

THE BOARD OF COMMISSIONERS OF THE COUNTY OF CRAVEN MET IN REGULAR SESSION IN THE COMMISSIONERS' ROOM OF THE CRAVEN COUNTY ADMINISTRATION BUILDING, 406 CRAVEN STREET, NEW BERN, NORTH CAROLINA ON MONDAY, APRIL 1, 2002. THE MEETING CONVENED AT 7:00 P.M.

MEMBERS PRESENT:

Chairman C.W. "Pete" Bland
Vice Chairman Johnnie Sampson, Jr.
Commissioner Lee Kyle Allen
Commissioner Donald Phillips
Commissioner J. Harold Talton
Commissioner Albert H. Toon
Commissioner Charles F. Tyson, Jr.

STAFF PRESENT:

Harold Blizzard, County Manager
George B. Sawyer, Assistant County Manager
Richard F. Hemphill, County Finance Officer
Ray H. Moser, Human Resources Director
Gwendolyn M. Bryan, Clerk to the Board
James R. Sugg, County Attorney

Following an invocation by Commissioner Sampson and the Pledge of Allegiance, Commissioner Tyson moved to approve regular session minutes of March 18, 2002 and reconvened session minutes of March 27, 2002, seconded by Commissioner Phillips and unanimously carried.

CONSENT AGENDA

FY 2000 HMGP Buyout Project

A bid opening for the demolition of seven (7) units acquired under the HMGP Acquisition Project was held on Tuesday, March 19, 2002 at 11:00 a.m. Bids were received by seven regional contractors; JAB Construction, Empire Dismantlement, Barrow and Barrow, Styron Construction, Willis Trucking, Carolina Salvage and Welding, and Bayer Investment. Contract award recommendations for the contractor submitting the lowest lump sum bid for all seven units are as follows:

<u>Address</u>	<u>Contractor/Bid Amount</u>	
360 Maple Cypress Rd, Vanceboro	Carolina Salvage & Welding	\$4,000
149 High School Rd, Vanceboro	Carolina Salvage & Welding	\$4,000
6576 River Rd, Vanceboro	Carolina Salvage & Welding	\$4,000
1170 Cow Pen Landing Rd, Vanceboro	Carolina Salvage & Welding	\$5,000
6250 River Road, Vanceboro	Carolina Salvage & Welding	\$4,500
235 Street Ferry Rd, Vanceboro	Carolina Salvage & Welding	\$3,500
105 Street Ferry Rd, Vanceboro	Carolina Salvage & Welding	\$3,500
	Total Lump Sum	<u>\$28,500</u>

Commissioner Sampson moved to award the bids, as recommended by the Planning Board, to Carolina Salvage & Welding, for a total lump sum bid of \$28,500. The motion was seconded by Commissioner Tyson and unanimously carried in a roll call vote.

Tax Releases and Refunds

Craven County Tax Administrator, Ronnie Antry, submitted the following routine requests for tax releases and refunds for the Board's approval. They were unanimously

approved by motion of Commissioner Sampson, seconded by Commissioner Tyson in a roll call vote.

Credits

TAXPAYER NAME	TICKET #	AMOUNT
BELL, PERRY WALLACE NO LONGER IN BUSINESS IN 1999	2000-0003584	\$ 23.76
BELL, PERRY WALLACE NO LONGER IN BUSINESS IN 1999	2001-0090178	\$ 18.51
BENNETT, JOEL W MILITARY-HIS NAME ONLY LES SD	1999-0003718	\$ 1.36
BENTON, RICKY SR LISTED AS REAL PROP ON ACCT 36234	2001-0003918	\$ 412.92
BLOUNT, MICHAEL V INCORRECT BILLING OF SIZE & YEAR OF SWMH-USED FOR S	2000-0090785	\$1,112.66
BLOUNT, MICHAEL V INCORRECT BILLING OF SIZE AND YEAR OF MOBILE HOME	2001-0004569	\$ 184.92
DEICKMAN, JESSE L MILITARY-HIS NAME ONLY LES-MD MOBILE HM	2001-0091782	\$ 159.60
GALINDO, EUGENE JUAN DID NOT OWN 1/1/2001	2001-0017802	\$ 62.67
GATEWAY MINISTRIES, INC EXEMPT PER GS 105-278.3	2001-0018529	\$ 878.64
GREEN, ROBERT D DID NOT OWN 1/1/2001	2001-0020055	\$ 41.20
HARRADEN, ROBERT B MOBILE HOME MOVED OUT OF COUNTY	2001-0021771	\$ 33.12
HOFFMAN, BECKY HOWELL & BILLY DID NOT OWN 1/1/2001	2001-0023858	\$ 247.70
HOFFMAN, BECKY HOWELL & BILLY DID NOT OWN 1/1/2000	2000-0023663	\$ 254.52
JENNETT, NINA W DID NOT OWN VEHICLE	1991-0091027	\$ 10.79
JENNETT, NINA W DID NOT OWN VEHICLE	1990-0091663	\$ 10.92
JILES, ALEXANDRA DID NOT OWN MH/REBILLED TO OWNER	2000-0090428	\$ 534.37
JILES, ALEXANDRA DID NOT OWN MH/REBILLED NEW OWNER	2001-0026519	\$ 504.38
JONES, JOSEPH LEON & JONES, TE MILITARY-JOSEPH-PRORATION 1/2 VAL LES-IN ECC-01/0	2001-0026942	\$ 133.68

PETTY, IDA M BUSINESS CLOSED IN 1997	2000-0038539	\$ 6.50
PHILLIPS, JAMES EDWARD SR DID NOT OWN ON 1-1-1997	1998-0093683	\$ 85.12
PLACIENTE, RAMOND J MILITARY-HIS NAME ONLY-01 LES-FL	2001-0039348	\$ 23.46
UMBA, DENNIS W BUSINESS CLOSED 11/2000	2001-0090852	\$ 10.24
WARD, ISAIAH NELSON MOBILE HOME USED FOR STORAGE	2000-0050878	\$ 26.64
WELLS, TIM IVEY JR & CINDY DWELLING VACANT	2001-0051987	\$ 33.12

24 – CREDIT MEMO(S) \$4,810.80

Refunds

MORTON MINERALS, INC DID NOT OWN IN 1999-REBILLED TO CORRECT OWNER	1999-0034275	\$ 736.83
MORTON MINERALS, INC DID NOT OWN IN 2000-REBILLED TO CORRECT OWNER	2000-0035283	\$ 733.20
MORTON MINERALS, INC DID NOT OWN IN 2001-REBILLED TO CORRECT OWNER	2001-0035693	\$ 769.56

3 – REFUND(S) \$2,239.59

Budget Amendments

Craven County Finance Officer, Rick Hemphill, submitted the following budget amendments for the Board's approval. Commissioner Sampson moved for their approval, seconded by Commissioner Tyson and unanimously carried in a roll call vote.

DSS Mandated Program 7291

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-7291-349-32-00 Energy CIP & CPL	\$ 17,424.00	101-7291-450-23-04 Energy CIP	\$ 17,424.00
TOTAL	\$ 17,424.00	TOTAL	\$ 17,424.00

Justification: Increase in allocation from the Division of Social Services. Funding is 100% Federal, no County match.

Health/Home Health

101-6500-370-04-00 Medicaid Revenues	\$ 70,000.00	101-6500-440-32-17 Drugs Ancillary	\$ 14,000.00
		101-6500-440-40-20 Therapist Contractual Serv	\$ 35,000.00
		101-6500-440-25-02 Travel Mileage Reimbursement	\$ 21,000.00

TOTAL	\$ 70,000.00	TOTAL	\$ 70,000.00
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Justification: Increase in Medicaid revenue to offset shortage of funds in critical expense lines to carry thru FY 02. Travel reimbursement for home visits.

Tri Community Fire Department

242-0000-399-01-00	\$ 233.00	242-2900-410-46-00	\$ 233.00
Fund Balance		Insurance	
TOTAL	\$ 233.00	TOTAL	\$ 233.00

Justification: Insurance premium exceeded amount budgeted (\$700.00) by \$233.00 (not enough in original budget, FY 2001 paid \$1,037.)

Recreation & Parks

101-8010-335-28-00	\$ 2,000.00	101-8010-460-32-40	\$ 2,000.00
NC Amateur Games		Other Supplies	
TOTAL	\$ 2,000.00	TOTAL	\$ 2,000.00

Justification: NCAS grant for \$2,000 to be used for Creekside Park-youth basketball. Budgeted the same as FY 01.

Sheriff-Seized Assets

114-0000-399-01-00	\$ 12,527.00	114-2001-410-33-00	\$(7,471.00)
Fund Balance		Misc Exp-Federal	
114-2001-377-01-00	\$(20,000.00)	114-2011-410-33-00	\$ 2,637.00
Federal Funds		Misc Exp-State	
114-2011-349-18-00	\$ 2,637.00		
TOTAL	\$(4,834.00)	TOTAL	\$(4,834.00)

Justification: Budget Additional State seized asset forfeiture funds received. No federal funds have been received this Fiscal Year-decrease \$20,000 and use Seized Asset fund balance of \$12,529.00.

Request for Road Addition

The Planning Department requested to have the Department of Transportation add the following road to the state maintenance system. Commissioner Sampson moved to approve a standard SR-2 Road Addition Resolution, as requested, seconded by Commissioner Tyson and unanimously carried in a roll call vote.

**NORTH CAROLINA STATE DEPARTMENT OF TRANSPORTATION
REQUEST FOR ADDITION TO STATE MAINTAINED SECONDARY ROAD
SYSTEM**

North Carolina
County of Craven
Road Description Venturi Boulevard Ext. within the Royal Pines Sub.
Length: 0.15 miles Width: 36 feet

WHEREAS, the attached petition has been filed with the Board of County Commissioners of the County of Craven requesting that the above described road, the location of which has been indicated in red on the attached map, be added to the Secondary Road System; and

WHEREAS, the Board of County Commissioners is of the opinion that the above described road should be added to the Secondary Road System, if the road meets minimum standards and criteria established by the Division of Highways of the Department of Transportation for the addition of roads to the system.

NOW, THEREFORE, be it resolved by the Board of County Commissioners of the County of Craven that the Division of Highways is hereby requested to review the above described road, and to take over the road for maintenance if it meets established standards and criteria.

COASTAL COMMUNITY ACTION GRANT APPLICATION – PUBLIC REVIEW BEFORE THE BOARD

Ms. Charlotte Neely, Community Services Director of Coastal Community Action, Inc., appeared before the Board and presented an executive summary and details on the Community Services Block Grant Application that is being submitted by Coastal Community Action, Inc., to the Office of Economic Opportunity in Raleigh. She advised the Board that the agency is expecting \$399,307 in allocation, reflecting an increase of approximately \$28,000. Beginning July, 2002, the agency will be transitioning into a three year plan as opposed to an annual plan, which will be funded annually. Discussion ensued as a result of questions by Commissioners concerning the measurement of the program results, movement towards self-sufficiency, and training for trades.

REPORT ON ELDER CARE SUMMIT

Linda LeDrew, Chairperson of Craven Aging Planning Board, provided a synopsis of the Elder Care Summit, which was held on March 5, 2002 at Craven Community College. She was assisted in the presentation by Alfreda Stout of the Craven County Department of Social Services. The Board was requested to begin planning now to better serve the existing elderly population in Craven County, in addition to planning for a dramatic increase that is expected by the year 2020. It was projected that the population would increase by 72% by that year. Particular emphasis was placed on addressing the ability of the elderly population to remain at home, as opposed to placement in nursing homes.

VANCEBORO FIRE DEPARTMENT REQUEST

Perry Morris, President of the Vanceboro Volunteer Fire Department, presented a proposal for the purchase a new fire engine for the Oak Grove Station, in order for the station to maintain its rating. He stated that the cost of the truck would be \$145,802, requiring \$50,000 in a down payment. The remaining \$95,802 is proposed to be financed at a rate of 5.21%, with a 2007 payoff date. The annual payment for 60 months will be \$21,901.56 and the Board was advised that the purchase would not necessitate an increase in the fire tax rate. Commissioner Tyson moved to endorse the proposed purchase, seconded by Commissioner Allen and unanimously carried.

FINANCE MATTERS

Craven County Finance Officer, Rick Hemphill, requested that the Board adopt the final resolution for school bonds in the amount of \$28 million. He advised the Board that the resolution authorizes sale of the bonds on April 8 and that The Local Government Commission will begin taking bids on the bonds on April 9. Commissioner Allen moved to adopt the bond resolution, seconded by Commissioner Sampson and unanimously carried.

WHEREAS, the bond order hereinafter described has taken effect, and it is desirable to make provision for the issuance of bonds authorized by said bond order; **NOW THEREFORE**,

BE IT RESOLVED by the Board of Commissioners of the County of Craven, North Carolina (the “Issuer”), as follows:

1. Pursuant to and in accordance with the school bond order adopted by the Board of Commissioners on August 20, 2001, the Issuer shall issue its bonds of the aggregate principal amount of \$28,000,000. The bonds shall be designated “School Bonds, Series 2002” (hereinafter referred to as the “Bonds”). The period of usefulness of the capital project to be financed by the issuance of the bonds is a period of forty years, computed from May 1, 2002.

2. The Bonds shall be dated May 1, 2002 and shall bear interest from their date at a rate or rates which shall be hereafter determined upon the public sale thereof and such interest shall be payable on November 1, 2002 and semi-annually thereafter on May 1 and November 1. The Bonds shall mature, subject to the right of prior redemption as hereinafter set forth, annually on May 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2005	\$1,100,000	2015	\$1,100,000
2006	1,100,000	2016	1,100,000
2007	1,100,000	2017	1,900,000
2008	1,100,000	2018	2,300,000
2009	1,100,000	2019	2,300,000
2010	1,100,000	2020	2,300,000
2011	1,100,000	2021	2,300,000
2012	1,100,000	2022	2,300,000
2013	1,100,000	2023	1,400,000
2014	1,100,000		

Interest will be payable to the registered owners of the Bonds shown on the records of the hereinafter designated Bond Registrar of the Issuer on the record date which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding an interest payment date.

3. The Bonds will be issued in fully registered form by means of a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book entry system will evidence ownership of the Bonds in principal amounts of \$5,000 or whole multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Interest on the Bonds will be payable at the times stated in the preceding paragraph, and principal of the Bonds will be paid annually on May 1, as set forth in the foregoing maturity schedule, to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the Issuer determines that continuation of the book entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which event it shall bear interest from such interest payment date, or (b)

authenticated prior to the first interest payment date in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

4. The Bonds shall bear the manual or facsimile signatures of the Chairman and the Clerk of the Board of Commissioners of the Issuer and the official seal or a facsimile of the official seal of the Issuer shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission or of a representative designated by said Secretary and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the Issuer or the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the manual execution by the Bond Registrar of the certificate of authentication endorsed thereon.

5. The bonds and the endorsements thereon shall be in substantially the following form:

NO. R- \$

United States of America
State of North Carolina

COUNTY OF CRAVEN

SCHOOL BOND, SERIES 2002

INTEREST RATE	MATURITY DATE	DATE OF ORIGINAL ISSUE	CUSIP
	May 1, ____	May 1, 2002	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: DOLLARS

The COUNTY OF CRAVEN (hereinafter referred to as "County"), a county of the State of North Carolina, acknowledges itself indebted and for value received hereby promises to pay to the registered owner named above, on the date specified above, upon surrender hereof, at the office of the Finance Officer of the County, 406 Craven Street, New Bern, North Carolina 28560 (the "Bond Registrar"), the principal sum shown above and to pay to the registered owner hereof, at his address as it appears on the bond

registration books of the County, interest on such principal sum from the date of this bond [or from the November 1 or May 1 next preceding the date of authentication to which shall have been paid, unless such date of authentication is a November 1 or May 1 to which interest shall have been paid, in which case from such date], such interest to the maturity hereof being payable on November 1, 2002 and semi-annually thereafter on May 1 and November 1 of each year, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond is registered at the close of business on the record date for such interest, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding such interest payment date. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof.

This bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act of the State of North Carolina, as amended, a bond order adopted by the Board of Commissioners of the County on August 20, 2001 (the "Bond Order") and a resolution adopted by said Board of Commissioners (the "Resolution") to provide funds, together with other funds of the County, to pay capital costs of providing additional school facilities and improvements to existing school facilities in the County. The issuance of this bond and the contracting of the indebtedness evidenced thereby have been approved by a majority of the qualified voters of the County voting at an election held in the County on November 6, 2001.

The bonds will be issued in fully registered form by means of a book entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York ("DTC") and immobilized in its custody. The book entry system will evidence ownership of the bonds in principal amounts of \$5,000 or whole multiples thereof, with transfers or beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

The bonds maturing on and after May 1, 2013 shall be subject to redemption prior to their stated maturities at the option of the county on or after May 1, 2012, in whole at any time or in part on any interest payment date, at a redemption price as follows: May 1, 2012 to April 30, 2013, a redemption price of 101% of principal amount of each bond to be redeemed and thereafter a redemption price of 100% of such principal amounts, plus interest accrued to the date fixed for redemption. If less than all of the bonds of any maturity are called for redemption, the bonds to be redeemed shall be selected such manner as the County shall determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting bonds for redemption, the Bond Registrar shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$5,000. For so long as a book-entry system with DTC is used for determining beneficial ownership of the bonds, if less than all of the bonds within a maturity are to be redeemed, DTC and its participants shall determine which of the bonds within a maturity are to be redeemed. If less than all of the bonds of different maturities are called for redemption, the bonds to be redeemed shall be called in the inverse order of their maturities.

Not more than forty-five (45) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or part, the County shall cause a notice of such redemption to be mailed, postage prepaid, to DTC or its nominee. On the date fixed for redemption notice having been given as aforesaid, the

bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such bonds or portions thereof on such date. If a portion of this bond shall be called for redemption, a new bond or bonds in principal amount equal to the unredeemed portion hereof will be issued to DTC or its nominee upon the surrender hereof.

The Bond Registrar shall keep at his office the books of said County for the registration and registration of transfer of bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new bond or bonds, registered in the name of the transferee, or authorized denominations, in an aggregate principal amount equal to the unpaid principal amount of this bond, of the same maturity and bearing interest at the same rate.

Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by the Resolution and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of bonds or any portion thereof and ending at the close of business on the day of such mailing or of any bond called for redemption in whole or in part.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this bond, exist, have been performed and have happened, and that the amount of this bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on this bond in accordance with its terms.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order or the Resolution mentioned herein until this bond shall have been endorsed by the authorized representative of the Local Government Commission of North Carolina and authenticated by the Bond Registrar.

IN WITNESS WHEREOF, the County has caused this bond [to be manually signed by] [to bear the facsimile signatures of] the Chairman and the Clerk of the Board of Commissioners of the County and [a facsimile of] its official seal to be [imprinted] [impressed] hereon, and this bond to be dated May 1, 2002.

6. The Bonds maturing on and after May 1, 2013 shall be subject to redemption prior to their stated maturities at the option of the Issuer on or after May 1, 2012, in whole at any time or in part on any interest payment date, at a redemption price as follows: May 1, 2012 to April 30, 2013, a redemption price of 101% of the principal amount of each bond to be redeemed and thereafter a redemption price of 100% of such principal amount, plus interest accrued to the date fixed for redemption. If less than all of the bonds of any maturity are called for redemption, the bonds to be redeemed shall be selected in such manner as the Issuer shall determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the hereinafter designated Bond Registrar shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bonds by \$5,000. For so long as a DTC book-

entry system is used for determining beneficial ownership of the Bonds, if less than all of the bonds within a maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed. If less than all of the bonds of different maturities are called for redemption, the Bonds to be redeemed shall be called in the inverse order of their maturities.

Not more than forty-five (45) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the Issuer shall cause a notice of such redemption to be mailed, postage prepaid, to DTC or its nominee. Each such notice shall identify the Bonds or portions thereof to be redeemed by reference to their numbers and shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such bond will be issued.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of the Bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the interest accruing thereon to the date of redemption, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

7. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the Issuer upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Resolution, in an aggregate principal amount equal to the unpaid principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. The Issuer or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be

made for exchanging or registering the transfer of Bonds under this Resolution. The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to this Resolution.

The Issuer shall appoint such registrars, transfer agents, depositaries or other agents and make such other arrangements as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then commercial standards and for the timely payment of principal and interest with respect to the Bonds. The Issuer's Finance Officer is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively, the "Bond Registrar"), subject to the right of the governing body of the Issuer to appoint another Bond Registrar, and as such shall keep at his office at 406 Craven Street, New Bern, North Carolina 28560, the books of the Issuer for the registration, registration of transfer, exchange and payment of the Bonds as provided in this Resolution.

8. The Local Government Commission of North Carolina is hereby requested to sell the Bonds and to state in the Notice of Sale of the Bonds that bidders may name one rate of interest for part of the bonds and another rate or rates for the balance of the Bonds. The Bonds shall bear interest at such rate or rates as may be named in the proposal to purchase said Bonds which shall be accepted by the Local Government Commission, provided that the net interest cost to the Issuer shall not exceed 5.60%.

9. The Chairman of the Board of Commissioners, the Clerk of the Board of Commissioners and the Finance Officer of the Issuer are hereby authorized and directed to cause the Bonds to be prepared and, when they shall have been duly sold by said Local Government Commission, to execute the Bonds and have the Bonds endorsed and authenticated as provided herein and to deliver the Bonds to the purchaser or purchasers to whom they may be sold by said Local Government Commission.

10. The Issuer covenants to do and perform all acts and things permitted by law necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes.

11. The Issuer hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide:

- (a) by not later than seven months from the end of each fiscal year of the Issuer, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer to be delivered within 15 days after such audited financial statements become available for distribution;
- (b) by not later than seven months from the end of each fiscal year of the Issuer, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the heading "The County"-Debt Information and – Tax Information" in the Official Statement relating to the Bonds (excluding any information on overlapping or underlying units) and (ii) the combined budget of the Issuer for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

- (c) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board (“MSRB”), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:
- (1) principal and interest payment delinquencies;
 - (2) non-payment related defaults;
 - (3) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (4) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (5) substitution of credit or liquidity providers, or their failure to perform;
 - (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
 - (7) modification to the rights of the beneficial owners of the Bonds;
 - (8) bond calls;
 - (9) defeasances;
 - (10) release, substitution or sale of any property securing repayment of the Bonds;
 - (11) rating changes; and
- (d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

If the Issuer fails to comply with the undertaking described above, any beneficial Owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The Issuer reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Issuer, provided that any such modification will be done in a manner consistent with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as it may be amended from time to time (“Rule 15c2-12”), and provided further that:

- (a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer;
- (b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of the Official Statement relating to the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and
- (c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by the approving vote of the registered owners of a majority in

principal amount of the Bonds pursuant to the terms of this Resolution, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section 11 shall terminate upon payment, or provisions having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

12. The blanket Letter of Representations, as requested by DTC, is hereby approved and confirmed.

13. The Official Statement dated March 29, 2002, setting forth financial and statistical data in connection with the offering of the Bonds (the "Official Statement") is hereby approved. In connection with this approval, the Board of Commissioners of the Issuer has examined copies of the Official statement and has, to the extent and in the manner it has deemed necessary, discussed the contents thereof with officers of the administration of the Issuer. The Board of Commissioners of the Issuer does hereby recite that, upon its examination and discussions, nothing has come to its attention which would lead it to believe that said Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Chairman, the County Manager and the Finance Officer of the Issuer are hereby authorized to approve changes in such Official Statement and any final Official Statement for and on behalf of the Issuer.

14. The Chairman of the Board of Commissioners, the County Manager, the Clerk of the Board of Commissioners, the Finance Officer and the other officers of the Issuer are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any and all financing statements, certificates, documents or other papers and to perform any and all acts they may deem necessary or appropriate in order to carry out the intent of this Resolution and the matters herein authorized.

15. The power to make any election on behalf of the Issuer with respect to the arbitrage rebate provisions of the Code applicable to the Bonds is hereby delegated to the Chairman of the Board of Commissioners and the Finance Officer of the Issuer.

Adopted this 1st day of April, 2002.

COUNTY ATTORNEY'S REPORT

County Attorney, Jim Sugg, announced that the highway marker for the Graham Barden Memorial is ready and needs to be scheduled for placement. He suggested that a ceremony be scheduled for May 20, 2002, immediately following the Commissioners' meeting. It was the consensus of the Board to schedule the placement or unveiling of the marker at that time and staff was directed to coordinate this with the Department of Transportation.

MANAGER'S REPORT

Status on Outlying Landing Field

County Manager, Harold Blizzard, informed the Board that representatives of several northeastern North Carolina Counties have inquired if Craven County would be interested coordinating with them the development of a strategy concerning the placement of an outlying landing field in eastern North Carolina. Commissioner

Sampson expressed willingness to listen to what the representatives intend to propose; however, the remaining members of the Board reached consensus that no benefit to Craven County for collaborating with the other counties is conceivable. The sentiment was that all of the counties, including Craven, have made their positions clear to the Department of the Navy concerning this issue.

Requirement of Direct Deposit

Mr. Blizzard informed the Board that County employees will receive notices with their next paychecks stating that all employees are required to go on direct deposit as of July 1, 2002. He advised the Board that approximately 75% of the County's workforce is already utilizing direct deposit and the total workforce will be required to utilize direct deposit as a cost saving measure. He further stated that the Craven County Finance Department has made arrangements with several banks to provide services to employees who currently have no banking provisions.

Closed Session

The Manager requested that the Board go into closed session at the end of the Commissioners' Meeting.

At 8:15 p.m. a recess was declared.

The Board reconvened at 8:28 p.m.

8:30 P.M. CARTS – PUBLIC HEARING

CARTS Director, Johnny Purvis, stated that the purpose of the public hearing was to receive input from the public regarding the sub-allocation of the funds being applied for by Craven County under the Rural Operating Assistance Program (ROAP), offered by the North Carolina Department of Transportation, Public Transportation Division. The grant, in the past, was applied for as three separate grants; E & DTAP (Elderly & Disabled Transportation Assistance Program), Work First Transitional/Employment Transportation Assistance Program, and the Rural General Public Program. He stated that the grants are now consolidated into one. The total amount applied for will be \$113,017, with \$61,586 designated for E & DTAP and \$15,319 for Work First Transitional Employment, both of which require no local match. The amount of \$36,112 will be designated for the Rural General Public Program and requires that CARTS provide 10% in the form of a local match or fares charged to riders. He informed the Board that CARTS provides the 10% match through public fares. He recommended that the grant funds be allocated for distribution as in the past, as follows: E & DTAP to CARTS, the Work First Transition/Employment Program grant money to the Department of Social Services, and the Rural General Public grant funds to be administered by CARTS.

At 8:30 p.m. Commissioner Talton moved to go into public hearing, as advertised, seconded by Commissioner Phillips and unanimously carried. There were no citizens who came forward to speak concerning the sub-allocation of the funds. At 8:31 p.m. Commissioner Talton moved to close the public hearing, seconded by Commissioner Tyson and unanimously carried.

COMMISSIONERS' REPORTS

Commissioner Tyson reported that he has met with the Craven County Manager, the Director of Neuse Center, and other County representatives of Neuse Center regarding the proposed changes to the structure of mental health services. The purpose of the meeting was to determine the intentions of the other counties. He stated that Jones and Pamlico Counties were in the process of meeting to state their intention to be part of the area agency, and that Carteret County would also be moving in that direction.

Commissioner Sampson reported on workshops concerning a response to a chemical agent disaster. He stated that Bobby Aster of the New Bern Fire Department conducts a class on terrorism awareness.

Commissioner Bland apprised the Board that Danny White on Powell Road is seeking to have the road paved for the benefit of his business, as well as enhancement of school bus travel in the area. Another property owner on Powell Road who was originally unwilling to sign the right-of-way to have the paving done, is now willing and the County Manger was asked to contact the Department of Transportation District Engineer to determine how to proceed in getting this accomplished.

Redistricting

Mr. Blizzard relayed to the Board a response from Mike Crowell of Tharrington Smith concerning the method of voting in Craven County. Mr. Crowell rendered the opinion that the change in the method of voting to seven (7) single member districts has already been approved by both the North Carolina General Assembly and the U.S. Department of Justice; therefore, this method of voting could be utilized in the November, 2002 general election, irrespective of which district lines are used. Commissioner Talton moved to instruct the County Board of Elections to move forward utilizing the new method of voting requiring seven (7) single member districts and proceeding with the same district lines that are currently in place. Commissioner Phillips seconded the motion, which carried unanimously.

At 8:53 p.m. Commissioner Talton moved to go into closed session, as requested by the County Manager, pursuant to NCGS 143-318.11(a)(5)(6) and (7) concerning the performance of a Sheriff's Department employee. County Attorney, Jim Sugg, announced that the nature of the employee's work in criminal investigation would necessitate the matter being discussed in closed session. Commissioner Phillips seconded the motion to go into closed session, which carried unanimously.

At 9:40 p.m. Commissioner Talton moved to reconvene regular session, seconded by Commissioner Phillips and unanimously carried. County Attorney, Jim Sugg, announced that the Board had discussed the issue of overtime brought about by an investigator's involvement in a major crime investigation and resulting authorization of overtime by the Sheriff. The name of the employee was not announced because of the highly sensitive nature of the work. Commissioner Talton moved to adjourn at 9:43 p.m., seconded by Commissioner Phillips and unanimously carried.

C.W. "Pete" Bland, Chairman
Craven County Board of Commissioners

Gwendolyn M. Bryan, Clerk