

**PASQUOTANK COUNTY, NORTH CAROLINA
DECEMBER 3, 2012**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, December 3, 2012 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT:

Jeff Dixon, Chairman
Joseph S. Winslow, Jr., Vice-Chairman
Lloyd E. Griffin, III
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Frankie Meads

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 Clerk to the Board Karen Jennings. Commissioner Lloyd Griffin gave the invocation and Commissioner Gary White led in the Pledge of Allegiance to the American Flag.

1. OATH OF OFFICE FOR COMMISSIONERS:

The Honorable Eula Reid, District Court Judge, administered the Oath of Office to newly elected Commissioner Frankie Meads and to re-elected Commissioners Lloyd Griffin and Jeff Dixon.

2. ORGANIZATION OF THE BOARD OF COMMISSIONERS:

The Clerk to the Board explained that state law requires the organization 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 Lloyd Griffin nominated Commissioner Jeff Dixon to serve as Chairman for the next year and the nomination was seconded by Commissioner Joe Winslow.

Motion was made by Lloyd Griffin, seconded by Gary White to close the nominations for Chairman. The motion carried unanimously.

Upon a vote of the Board, Commissioner Dixon was unanimously elected as Chairman.

The meeting was turned over to Chairman Dixon who called for nominations for Vice-Chairman of the Board. Commissioner Gary White nominated Commissioner Joe Winslow to serve as Vice-Chairman of the Board and the nomination was seconded by Commissioner Lloyd Griffin.

Motion was made by Gary White, seconded by Cecil Perry to close the nominations for Vice-Chairman. The motion carried unanimously.

Upon a vote of the Board, Commissioner Winslow was unanimously elected as Vice-Chairman.

The members of the Board took their seats at the table and Chairman Dixon called on Commissioner Lloyd Griffin and presented him with a plaque expressing the Board's appreciation for his two years as Chairman of the Board. Commissioner Griffin thanked the Board for giving him the opportunity to serve as Chairman for the past two years and said he is now passing the gavel on to Chairman Dixon, as well as the phone calls and responsibilities that go along with it. He thanked the members of the Board and county staff for their cooperation and patience.

Commissioner Frankie Meads said he would like to thank all of his supporters and family who came out tonight. He stated that he appreciates their help and hard work in getting him elected

as a County Commissioner. He added that he believes he can work with this Board to get the job done that needs to be done. He said that together they can make a difference in the amount of taxes county property owners pay in the future and do a job the public will be pleased with.

Commissioner Joe Winslow stated that he greatly appreciates the honor of being elected Vice-Chairman. He said he will do his best to work with the Board and with future boards. He added that he has enjoyed working with former Chairman Lloyd Griffin who many times pulled the members of the Board together and kept them informed on the different issues. He said it has been a pleasure to serve on the Board for the past two years and he looks forward to the next two years.

Chairman Dixon said he would like to thank his fellow Board Members for electing him to serve as Chairman and for the trust they have placed in him to lead the Board in the upcoming year. He stated that he would like to thank his wife and family for allowing him the opportunity to serve without demands and with a lot of love and support. He said he would especially like to thank his father who was a Commissioner for sixteen years and was Chairman twice. He stated that his father taught all of his kids that it takes more than being just a successful businessman, and that they need to serve their community as well and give back to it in the same manner they have taken from it.

Chairman Dixon stated that he sees several challenges coming before the Board over the next year. The first one will be a recommendation from the Hospital RFP Task Force on whether to sell, lease, or keep the Hospital as it is. Chairman Dixon said this recommendation will be coming before the Board sometime in February and it will be a hard decision as to what to do. He stated that the second challenge is continuing to look at reorganizing voter precincts to make it easier for a second African American to serve on the Board of Commissioners. Chairman Dixon said the upcoming revaluation of county property is another big issue. He stated as that moves closer, there will definitely be some challenges. He explained that the budget is always a challenge. He noted that when he came on the Board eight years ago, the county budget was \$38 million and this year a \$34 million budget was adopted. He said the Board has not grown government, but has actually made government smaller during the time he has been on the Board. He added that this however has come at a price because county employees have not had a pay increase in five or six years due to the fact that the budget has been so tight. In addition, the Board is facing \$13 million in school maintenance needs. Chairman Dixon noted that the quarter-cent sales tax did not pass, so the Board is back to square one. He added that at the end of the day, the question before the members of the Board is whether they left Pasquotank County a better place than they found it and whether they improved the quality of life for the people of Pasquotank County. If they cannot answer yes, then they have failed their job and need to go back and do it all over again.

Commissioner Cecil Perry stated that he would like to thank Chairman Dixon for agreeing to serve as Chairman. He said he has watched Chairman Dixon grow as a Commissioner and believes he will listen and will make a tremendous difference in the county. Commissioner Perry added that he would also like to welcome Commissioner Meads to the Board and looks forward to working with him. He also thanked Commissioner Griffin for serving as Chairman for the past two years.

Commissioner William Sterritt noted that there are several firsts here tonight. Mr. Meads is the first Republican elected County Commissioner in Pasquotank County since Tim Thornton who was elected about 25 years ago. He said the first Republican was Hugh Cale in the 1800's and Mr. Meads was the third. He stated that the first legacy has occurred tonight with Chairman Dixon following his father Jimmie Dixon as Chairman of the Pasquotank County Board of Commissioners. Commissioner Sterritt said he would like to recognize Marshall Stevenson who is a former Chairman of the Board of Commissioners who is here tonight. He stated that he would like to thank Commissioner Lloyd Griffin for his work as Chairman as well.

Commissioner Gary White also thanked Commissioner Griffin for his service as Chairman and for his guidance and the help he has given him as a novice Commissioner. He said he looks forward to serving with Commissioner Meads. He wished Chairman Dixon and Vice-Chairman Winslow good luck in their new positions and said the members of the Board will give them their best.

3. REQUEST TO LOWER SPEED LIMIT ON NORTHSIDE ROAD:

Chairman Dixon recognized Mr. Richard Seymour of 993 Northside Road to address the Board. Mr. Seymour said he has talked to several Commissioners about a problem on the south end of Northside Road. He said there are now three schools on Northside Road and the amount of traffic makes it impossible for residents who live along the road to get in and out of their driveways. He presented a petition from the residents in this area requesting that the speed limit on the south end of Northside Road be reduced to 35 mph from the stoplight to the school. County Manager Randy Keaton stated that since the last meeting when Commissioner Winslow mentioned this request, he has been trying to reach the person at the Department of Transportation who would be responsible for handling the request to see what they would recommend. He said now that the petition has been submitted, it can be sent to DOT if the Board so chooses.

Commissioner Joe Winslow said as he understands it vehicles turning from U.S. 17 onto Northside Road are going 45 mph and it does not provide enough reaction time for someone to back out of their driveway. If the speed limit is lowered to 35 mph it would allow more reaction time to look at traffic coming from both directions.

4. PUBLIC HEARING ON AMENDMENT TO INSTALLMENT FINANCING AGREEMENT TO REFINANCE A PORTION OF THE COST OF THE MIDDLE SCHOOL:

Chairman Dixon declared the meeting to be a public hearing on an amendment to the Installment Financing Agreement to refinance the 2004 COPS issue which was used to construct the Elizabeth City Middle School. With the refinancing the interest rate would be lowered from 4.32% to 2.59% and would result in savings of approximately \$1.8 million over the life of the loan. The term of the loan would also decrease from 18 years to 15 years. A portion of the loan will be closed before the end of December and the remainder will be closed in 2013. County Manager Randy Keaton reviewed the proceedings with the Board.

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The Chairman of the Board of Commissioners for the County of Pasquotank, North Carolina (the "County") announced that this was the hour, day and place fixed for the public hearing for the purpose of considering whether the Board of Commissioners for the County (the "Board of Commissioners") should approve a proposed amendment to the 2004 Installment Agreement hereinafter described and certain related documents pursuant to G.S. §160A-20, as amended, for the purpose of providing funds in an amount not to exceed \$12,000,000, with any other available funds, for the refinancing of all or some portion of the County's obligations under the 2004 Installment Agreement in order to realize debt service savings for the County. The County would secure the repayment by it of moneys advanced pursuant to such proposed amendment to the 2004 Installment Agreement by granting a security interest in a portion of the Project hereinafter described and certain related property.

The 2004 Installment Agreement consists of the Installment Financing Agreement, dated as of December 1, 2004, entered into between the County and the Pasquotank County Public Facilities Corporation to finance a portion of the cost of the Project consisting of the construction and equipping of a new middle school.

Notice of this public hearing was published in the The Daily Advance not less than 10 days before the date of this public hearing.

The County Manager and the Finance Officer of the County then described the current plan of the County to refinance a portion of the County's obligations under the 2004 Installment Agreement.

The County Manager and the Finance Officer of the County then presented and described two proposals that the County had received from Branch Banking and Trust Company (the "Bank") to refinance portions of the County's obligations under the 2004 Installment Agreement in an amount not to exceed \$4,900,000 in 2012 and an amount not to exceed \$6,600,000 in 2013. Such proposals (the "Proposals") meet the County's needs under the related circumstances and together constitute the proposed amendment to the 2004 Installment Agreement that is a subject of this public hearing.

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

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

Thereupon, upon motion of Commissioner Griffin, seconded by Commissioner White, the Board of Commissioners determined (a) to proceed with the proposed refinancing of a portion of the County's obligations under the 2004 Installment Contract and to approve on a preliminary basis the Proposals substantially as presented and (b) to authorize the Chairman of the Board of Commissioners and the County Manager and the Finance Officer of the County to negotiate further with the Bank the terms of the Proposals as they consider to be necessary or advisable and to execute and deliver the Proposals to the Bank at such time as they determine to be appropriate. Such motion was approved by the following vote:

Ayes: Commissioners Dixon, Winslow, Griffin, Perry, Sterritt, White, and Meads.
Noes: None.

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

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5. AMENDMENTS TO THE AGENDA:

Chairman Dixon asked if there were any amendments to the agenda. It was requested that the agenda be amended to add the following items to the agenda: 1) Approval of the purchase of a spare motor for the RO system wells; 2) Approval of petition from the residents of Northside Road requesting a reduced speed limit; and 3) Adoption of resolution supporting funding for the Clean Water Management Trust Fund.

Motion was made by Lloyd Griffin, seconded by Joe Winslow to amend the agenda to add items #1 and #2 above to the Consent Agenda, and item #3 to New Business. The motion carried unanimously.

6. APPROVAL OF CONSENT AGENDA:

The Board considered the following consent agenda:

a. Approval of Minutes of November 13, November 19 and November 26, 2012 Commissioner Meetings

b. Approval of Tax Releases and Refunds

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

Releases:

		County	City
1.	Jonna Marie Clark	112.16	89.12
2.	Kelly Gardner Bearden	141.24	110.93
3.	Billie James Sherwin	157.79	125.98
4.	David Earl Riddick, Sr. & Donna Miltiades	144.00	
5.	Riverside United Methodist Church of EC	1,310.06	
6.	Newbegun United Methodist Church	1,363.38	

Refunds:

1.	3 In 1 Inc.	2,233.00	1,827.00
2.	3 In 1 Inc.	2,375.10	1,827.00
3.	3 In 1 Inc.	2,456.30	1,887.90
4.	3 In 1 Inc.	2,305.05	1,885.95
5.	3 In 1 Inc.	2,451.74	1,885.95
6.	3 In 1 Inc.	2,535.56	1,948.92
7.	3 In 1 Inc.	519.75	
8.	3 In 1 Inc.	552.83	

9.	3 In 1 Inc.		571.73
10.	Lottie Mary Spellman		203.50
11.	Lottie Mary Spellman		216.45
12.	Lottie Mary Spellman		223.85
13.	Lottie Mary Spellman		229.40
14.	Lottie Mary Spellman		229.40

Solid Waste Releases:

Owner's Name	Parcel ID Number	Reason for Release
Nellie Proctor Heirs	P116-11	House vacant since 1987
Albemarle Resource Center	32-G-18	House condemned
Jo Ann Perry	P6-18	Vacant

Solid Waste Refund:

Arthur T. & Angela M. Jennings Felton	P10-16	Billed 1 additional SW fee in error
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c. Approval of Purchase of Spare Motor for RO System Wells
The Finance Committee has recommended that the Water Department be authorized to purchase a Franklin pump motor at a cost of approximately \$16,000 plus \$3,000 labor if needed to install the motor.

d. Approval of Petition Requesting Lower Speed Limit on Northside Road
The Board needs to consider whether to accept the petition presented by Richard Seymour earlier tonight and forward it to the Department of Transportation requesting that the speed limit on the south end of Northside Road be lowered to 35 mph from the stoplight to the school.

Motion was made by Joe Winslow, seconded by Gary White to approve the Consent Agenda as amended. The motion carried unanimously.

7. DESIGNATION OF VOTING DELEGATE FOR LEGISLATIVE GOALS CONFERENCE:

The Board considered designating a voting delegate for the NCACC Legislative Goals Conference that will be held on January 24 & 25 in Research Triangle Park.

Motion was made by Lloyd Griffin, seconded by Joe Winslow to designate Chairman Jeff Dixon as the voting delegate to the NCACC Legislative Goals Conference. The motion carried unanimously.

8. CONSIDERATION OF SUB-RECIPIENT AGREEMENTS FOR OLD MIDDLE SCHOOL PROJECT:

The Board reviewed two sub-recipient agreements for the old middle school project. The agreements are required by the grant for the renovation work. The city and county must both execute the sub-recipient agreements with the Police Athletic League and the Boys & Girls Club since the city and county submitted a joint application for the grant funds. Mr. Keaton outlined the agreements and explained that the city has already approved them. He said since these are community development block grant funds, there are certain requirements that each of the agencies have to meet in providing the services to those who will benefit from the renovation project. He listed some of the services that will be provided by the Police Athletic League and the Boys & Girls Club.

Motion was made by Lloyd Griffin, seconded by Cecil Perry to approve the sub-recipient agreements between the city and county, the Police Athletic League and the Boys and Girls Club for the middle school project.

Discussion followed and Commissioner Frankie Meads noted that Section II of the agreements states that the former Elizabeth City Middle School may not be used for any religious activity at any time. It further states that the City of Elizabeth City and the County of Pasquotank will sign sub-recipient agreements with other organizations to provide services in the former Elizabeth City Middle School and require that the Elizabeth City Police Athletic League communicate and coordinate its activities with the county and other organizations that use the building. Mr. Meads read from the Equal Access Act, 20 USC §4071 which mandates that high schools receiving federal funds must accommodate students who desire to have non-curriculum student-led Bible

clubs. He stated that the United States Supreme Court also found that when schools allow public or private organizations to rent school property for a meeting when the school is not in session, the school cannot deny religious organizations use of the property merely because religious subjects will be discussed. Commissioner Meads stated that he has some questions regarding the agreements with these groups. He noted that he knows very little about the Police Athletic League and has not seen any financial statement or plans or schedules and he is very leery about the county signing the agreements with the city. He added that a former City Councilman cautioned him to be careful of any agreements with the city.

County Manager Randy Keaton said in response to part of the question, this building is no longer a school building, so he believes the Supreme Court finding would not apply. He stated that the building is owned by the county, but it is not a school building anymore. He noted that the language in the agreement came directly from the Community Development Block Grant and is a federal requirement.

County Attorney Mike Cox advised that the county's policy for the Courthouse states that no organizations such as religious organizations can be discriminated against. He said he cannot say exactly what the rules for the old middle school would be, however as the Manager has stated he believes that the language in the agreement has to do with federal regulations and the fact that the building is no longer a school.

Mr. Keaton stated that the schools allow churches and religious organizations to meet at their facilities and so does the county. He said the language in the agreements is a requirement of the Community Development Block Grant.

Vice-Chairman Joe Winslow stated that he is always concerned about communication, and Sections V and VI of the agreement state that an annual audit report will be submitted to the city and the county, and that a monthly progress report will be submitted. He said he would like to make sure in either case that they have a representative here when those reports are submitted in case there are questions members of the Board would like to ask. He added that he believes this should be a pre-requisite.

Commissioner William Sterritt noted that he was on the School Board when this school went out of commission and the members of the School Board were very happy to give it to the county because it was deteriorating and the School Board did not want to be responsible for maintaining it. He stated that he has seen a lot of good come from the fact that the county has agreed to take this building over. He said the Police Athletic League programs that are currently in existence are all positive and he does not see an obstacle to moving forward with the agreements as he can only see positive outcomes with the use of this building going forward.

The motion to approve the two subrecipient agreements with the city, the Boys and Girls Club, and the Police Athletic League carried by a six to one margin with Commissioner Meads voting against the motion.

Chairman Dixon asked that the County Manager and the County Attorney do some more research in order to clarify Mr. Meads' question about not allowing religious activities in the facility.

9. APPROVAL OF E-VERIFY AGREEMENT:

County Attorney Mike Cox explained that the E-Verify Program is a federal mandate that will take effect for Pasquotank County on January 1, 2013. Through this program the county will electronically be able to confirm whether an employee is eligible to work in the United States. Mr. Cox advised that the county has been doing this voluntarily for some time now and the County's Personnel Director has been trained and is certified to use the E-Verify Program. He asked for the Board's formal approval to comply with the E-Verify Program.

Motion was made by Joe Winslow, seconded by Gary White to formally approve the Memorandum of Understanding for the county's participation in the E-Verify Program. The motion carried unanimously.

10. ADOPTION OF RESOLUTION SUPPORTING FUNDING FOR CLEAN WATER MANAGEMENT TRUST FUND:

Assistant County Manager Rodney Bunch stated that he has received a request for the Board to support a resolution for funding for the Clean Water Management Trust Fund for the next two years. He said they have no guarantee of any money coming forward in 2013. He explained that this program started about 16 years ago and is a program to improve water quality and protect watersheds. He said Pasquotank County was a recipient of a \$500,000 grant several years ago for a large project in the Newland area whereby several drainage structures were installed. He said this project improved drainage as well as water quality. Mr. Bunch stated that he believes it will be in the county's best interest to support funding for this program as it may be able to help the county again in the future.

Resolution to Support the 2013-2015 Funding for Clean Water Management Trust Fund

Whereas, the 1996 General Assembly established the Clean Water Management Trust Fund to provide an innovative and non-regulatory approach to the protection and restoration of the surface waters all across the state; and

Whereas, the Clean Water Management Trust Fund is a non-regulatory program established to help meet infrastructure needs of municipalities and counties, restore degraded surface water, protect watersheds, increase recreational opportunities, and enhance quality of life in this state, all critical components for communities to obtain a competitive edge in their economic development; and

Whereas, the Clean Water Management Trust Fund has funded 452 infrastructure projects to assist North Carolina Communities balance infrastructure needs with environmental protection and to help struggling communities become self reliant with future infrastructure needs; and

Whereas, infrastructure needs across the state addressing drinking water, wastewater, and stormwater are estimated at \$16.6 billion between 2005 and 2030; and

Whereas, the Clean Water Management Trust Fund has leveraged more than \$1 billion of private, local and federal funds to support projects; and

Whereas, the General Assembly has reduced funding for the Clean Water Management Trust Fund by 78% since 2010; and

Whereas, limited funding for the Clean Water Management Trust Fund left 88% of 2012 critical local needs unmet; and

Whereas, our economic vitality, health and ability to sustain ourselves and the natural environment all rely on clean water; and

Whereas, surface water must be protected to ensure sufficient drinking water supply for the state's growing industrial base and population; and

Whereas, Clean Water Management Trust Fund has provided grant(s) to the County of Pasquotank to do one or more of the following; to protect, restore or enhance surface water quality for the benefit of the state's agriculture, military, recreation and tourism economies and to protect our natural heritage for the benefit of all North Carolinians; and

NOW, THEREFORE, BE IT RESOLVED BY THE PASQUOTANK COUNTY BOARD OF COMMISSIONERS AT ITS MEETING ON DECEMBER 3, 2012 THAT WE SUPPORT CLEAN WATER MANAGEMENT TRUST FUND AND THAT THE FUND RECEIVE AN INCREASE IN RECURRING FUNDING FROM THE GOVERNOR AND THE NORTH CAROLINA GENERAL ASSEMBLY FOR THE 2013-2015 BIENNIAL BUDGET

Motion was made by Joe Winslow, seconded by Lloyd Griffin to approve the proposed resolution supporting 2013-2015 funding for the Clean Water Management Trust Fund. The motion carried unanimously.

11. REPORT FROM COUNTY MANAGER:

County Manager Randy Keaton reported that this week will be the closing on the modification of the SunTrust loan which was used to construct an addition to COA and to renovate the old library for the Tax and Register of Deeds offices. He said this modification will save the county about \$500,000 by lowering the interest rate from 4.32% to 2.76%. He added that the first year's savings will be about \$70,000. He noted that between this loan modification and the COPS refinancing the county will realize savings of about \$2.3 million.

12. REPORT FROM CHAIRMAN:

Chairman Dixon reported that he will try to have all of the committees organized by the next meeting or the first of the year. He suggested if any Board Member wants to get off of a committee to let him know. The Water Committee meeting scheduled for this Wednesday was cancelled.

13. REPORT FROM CLERK:

The Clerk reviewed the calendar of upcoming meetings and events. The County Manager added that the Board of Education will have its Annual Tour of Schools on December 17 beginning at 8:30 AM and all Commissioners have been invited to the tour.

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

Motion was made by Gary White, seconded by Cecil Perry to adjourn the meeting. The motion carried unanimously and the meeting was adjourned at 8:05 PM.


CHAIRMAN


CLERK TO THE BOARD