PAL is proposing. She said PAL feels that if they can get the programs up and running, then it will explode the opportunity for what the PAL program can provide. She added that they have been in contact with other PAL agencies across the state and they are very interested in having competitions with all of the PAL groups and organizations.

Ms. Leete said they are ready to move in pending the Board's approval, and they are making arrangements to have inmates to clean up the library and do some painting. She stated that they have discussed purchasing heaters for the space because there is not heat in this section of the school. She said they have had successful fundraisers, so they are not asking the county for any money, but are just asking for the Board to consider allowing them to use the space.

Commissioner Trueblood asked if staff has studied this request. County Manager Randy Keaton stated that he toured the facility with representatives from PAL, and there has been some vandalism in that part of the building. He said it is almost impossible to keep people out of the building because it is unsupervised. He stated that there has been some damage in the old library and he believes it would be beneficial to have people, especially police officers, around the building to help keep some of the unauthorized people out. Mr. Keaton noted that the county does not have any use for the building right now, and the way the lease is structured the county

could give notice to PAL should it need the building at any time. He said he does not see any detriment to the lease.

Commissioner Joe Winslow asked what liability the county would have. County Attorney Mike Cox explained that a year ago the Board approved a five-year lease with the Police Athletic League for the gymnasium and the annex. The county has the option to extend the lease for an additional four-year term. The annex portion has a 30-day cancellation clause. PAL is required to furnish the county with proof of insurance. Commissioner Winslow asked if there is any expected cost to the county related to the improvements. Ms. Leete said there would be absolutely no cost to the county.

Commissioner William Sterritt asked Ms. Leete if PAL has investigated the cost of heating and cooling and restroom facilities. Ms. Leete said there are restrooms in the hallway they could utilize and they would bring in portable heaters to heat the sections of the building they will use. Commissioner Sterritt asked what the heating situation is for the gymnasium. Ms. Leete responded that they use oil heat for the gym and it costs about \$200 a day to run the oil heater. She said so far they have been able to use PAL funding from their fundraisers. They will probably use electric heaters for the first floor library and classrooms.

Vice-Chairman Jeff Dixon said he would like to express his thanks to Ms. Leete and PAL because the Board had been grappling with what to do with the school building. He said the Board of Commissioners has been hoping that someone would turn this building into a community center, and it is slowly becoming a community center for the people of Pasquotank County. He stated that he hopes PAL will be coming back every year wanting more and more space in the ECMS building until it is completely utilized.

Motion was made by Bill Trueblood, seconded by Gary White to approve a lease with the Police Athletic League for use of the former library and classroom space as an addition to the current gym lease. The motion carried unanimously.

8. CONSIDERATION OF RESOLUTION FOR QSCB FINANCING FOR SCHOOL PROJECTS:

County Manager Randy Keaton outlined a proposed resolution which would approve an installment financing contract, a deed of trust and other documents and would authorized certain actions in connection with the financing of the cost of two school projects. The projects include replacement of the roof at the Northeastern High School gymnasium and replacement of the heating, ventilation, and air conditioning system at Central Elementary School. Total cost of the two projects is not to exceed \$2,000,000. Mr. Keaton said that Qualified School Construction Bonds are available through the Stimulus Package for this project and closing would have to be held by December 31, 2010 for this limited type of financing. The county would be charged an interest rate, but as long as the interest rate is below a certain amount, the county would receive a credit each year for an amount equal to the interest, so it would essentially be a zero percent interest loan. RBC Bank has provided the lowest interest rate and the loan would be for a ten year term. The annual payment would be approximately \$200,000. There would be a deed of trust on Northeastern High School for this project. The county would hold title to the property, but it would be leased back to the school system.

Vice-Chairman Dixon asked for a breakdown of the cost for each project. Board of Education Chairman Mark Small advised that the architect has estimated the NHS roof project at \$530,000 and the Central Elementary HVAC project at approximately \$1.49 million.

Dr. Raymond Leonard, Finance Officer for the school system, explained that the original roof on the NHS gym was constructed in 1969 when the gym was built. A non-adhered rubber roof was applied on top of the original coal tar pitch roof in 1986. Dr. Leonard stated that both roofs need to be removed and replaced with a new roof.

Members of the Board asked if bids have been received from different roofing contractors. Dr. Leonard responded that the project has not gone out to bid yet, however they advertised for an architect and selected one based on qualifications. The architect has provided a cost estimate for the project. Commissioner Joe Winslow said his concern is whether this roof can be repaired. He said in tight economic times if there is any possibility of repairing the roof it needs to be done, and he would like to know if anyone with that ability has looked at the roof to determine

whether it could be repaired or if it is at the point that it needs to be completely replaced. Dr. Leonard said they have been advised by their architect and by their maintenance staff that the roof needs to be replaced. He said ongoing repair work has been done on the roof over the years.

Commissioner William Sterritt noted that he would be reluctant to take the advice of a roofing contractor as opposed to the advice of an architect. He said once the project goes out for bid, then roofing contractors would be evaluated.

Vice-Chairman Jeff Dixon stated that he would be opposed to going into a capital project in the middle of the fiscal year. He said it already appears that there may be some shortfalls in the current budget due to recent information regarding mental health and juvenile probation costs. He stated that he is not sure that the proposed HVAC project for Central School would just put a band-aid on something that needs a lot more attention. He said he would rather do that project when the county has the amount of money needed to do it. He added that he would prefer to move forward with the Northeastern High School roof which is a smaller amount and would be easier to squeeze into the budget. He stated that he is not in favor of taking on an additional \$2 million in debt right now. He said with just what the Commissioners have seen over the last couple of weeks, it appears that almost a penny tax increase will be needed. He stated that he does however think the county could make the debt payment for the NHS roof project.

Commissioner Cecil Perry stated that if this roofing project is not done, it will cost more in the long-term. He said this problem will not get any better if the project is prolonged. He said he realizes the county does not have the funds available to pay for the project, but he believes the Board's responsibility is to try to find a way to ensure that the children in the schools have the best learning environment. He added that he believes the Board does not have a choice but to replace the roof.

Commissioner Gary White stated that he was appalled when he went to Northeastern High School last week and saw the condition of the gym. He said he does not know what the answer is or where the money will come from. He added that he concurs with Commissioner Winslow and Commissioner Dixon.

Commissioner Bill Trueblood said he does not think the Northeastern roof project should be delayed. He stated that six months will make a difference at Central School, but it will not be as great as waiting six months at Northeastern High School. He said he thinks the document should be amended to include only the roof for the Northeastern High School gym while the Board considers what should happen at Central Elementary School.

Commissioner William Sterritt stated that he believes everyone should look at the wonderful job that the teachers and the staff have done at Central School over a long period of time. He said if they are unhappy, they will leave. He stated that mold, mildew, and air that is not breathable will cause a problem and will destroy the nice working situation. He said in answer to the maintenance issues, the School Board has been talking about and asking the Board of Commissioners for at least six or seven years to help them out and they have asked for money for the roof at Northeastern. He stated that any fault for improper maintenance is the fault of the Board of Commissioners for not funding and helping out the school system.

Commissioner Joe Winslow explained that the Board has to consider the money the county spends on behalf of the citizens of Pasquotank County and must get the most for the dollars spent. He said when getting into a project this size, it is necessary to make sure that it has been repaired and maintained. He stated that the Board of Commissioners allocates money every year to the school system and it is the job of the Board of Education and school administration to determine what needs to be repaired. He said he just wants to make sure the county is getting the best use for the money it provides for the school system and that it is being looked at and repaired. He stated if it is to the point that it cannot be repaired, then it will have to be replaced. Commissioner Winslow said his second concern is where the county could get \$200,000 for the debt payment for the two projects.

School Board Chairman Mark Small stated that most types of roofs last 20 years and it has been 40 years since Northeastern High School was constructed and it has had two roofs during that time. He said they have given diligent thought to their needs and in prioritizing their needs throughout the school district. He noted that they have a million square feet of buildings to keep

up and maintain which includes a large volume of roofs. Mr. Small explained that the Board of Education has identified their priority as Central Elementary School. He said they would be grateful for anything the county can provide and they are sensitive to the county's financial position, however the Central School situation is adversely affecting teachers, staff and students and is the most urgent need. He added however if the Northeastern gym roof is not replaced, it would just result in a delay of a greater expenditure of funds. He stated that both of these projects are high priorities, but he reiterated that the Central project is their number one priority.

County Manager Randy Keaton noted that unless something changes the zero percent interest money will be gone as of December 31st. He stated that from a financing standpoint, the county does not get many opportunities for zero percent interest.

Commissioner Gary White asked if the Board could schedule an immediate meeting with the new Board of Education to discuss this.

Mr. Keaton stated that \$54,000 was budgeted in this year's budget to pay the first semi-annual payment for the Central HVAC project because it was hoped the county would be able to get a 15 year term. The Northeastern project was added on after additional QSCB money became available and the annual payment was driven up to \$200,000 when a fifteen year term was not available. The initial funding was for the Central project since that was identified by the Board of Education as their highest priority need.

Commissioner Trueblood said he understands the plight of the school district in regard to Central School, however he believes the majority of Central School is still dry, while the NHS gym is not.

Motion was made by Bill Trueblood, seconded by Jeff Dixon to proceed to amend the resolution to reflect the needs at the NHS gymnasium to repair the gym roof and do what is necessary to dry the building in, and to utilize \$550,000 in no-interest QSCB financing, and at some point in the next month or so to meet with the Board of Education to determine what can be done to move forward with Central School in the next budget cycle.

Dr. William Sterritt presented an amendment to the motion to include the \$1.4 million needed to rectify the situation at Central Elementary School. The amendment was seconded by Cecil Perry. The amendment to the motion failed by a two to five margin with Commissioners Sterritt and Perry voting in favor of the motion.

The original motion carried by a four to three margin with Commissioners Perry, Winslow, and Sterritt voting against the motion.

The resolution as approved is as follows:

**RESOLUTION APPROVING AN INSTALLMENT FINANCING CONTRACT,
A DEED OF TRUST AND OTHER DOCUMENTS AND APPROVING AND
AUTHORIZING CERTAIN ACTIONS IN CONNECTION WITH THE
FINANCING OF THE COST OF A SCHOOL PROJECT.**

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 has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, to (a) finance the purchase of real and personal property by installment agreements that create in the property purchased a security interest to secure payment of the purchase price to the entity advancing moneys for such transaction and (b) finance the construction of fixtures or improvements on real property by agreements that create in such fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction; and

WHEREAS, the County and The Elizabeth City – Pasquotank Board of Education, a body corporate which has general control and supervision of all matters pertaining to the public schools in the Elizabeth City – Pasquotank Public Schools, its respective school administrative unit (the “Board of Education”), have determined to cooperate in a plan to finance the cost of a project which each has found to be necessary and desirable to provide for improved public school facilities and improved public education in such school administrative unit; and

WHEREAS, such project now consists only of the replacement of a roof at Northeastern High School (the “Project”); and

WHEREAS, the Board of Commissioners for the County (the “Board”) has determined to proceed with the financing pursuant to said Section 160A-20 of the cost of the Project in an amount not to exceed \$550,000 (the “Loan Amount”) and it is necessary to approve an installment financing contract, a deed of trust and other documents and approve and authorize certain actions in connection therewith; and

WHEREAS, pursuant to Section 54F of the Internal Revenue Code of 1986, as amended (the “Code”), the County has received an allocation of qualified school construction bond authority in an amount of not less than \$550,000 and desires that its obligation to repay the Loan Amount under the Installment Financing Contract (as hereinafter defined) constitute a taxable direct payment qualified school construction bond pursuant to Section 54F of the Code; and

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

(a) a draft of an Installment Financing Contract, between the County and RBC Bank (USA) (the “Installment Financing Contract”), under which RBC Bank (USA) (the “Bank”) would advance the Loan Amount to finance the cost of the Project and the County would be obligated to make Installment Payments (as defined therein) to repay the Loan Amount and to make certain other payments, among other requirements, such obligations being subject to termination by the County under certain circumstances as provided therein;

(b) a draft of an Escrow Deposit Agreement, among the County, the Bank and RBC Bank (USA) as escrow agent (the “Escrow Deposit Agreement”), which provides for the expenditure of the funds advanced to pay Project costs;

(c) a draft of a Deed of Trust and Security Agreement (the “Deed of Trust”) which the County would execute and deliver to a trustee for the benefit of the Bank and which would encumber the site of Northeastern High School and the improvements thereon and certain related property, subject to certain exceptions, as security for the County’s obligation to repay the Loan Amount and any other funds advanced to it pursuant to the Installment Financing Contract;

(d) a draft of an Agreement Concerning The Project for the Elizabeth City – Pasquotank Public Schools (the “Administrative Agreement”) between the Board of Education and the County, under which the Board of Education would convey to the County the site of Northeastern High School and the improvements thereon by a General Warranty Deed and undertake certain responsibilities with respect to the Project as described therein; and

(e) a draft of a Lease (the “Lease”) between the County, as lessor, and the Board of Education, as lessee, which provides for the lease by the County to the Board of Education of the site of Northeastern High and the improvements thereon as a part of such plan to finance the cost of the Project;

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 improved public education in the County and 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 Installment Financing Contract, the Escrow Deposit Agreement, the

Deed of Trust, the Administrative Agreement and the Lease in order to effectuate the financing of the cost of the Project as described above.

Section 3. The form and content of the Installment Financing Contract, the Escrow Deposit Agreement, the Deed of Trust, the Administrative Agreement and the Lease, 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 County Manager of the County, the Finance Officer of the County, the County Attorney of the County and the Clerk to the Board are hereby authorized and directed to execute and deliver the Installment Financing Contract, the Escrow Deposit Agreement, the Deed of Trust, the Administrative Agreement and the Lease, 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 term "Project" in such documents is limited to the replacement of a roof at Northeastern High School, that the due date of the final Installment Payment is not later than December 31, 2020 and that the aggregate amount of the principal components of the Installment Payments does not exceed \$550,000.

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 Installment Financing Contract, the Escrow Deposit Agreement, the Deed of Trust, the Administrative Agreement and the Lease.

Section 6. The County hereby designates its obligation to repay the Loan Amount under the Installment Financing Contract a qualified school construction bond for purposes of Section 54F(a)(3) of the Code and hereby makes an irrevocable election on its books and records that Section 6431(f) of the Code will apply to such obligation to repay the Loan Amount.

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

Section 8. All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

Section 9. 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 Lloyd Griffin, Jeff Dixon, Bill Trueblood, and Gary White.

Noes: Commissioners Cecil Perry, William Sterritt and Joe Winslow.

* * * * *

Vice-Chairman Dixon said he would like to let the Board of Education know that the county is sitting on a valuable piece of property at the beach and is beginning to receive offers to purchase that property. He said he would be inclined to put all of the county's proceeds from the sale of this property toward the Central School project and to borrow any additional amount needed to move the project forward. He stated that currently the county is looking at increased expenses and decreased revenues this budget year. He said it is not known at this point what the state is going to push back on counties since it is looking at more than a \$3 billion budget shortfall.

Commissioner Perry asked how Central School is being heated now. Mr. Small said the older portion of the building is being heated by a two-pipe system and 80% to 85% of the building is functioning very poorly now. He said the system is breaking, is not reliable, and is hard to regulate. He stated that they are also having problems with carbon dioxide accumulations which is adversely affecting certain individuals. The newer systems have built-in ventilation that activates when higher levels of carbon dioxide are detected. Mr. Small added that there are all kinds of problems at that school right now that are not conducive to staff working or student learning. He stated that the Board of Education understands the Board of Commissioners' plight and would like to thank them for their service.

9. REPORT FROM ASSISTANT COUNTY MANAGER:

Assistant County Manager Rodney Bunch stated that members of the Board participated in a video conference last week on wind farms. He said staff has suggested that the Board consider a work session to review the draft Wind Ordinance and address any concerns the Board may have so the ordinance can move forward to a public hearing.

10. REPORT FROM COUNTY ATTORNEY:

County Attorney Mike Cox advised the Board of a potential offer for the Southern Shores property. He said he does not have any details or a contract at this point, however he believes the potential buyer understands that the county's asking price was \$1.6 million. He noted that this property is under lease to the Hospital Authority and the previous protocol has been that half of the proceeds go to the Hospital and half to the county.

11. REPORTS FROM COMMISSIONERS:

Commissioner Winslow stated that he would like to thank the people of Pasquotank County for giving him the opportunity to be sworn in tonight. He said he will do the best job he can.

Commissioner Sterritt stated that he would like to say that the Honorable Jerry Tillett did not have court in Pasquotank County today and drove up from Manteo this evening to swear in Commissioner White and himself. He noted that Judge Tillett is a graduate of College of The Albemarle and was the first COA graduate to transfer to Wake Forest University. He said Judge Tillett was a former student of his. Commissioner Sterritt added that he believes the Board had good dialogue tonight and he thinks they are off to a good start. He said he appreciates everyone's support.

Commissioner White said he would like to reiterate that he appreciates the people of this county and their vote of confidence and he would like to assure them that he will give them his best. He added that he looks forward to working with county staff and doing what needs to be done to make things smoother.

Commissioner Perry stated that he is very pleased to have been re-elected and thankful to the citizens of the community for giving him the opportunity to serve another term. He said he also believes the Board is off to a good start and he looks forward to working with the other Commissioners to make this county the best it can be.

Commissioner Trueblood referred to the list of standing committees that are made by the Chairman. He suggested if a member of the Board is interested in serving in one of the vacant positions that he lobby the Chairman for that position. He said there are vacancies on numerous other committees and as Chairman of the Appointments Committee, he plans to put together a list for the Chairman and himself to review so they can be reviewed at the next Appointments Committee meeting. He said until the standing committee appointments are made, all members of the Board should attend any committee meetings that might be scheduled.

Vice-Chairman Dixon stated that he would like to thank his fellow Commissioners for electing him as Vice-Chairman. He said there was an email earlier this week from the North Carolina Association of County Commissioners requesting nominations for the District I representative. He stated that a conference call of the District I Chairmen will be held this Thursday when a person will be selected to fill this position. He said he would like to nominate Commissioner Bill Trueblood to fill the position of District I representative.

Motion was made by Jeff Dixon, seconded by Cecil Perry to nominate Commissioner Bill Trueblood to serve as the NCACC District I representative. The motion carried unanimously.

Chairman Griffin stated that he would like to thank the Board for giving him the opportunity to serve as Chairman for the next year. He said the Board has faced issues regarding wind turbines, aviation technology growth, residential growth, water system improvements, and jail construction in the past few years. He stated that the county looks much different today than it looked ten years ago, and the three new members of the Board will have opportunities to continue to make Pasquotank County a better place to live. Chairman Griffin said as Chairman he can't do it by himself and will depend on the six other members including a Vice-Chairman who can pinch hit for him. He added that he looks forward to a lot of positive results.

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

Motion was made by William Sterritt, seconded by Gary White to adjourn the meeting. The motion carried and the meeting was adjourned at 8:40 PM.

CHAIRMAN

CLERK TO THE BOARD