

**PASQUOTANK COUNTY, NORTH CAROLINA  
JUNE 4, 2012**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, June 4, 2012 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  
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 7:00 PM by Chairman Lloyd Griffin. Chairman Griffin gave the invocation and Shelby Mansfield III led in the Pledge of Allegiance to the American Flag.

**1. COMMENTS FROM JAMES HEWITT:**

Chairman Griffin recognized Mr. James Hewitt of 1314 Newland Road to address the Board. Mr. Hewitt said he would like to discuss jail costs, call center, and redistricting with the Board as a concerned citizen. He stated that he has learned there has been a \$2 million settlement for the jail costs which places that burden on the taxpayers and he sees that the Board is considering a \$200,000 budget item to cover those costs. He said his initial understanding was that the contract for the jail specified certain requirements that the builder was supposed to be doing or not doing. He stated that the project was closed down for poor workmanship for six to eight months before the contractor was allowed back on the job. He said as he understands contracts normally a bond is required of a contractor and when he doesn't comply with the contract, the bonding company gets involved and either pays or resolves the issue. He said if the county paid for legal advice to negotiate this contract, it got some bad advice. He stated that this is an additional cost on the backs of the taxpayers who did not have a right to vote on it, but are being asked to pay for it. Mr. Hewitt noted that he sees that the county is doing a cost study for contractors versus county employees to operate the landfill and he understands the county will save \$75,000 with this deal. He asked that the Board consider what the contractors locally are doing to ensure that there is a backup plan if this does not work out. He pointed out that an engine for one of the pieces of landfill equipment is not cheap. He asked if the county has any negotiating ability that it not get strapped down with a lot of repairs that a contractor when bidding a job would be held accountable for.

Mr. Hewitt said another thing he would like to discuss is the communications center. He stated that he lives in Pasquotank County and he understands that Pasquotank County is paying the greatest portion of the costs, but the bulk of the calls are generated in the City of Elizabeth City. He said if there is any negotiating ability there, it shouldn't be based on population but on call volume. He stated that the cost savings could go back into the general fund to help relieve some of the burden on county taxpayers.

Mr. Hewitt stated that his final issue is redistricting. He said his opinion is if someone wants to run for County Commissioner, they should get out and campaign within the guidelines and rules. He stated that he does not think redistricting should be done just because somebody wants to change the situation. He added that he does not see anything wrong with the current system and does not think it should be changed to satisfy a certain group.

**2. COMMENTS FROM JAMES MORRIS:**

Chairman Griffin recognized Mr. James Morris of 959 Halls Creek Road. Mr. Morris said he is here to speak to the Board tonight concerning the county landfill. He stated that the first item he wants to discuss is the county's scrap metal contract with United Salvage & Auto dated October 1, 2010 through September 30, 2013. He said the contractor is in some stage of bankruptcy and has filed with the federal bankruptcy court. He stated that he has obtained copies of seven tickets from the Finance Office from February 1, 2011 through January 31, 2012 and it appears the county was to be paid \$80 per ton for 106.69 tons of scrap metal which is the same as 4¢ per pound. He said if the county had delivered this same scrap metal to the scrap yard in Elizabeth City it could have been paid 12¢ per pound. Mr. Morris also said it appears he has not been given all of the information as there were no money amounts on the seven tickets he was given, just tonnage. He said there are no scale tickets or written records or evidence of money paid or owed. He asked why the county is still doing business with this company that is in bankruptcy.

Mr. Morris stated that he would also like to ask questions about dirt hauled from Elizabeth City to the landfill. He said some of the dirt was carried to the top of the hill, some trucks crossed the scales, some bypassed the scales, and some of the dirt was dumped in the unpermitted future expansion area of the landfill. He explained that some of this dirt was mixed with tires, bricks, wood and concrete and he asked if it was contaminated. He said some of it is being dumped next to Fun Junction and there is no silt fence of anything else to prevent runoff. He asked why over 200 loads of trashy material was allowed to bypass the scales and be dumped in an unpermitted area of the landfill. He asked if DENR is aware of the use of the unpermitted area and he asked if the county has received payment from the party dumping the material.

Mr. Morris said it is his understanding that Pasquotank County has a debt load of over \$70 million and he believes the reason for this is that the person in charge is not doing a good job. He said in the last several weeks he has learned the difference between a construction contract and a service contract. He stated that he contacted the School of Government and spoke with Frayda Bluestein who explained the difference. He said the state has statutes that cover construction contracts and anything that is not a construction contract is a service contract which is not defined. He stated that it is up to the Board of Commissioners to set guidelines for service contracts. He said these fixed rules would eliminate a lot of problems and save a lot of money. He said by not having these rules it has cost the county thousands of dollars. He said there is a serious problem with the management of county resources and it is the sworn duty of the Board of Commissioners to determine if there is a problem and if it is to fix it.

**3. COMMENTS FROM MARSHALL STEVENSON:**

Chairman Griffin recognized Mr. Marshall Stevenson of 1315 Little River Drive. Mr. Stevenson stated that two weeks ago he addressed the Board and as a result an editorial appeared in the newspaper which totally missed the point he was trying to convey to the Board. He said he requested a full investigation and he asked if anything has been done to call for an investigation or if there are any plans to call for an investigation. Chairman Griffin responded that at the present time the Board has been working diligently trying to get the 2012-13 budget in order and that has been the number one priority. He said he has been making notes of the comments and has sent them to the County Manager, the Solid Waste Director and the County Attorney. Mr. Stevenson said at the meeting on May 25 the County Attorney read the statute regarding when a Commissioner should recuse himself and he concentrated on Commissioner White. At that time the Attorney asked Mr. White if he had any business dealings with the parties involved in the bids for the landfill contract. Mr. Stevenson stated that the Attorney did not query any other members of the Board as to whether they had any business relationships with the parties. He said he would strongly suggest that the County Attorney question the full Board on whether any other Commissioners voting on that issue have had any business relationships with the parties. Mr. Stevenson stated that he heard Mr. James Morris ask for a detailed explanation of the fuel surcharges. He asked if an explanation has been put in writing to Mr. Morris as to the formula used and the fuel charges in the previous landfill contract. It was noted that a written response was provided to Mr. Morris. Mr. Stevenson requested a copy of that explanation.

**4. COMMENTS FROM VERNON KINNEY:**

Chairman Griffin called on Mr. Vernon Kinney of 110 Center Cross Drive to address the Board regarding county taxes. Mr. Kinney explained that it is his understanding that the Board is considering raising real estate taxes. He said it used to be the American dream to own a home, but it seems like people are being taxed out of their homes. He stated that there should be a

different way to tax everyone equally, rather than just taxing the handful of property owners. He requested that the Board look at that. Mr. Kinney said it has also been brought to his attention that county employees have not have a pay raise in three years. He said if he were a county employee, he would be grateful to have a job because there are so many people who do not have jobs or who do not have good enough jobs. He stated that he also understands that health insurance costs have increased and he does not think it would hurt if the employees paid \$10 or \$15 per month for their health insurance. Mr. Kinney said the property owners cannot be asked to pay more in taxes to cover these expenses.

**5. 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 the following items: 1) Approval of recommendation from the Finance Committee to approve a maintenance contract for elections software and hardware; 2) Approval of recommendation from the Finance Committee to fill a vacant Social Services position; 3) Approval of appointments as recommended by the Appointments Committee; and 4) Approval of request from Dr. Dan Terryberry for annual fireworks display on July 4, 2012.

Motion was made by Bill Trueblood, seconded by Jeff Dixon to amend the agenda to add items #1, #2, and #3 above to the consent agenda and item #4 to new business. The motion carried unanimously.

**6. APPROVAL OF CONSENT AGENDA:**

The Board considered the following consent agenda:

*a. Approval of Minutes of May 21 and May 25, 2012 Commissioner Meetings*

*b. Approval of Tax Releases and Refunds*

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

Releases:

	County	City
1. Christina Marie Day	100.94	
2. Von Rautenkranz, Allison Byrd	170.93	
3. Bradley Donald Kopf	109.49	
4. Andrew Joseph Sears	138.63	108.97
5. Brian Atkinson Lee	142.85	

Refunds:

1. Nathan & Victoria L. Stuart	109.39
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Solid Waste Fees:

Owner's Name	Parcel ID#	Reason for Release
Thomas M. Hamill & Wife	10-H-159	House needs repairs
Eunice Mitchell Heirs	P123-12	House not livable

*c. Approval of Budget Amendments*

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

EMS

Increase	010.0550.4839.01	Miscellaneous Revenue	15,525.00
Increase	010.4370.5122.00	Salaries & Wages - OT	15,525.00

Court Facilities

Increase	010.0991.4991.00	Fund Balance Appropriated	26,700.00
Increase	010.4160.5510.02	Clerk of Court	26,700.00

Ag Ext

Increase	010.0230.4370.00	State Grant	3,961.00
Increase	010.4950.5600.34	Grant-SHIIP	3,961.00

## Jail

Increase	042.0500.4831.02	Interest - 6.3M	122,926.00
Increase	042.4320.5590.00	Construction	122,926.00

## Governing Board

Increase	010.0110.4111.11	Ad Valorem Taxes - '11	4,910.00
Increase	010.4110.5491.00	Dues and Subscriptions	2,410.00
Increase	010.4110.5499.00	Miscellaneous Expense	2,500.00

## Tax Admin

Increase	010.0110.4111.11	Ad Valorem Taxes - '11	4,160.00
Increase	010.4140.5440.00	Contracted Services	1,400.00
Increase	010.4140.5498.00	Tax Foreclosures	2,760.00

## ROD

Increase	010.0991.4991.00	Fund Balance Appropriated	25,000.00
Increase	010.4180.5800.00	Automation & Preservation	25,000.00

## Non-Departmental

Increase	010.0550.4839.00	Miscellaneous Revenue	15,872.00
Decrease	010.6900.5991.00	Contingency	20,000.00
Increase	010.4195.5600.29	Drainage Study	35,872.00

## Non-Departmental

Increase	010.0240.4380.20	FEMA Funds	13,100.00
Increase	010.4195.5999.00	Hurricane Expenses	13,100.00

## Public Health

Increase	010.0240.4380.20	FEMA Funds	160,000.00
Increase	010.5110.5620.09	Mosquito Control	160,000.00

## Debt Service

Decrease	010.6900.5991.00	Contingency	20,000.00
Increase	010.0110.4111.11	Ad Valorem Taxes - '11	101,248.00
Increase	010.9100.5700.26	2011 Equipment	11,505.00
Increase	010.9100.5395.00	Issuance Cost	84,543.00
Increase	010.9100.5394.01	Trustee Cost (arbitrage)	25,200.00

## Jail

Increase	010.0600.4980.00	Camden/Perquimans	440,425.00
Increase	010.4320.5700.19	Debt Service	440,425.00

*d. Approval of Elections Maintenance Contract*

The Finance Committee has recommended that the Board approve a five-year maintenance contract for elections software and hardware at a cost of \$15,987.44 per year.

*e. Approval of Request to Fill Vacant Social Services Position*

The Finance Committee has recommended that the Board approve a request to fill a vacant Income Maintenance position in Adult Medicaid at the Department of Social Services.

*f. Approval of Appointments to Boards and Committees*

The Appointments Committee has recommended the following appointments to boards and committees:

Pasquotank-Camden Library Board - Reappoint Eudora Harvey and Nelia Fernandez; appoint Charles Jordan and Phyllis Phillips to replace Fannie Williams and Geraldine Hutchings.

Home and Community Care Block Grant Committee - Reappoint Rev. Bill Bailey, Jill Jordan; Laura Alvarico; Jean Allen; Jerry Parks, and Susan Scurria; appoint Pat Youngblood.

Aging Advisory Council - Reappoint Jean Allen to another term; appoint Pat Youngblood.

Motion was made by Jeff Dixon, seconded by Gary White to approve the consent agenda as amended. The motion carried unanimously.

The following tax releases have been approved by the Finance Officer:

Releases:

		County	City
1.	Anna Lynn Humphrey	25.27	
2.	Brian Patrick Callon	62.68	
3.	Stacy Langdon McNeer	21.58	
4.	Stacy Langdon McNeer	16.55	
5.	Tabitha Waterfieb McNeer	88.85	
6.	Lisa West Womble	18.97	
7.	Ronnie Dance	45.51	
8.	Phu Tan Nguyen	84.75	63.57
9.	John Kenney King	88.85	66.63
10.	Roger Ned Myers	82.46	
11.	Natalie Patrice Sears	57.72	49.36
12.	George Ivette Smith	12.59	9.44
13.	David Tran	4.28	3.21
14.	Richard Alan Johnson	13.02	
15.	Danielle Johnson Willis	85.25	
16.	Timothy Clark Dunbar	3.53	2.65
17.	Walter Ellis Covert	5.15	
18.	Paul William Perry	31.00	
19.	Essie Mae Tyler	2.67	1.98
20.	Davontae Akeem Timpson	17.21	12.90
21.	Steven Jay Wynkoop, Jr.	94.05	
22.	Steven Jay Wynkoop, Jr.	25.48	
23.	Steven Jay Wynkoop	68.57	
24.	Jean Pierre Miller	16.27	12.51
25.	Seth Carter	40.15	
26.	Seth C. Carter	40.06	
27.	Seth Carter	39.49	
28.	Carolina Pure Air & Water	16.09	
29.	Well Built Home Builders LLC	12.99	
30.	Well Built Home Builders LLC	10.77	
31.	Well Built Home Builders LLC	10.02	
32.	David Allen Deal	77.35	
33.	David C. Haynes	26.97	25.23
34.	Lester Walker Lamb	50.96	
35.	Russell Antonio Rouson	4.22	3.16
36.	Claude Lawrence Cooke	14.82	11.11
37.	Zack Dennis Robertson, Jr.		4.19
38.	Marcus Cleveland Jones III	88.04	71.03
39.	John Van Dickens III	62.87	52.15
40.	Matthew Eric Henderson	35.03	
41.	William John Morton	24.80	18.60
42.	William John Morton	18.10	18.58
43.	Magdalene Banes Vick	2.29	1.72
44.	Billy Matthew Gilbert	21.95	21.46
45.	Heather Lynn Gilbert	45.01	38.76
46.	Damian C. Gilley	93.89	
47.	Cornelius N. Claiborne	83.82	67.87
48.	Bradley Vance Manning	26.10	
49.	Garfield Leon Brown	33.64	
50.	Cynthia June Shuey	10.79	
51.	Ross Hoyt Ward	51.09	
52.	Albert Clinton Robinson, Jr.	11.07	8.30
53.	Casey Danielle English	80.48	65.36
54.	Mandy Louise Garris		17.09
55.	Mandy Louise Garris	12.09	

56.	Alice Capps Powell	57.97
57.	Isis Andrew	95.42
58.	Rosie Marie Ross	77.00
59.	Eric Trevor Forslund	13.95
60.	Eric Trevor Forslund	21.08
61.	Eric Trevor Forslund	98.62
62.	Elizabeth Anne Forslund	7.25
63.	David Wayne Richard	43.65
64.	Robert Louis Vaughan	66.53
65.	Phillip Gregory Benten	33.48
66.	Eliz. City Interiors	18.01
67.	Anna Fearing McPherson	20.21
68.	Jason Lee Dely	3.66
69.	Paul Andrew Riggs	63.86
70.	O&J Enterprises LLC	10.66
71.	O&J Enterprises LLC	21.95
72.	Benny Santiago Rodriguez	3.84
73.	Wilson Parker Long	30.38
74.	Arnold Lee Wilson	17.39
75.	Arnold Lee Wilson	29.34
76.	John Edgar Norman III	32.55
77.	Kevin Leon Brickhouse	29.64
78.	Winston Curtis Bonner	38.81
79.	David Howard France	8.49
80.	David Howard France	6.82
81.	Earmon Dale Horn, Jr.	3.38
82.	Caroann Whitfield	85.44

**7. APPROVAL OF REQUEST FOR FIREWORKS DISPLAY:**

County Attorney Mike Cox explained that Dr. Dan Terryberry is requesting to have a fireworks display at Newbegun Land Subdivision on July 4, 2012. He said as a result of the Ocracoke incident a few years ago, new regulations with regard to fireworks operators have been implemented by the General Assembly. Mr. Cox advised that Dr. Terryberry has taken the proper classes, has provided proof of insurance in the amount of \$500,000, and has signed a contract with a company to assist in the fireworks display. In addition he has a lot of experience doing this through the years. According to G.S. 14-410 the display operator needs permission from the Board of Commissioners for the fireworks display.

Motion was made by Cecil Perry, seconded by Joe Winslow to authorize the request from Dr. Dan Terryberry to have a fireworks display at Newbegun Land Subdivision on July 4, 2012 in accordance with G.S. 14-410 and other relevant laws. The motion carried unanimously.

**8. ADOPTION OF RESOLUTION REGARDING ALBEMARLE HOSPITAL:**

County Attorney Mike Cox explained that before the Board tonight is a resolution to begin the RFP process for the hospital. He stated that this will be a several months long process. He said by passing this resolution the Board will allow the hospital to move forward with the RFP process. It also allows the Chairman to appoint three members to a joint committee.

Mr. David Twiddy, Chairman of the Hospital Board of Commissioners, introduced the members of the Hospital Board and staff who were in attendance at the meeting. Mr. Twiddy informed the Board that the Hospital Board met earlier today and voted unanimously to move forward with this process. He explained that the Hospital Board is not asking the Board of Commissioners to sell or lease the hospital, but just to explore the options while the hospital is in a good financial position to do so.

Commissioner Bill Trueblood said he has heard a lot of comments and concerns in the community about selling the hospital and he has those same concerns. He added that he understands the process to explore the options, but in the end there are a lot of things that have to be weighed before a final decision is made. Mr. Twiddy said he understands those concerns and he wants the Board to know that there is not already some deal made. He stated that all they are

asking is that a committee be formed that will be made up of three County Commissioners and three Hospital Board members to develop an RFP process with the help of their attorneys.

Motion was made by Jeff Dixon, seconded by Joe Winslow to adopt the following resolution declaring intent to lease, sell, or otherwise convey the hospital's assets or enter into an affiliation arrangement, and authorizing the Chairman to appoint County Commissioners to a joint task force to manage the RFP process and make a recommendation to the Board of Commissioners based on the proposals. The motion carried unanimously.

**PASQUOTANK COUNTY  
RESOLUTION OF THE BOARD OF COMMISSIONERS  
June 4, 2012**

WHEREAS, Albemarle Health is a health care provider located in Elizabeth City, North Carolina, in Pasquotank County (the "County"); and

WHEREAS, Albemarle Health is operated by the Albemarle Hospital Authority Board of Commissioners (the "AH Commissioners"); and

WHEREAS, the AH Commissioners have performed a comprehensive review of the current health care environment in North Carolina, as well as Albemarle Health's fiscal and operational circumstances; and

WHEREAS, the AH Commissioners have examined and considered the prospects for continuing to operate as an independent health care provider in said environment; and

WHEREAS, the AH Commissioners have examined the potential benefits of affiliation and believe it is in the community's and Albemarle Health's best interest to investigate the opportunities for affiliation at this time; and

WHEREAS, the AH Commissioners have apprised and reported to the County's Board of Commissioners ("Board of Commissioners"), the above findings and have recommended and requested that the Board of Commissioners join the AH Commissioners in further investigating and evaluating the strategic and affiliation opportunities associated with Albemarle Health in order to further analyze and determine the best course of action for ensuring the ongoing viability of Albemarle Health and its services in this community; and

WHEREAS, the Board of Commissioners believes it is prudent to explore such opportunities and perform such analysis.

NOW, THEREFORE, RESOLVED, that the Board of Commissioners, in coordination with the AH Commissioners, hereby declares its intent to lease, sell, or otherwise convey the facilities and assets currently used by Albemarle Health, or enter into any other affiliation arrangement which meets the objectives defined by the Board of Commissioners and the AH Commissioners in their sole discretion, if and only if the Board of Commissioners deems such arrangement to be appropriate in its sole discretion in coordination with the AH Commissioners. Any such arrangement, if any, shall be deemed by the Board of Commissioners and the AH Commissioners to be in the best interests of the community, compliant with the requirements of North Carolina law, and to support and promote the delivery of quality health care in the County.

FURTHER RESOLVED, that the Board of Commissioners, in conjunction with the AH Commissioners hereby solicits and requests interested parties to submit proposals for an affiliation or partnership arrangement with Albemarle Health and Pasquotank County, including, but not limited to, proposals for the lease or purchase of the facilities and assets associated with the operations of Albemarle Health. The Board of Commissioners, in coordination with the AH Commissioners, hereby authorizes the issuance of a Request for Proposal ("RFP") for affiliation arrangements, including the lease or purchase of such facilities and assets, which RFP shall be consistent with this Resolution and shall include a copy of N.C.G.S. §131E-13, to at least five (5) prospective lessees, purchasers, or other interested parties, as soon as possible.

FURTHER RESOLVED, that the Board of Commissioners hereby authorizes the Chair of the Board of Commissioners to appoint certain commissioners of the Board of Commissioners to serve on a joint task force with members of the AH Commissioners (“Joint Task Force”), and further authorizes the AH Commissioners and such Joint Task Force to manage the RFP process, including distributing the RFP, collecting any responses, performing an initial evaluation of such responses, including, but not limited to, conducting interviews with the parties submitting such responses, and to provide a recommendation to the Board of Commissioners based on such proposals. The Joint Task Force shall provide the Board of Commissioners with regular updates and reports throughout the RFP process, and shall at all times remain subject to the Board of Commissioners review and oversight, in coordination with the AH Commissioners.

#### **Miscellaneous**

FURTHER RESOLVED, that any actions taken by the Board of Commissioners, and any person authorized to act by them or any one of them, on behalf of the County prior to the adoption or consent of this action are hereby severally ratified, confirmed, approved and adopted as acts on behalf of the County.

ADOPTED this the 4<sup>th</sup> day of June, 2012.

#### **9. CONSIDERATION OF JULY MEETING SCHEDULE:**

The Board considered the July meeting schedule. County Manager Randy Keaton explained that the Board typically only has one meeting in July because of the holiday and completion of the budget. He noted that this July has five Mondays and the Board would normally have a joint meeting with the City Council on the fifth Monday which will be July 30<sup>th</sup>. The Board agreed to have only one regular meeting in July on Monday, July 9<sup>th</sup> and have a joint meeting with the city on July 30<sup>th</sup>.

Mr. Keaton also asked the Board Members to look at their schedules for this week in order that another budget work session can be held to review the Water Department and Landfill budgets. The Board agreed to recess tonight’s meeting until Wednesday, June 6 at 12:30 PM to review the Water and Landfill budgets.

Mr. Keaton stated that the Board needs to schedule a special meeting for June 11 to present the budget and then have a special meeting on June 25 to have the budget hearing. The Board agreed to schedule the special meeting on June 11 at 6:00 PM and to move the June 18 regular meeting to June 25 at 7:00 PM in order to hold a public hearing on the budget.

#### **10. ADOPTION OF RESOLUTION SUPPORTING HOUSE BILL 1180:**

County Attorney Mike Cox presented a draft resolution supporting House Bill 1180 which has been introduced by Representative Bill Owens.

Motion was made by Jeff Dixon, seconded by Bill Trueblood to amend the agenda to add the resolution supporting HB 1180 to new business. The motion carried unanimously.

Mr. Cox explained that HB 1180 would allow Pasquotank County to charge a privilege license fee and an excise tax on internet sweepstakes cafes. He said currently the city is allowed to charge for privilege licenses but does not charge an excise tax. He stated from what he has read, this bill might have a decent chance in the House, however the Senate wants to wait for a North Carolina Supreme Court decision on existing litigation. Mr. Cox said his concern with waiting is that this industry modifies games all the time in order to keep operating and he is not sure this matter will be resolved by the Supreme Court. The resolution would urge the General Assembly to pass HB 1180 in the current session.

Motion was made by Jeff Dixon, seconded by Joe Winslow to adopt the following resolution supporting HB 1180. The motion carried unanimously.



**RESOLUTION SUPPORTING  
HB 1180**

**WHEREAS**, counties, unlike municipalities, do not have the authority to charge for privilege licenses for “internet sweepstakes cafes” (“sweepstakes”); and

**WHEREAS**, HB 1180 – “Video Sweepstakes Entertainment Tax” would provide much needed revenue to not only education but to the counties; and

**WHEREAS**, the General Assembly banned “sweepstakes” on December 1, 2010 but it continues due to existing lawsuits; and

**WHEREAS**, Pasquotank County is currently in two lawsuits involving “sweepstakes” which have cost the county thousands of dollars and numerous hours of staff time; and

**WHEREAS**, it has been reported that the General Assembly may withhold any decisions concerning “sweepstakes” until the North Carolina Supreme Court decides the existing litigation; and

**WHEREAS**, there is a concern that due to the nature of “sweepstakes” this matter may not be resolved by the North Carolina Supreme Court; and

**WHEREAS**, Pasquotank County feels the General Assembly should act on HB 1180 in the current 2012 Session.

**NOW, THEREFORE**, the Pasquotank County Board of Commissioners hereby urges the General Assembly to pass HB 1180 in the 2012 Session of the North Carolina General Assembly.

This 4th day of June, 2012.

**11. REPORTS FROM COMMISSIONERS:**

Commissioner Joe Winslow reported that he recently attended County Assembly Day with several County Commissioners and staff.

Commissioner Gary White said he would like to thank staff for their diligence during this difficult period of dealing with money.

Vice-Chairman Jeff Dixon stated that he is a little concerned about the perception in the community about a lawsuit regarding the jail. He said it was reported in the newspaper there was a lawsuit and unless he is totally wrong it was not a lawsuit. He said it was moneys that were owed to the contractor that the county withheld because he was not fulfilling his contract. He stated it needs to be clarified that the county was not sued by any contractors. County Attorney Mike Cox noted that the county went through the bonding process and hired a construction law expert who gave great advice in a bad situation. He said eight or nine days of mediations were held. He added that the county is looking to recoup some of the funds that were paid out as settlement. He stated that the claim from the contractor was far bigger than what was settled for.

Vice-Chairman Dixon said he would like to have a better understanding of the process regarding the contract for white goods and scrap metal that Mr. Morris spoke about tonight. The County Manager said the statement by Mr. Morris that he wasn't given all of the information is incorrect. He stated that the Finance Officer gave him copies of cancelled checks, however it appears Mr. Morris had trouble understanding what he was given. Finance Officer Sheri Small stated that the county received full payment for information that Mr. Morris picked up from her office last Tuesday. She said she had previously given him a copy of a cashier's check the county had received in advance of the company picking up white goods. She stated that she did not give him a copy of the final check because it has routing information and the check is not public record. She said Mr. Morris did not ask for a copy of the check but the paperwork. Ms. Small said the company has paid the county for what has been picked up, however they still owe approximately \$25,000 in arrears and she has documentation of that. Vice-Chairman Dixon asked for an explanation of the county's relationship with the company now that it is in bankruptcy. Mr. Keaton explained that the county has had a contract with this company since

2008 to pick up white goods. He noted that it is not just a matter of picking up and delivering the white goods; the county collects all of the white goods and scrap metal from the convenience sites; the company takes the freon out of all of the white goods that contain freon, such as refrigerators, freezers, and air conditioners; and the company hauls them away for disposal. The contract with the company calls for them to pay the county a percentage of the market rate which in 2008 was about \$20 or \$30 per ton. When the contract with the company was renewed in 2010, the amount increased to \$80 per ton based on the price of steel at that time. Mr. Keaton stated that the company got behind with everybody they do business with. He said they are currently prepaying the county for pickups and are also paying on the arrears amount. County Attorney Mike Cox stated that bankruptcy laws are pretty strong and are favored towards the debtor. He said the company still wants to do business with the county and is reaffirming the contract with the county. He explained that the company could walk away now and pay the county nothing because the county is an unsecured creditor with this type of operation. He said the good news is that the county is getting paid. He stated that the county signed a contract with the company in 2010 and the county is in that contract. Chairman Griffin added that the county has more than a year left on that agreement at which time it will renegotiate or re-bid. Commissioner Joe Winslow asked if all contracts are not null and void in a bankruptcy. Mr. Cox said the debtor has the right to reaffirm the contract but the county does not have the right to get out of the contract. Finance Officer Sheri Small added that there is an audit trail.

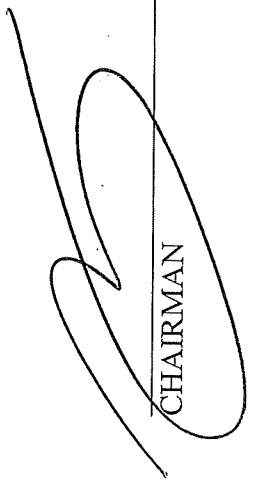
Commissioner Bill Trueblood asked Mr. Keaton to explain the fuel surcharge issue. Mr. Keaton said he had answered all of the questions from Mr. Morris related to the fuel surcharge issue and the answers were emailed to him. He stated that Mr. Morris had not called to ask any questions or seek any clarification so he thought he understood the answers. He said it appears that the way the questions were asked was intended to throw doubt or questions on what county staff has done. He noted that the Finance Officer has shown Mr. Morris all of the information and he is choosing to ignore the information and make it sound like money is missing which is just not the case. He said it is frustrating to listen to him when he has admitted that he does not know what he is looking at, but instead of asking questions and trying to learn, he is taking information and making assumptions without asking staff to clarify what he is reading.

Commissioner Cecil Perry asked Mr. Keaton to address the dirt issue. Mr. Keaton explained that the Board approved a project a couple of years ago for clean dirt, brick, concrete, and block. If contractors separate it, the brick and block are stockpiled in an area to be ground up, and the dirt is stockpiled to use as cover material. Mr. Keaton said this is a good deal for the county because it is hauled to the landfill for free and the contractor does not have to dig dirt for use as cover material which saves county resources. He added that the county wants this dirt. He stated that the brick and block are stockpiled and ground for use as road base material which also saves a lot of money.

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 recess the meeting until Wednesday, June 6.

Motion was made by Bill Trueblood, seconded by Gary White to recess tonight's meeting until Wednesday, June 6 at 12:30 PM. The motion carried unanimously and the meeting was recessed at 8:15 PM.

  
CLERK TO THE BOARD

  
CHAIRMAN