

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, NOVEMBER 16, 2009. THE MEETING CONVENED AT 8:30 A.M.

MEMBERS PRESENT:

- Chairman Jason R. Jones
- Vice Chairman Theron McCabe
- Commissioner Lee Kyle Allen
- Commissioner Perry L. Morris
- Commissioner Johnnie Sampson, Jr.
- Commissioner M. Renée Sisk
- Commissioner Steve Tyson

STAFF PRESENT:

- Harold Blizzard, County Manager
- Ray H. Moser, Assistant County Manager
- Richard F. Hemphill, County Finance Officer
- Gwendolyn M. Bryan, Clerk to the Board
- Jim Hicks, County Attorney
- Arey Grady, County Attorney’s Office

Following an invocation by Commissioner Tyson and the Pledge of Allegiance, Commissioner Sisk moved to approve minutes of November 2, 2009 regular session, seconded by Commissioner Morris and unanimously carried.

CONSENT AGENDA

The Chairman asked that Tax Releases and Refunds be removed from the consent agenda.

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 Morris and unanimously carried in a roll call vote.

Pass Through Grant

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-0564-348-13-00 Yth/prnt life skills program	\$25,000.00	101-0564-450-91-13 yth/prnt life skills program	\$25,000.00
TOTAL	\$25,000.00	TOTAL	\$25,000.00

Justification: The NC Dept of Juvenile Justice and Delinquency Prevention awarded a grant in the amount of \$24,000 for the Youth/Parent Life Skills Program. This is a community-based youth gang prevention program.

3133 Lead

101-3133-357-09-00 Service Fee	\$15,800.00	101-3133-420-32-40 Supplies	\$10,800.00
		101-3133-420-40-50 Contract EE	\$ 5,000.00
TOTAL	\$15,800.00	TOTAL	\$15,800.00

Justification: The new EPA – approved and required course being taught (lead safety RRP) is very popular. There are 4 classes scheduled through December, all which are

full or nearly full. We have scheduled 4 more from January through April. The projected increased revenues is \$15,800.00

Health/Risk Reduction/Project Assist

101-6701-349-70-00	\$1,970.00	101-6701-440-25-02	\$ 300.00
State Revenue		Mileage Reimbursement	
		101-6701-440-27-0	\$1,670.00
		Advertising	
TOTAL	\$1,970.00	TOTAL	\$1,970.00

Justification: When budget was originally submitted, it was unknown that we would receive additional State funds to implement and enforce House Bill 2 (an act to prohibit smoking in certain public places and certain places of employment) which goes into effect on January 2, 2010. These funds will be used to purchase advertising items/materials regarding the Smoke Fee Law that will be delivered to local restaurants and bars.

CARTS-HCCBG

101-7002-348-04-00	\$(113.00)	101-7001-450-31-01	\$(113.00)
HCCBG transport grnt		reg vehicle exp	
TOTAL	\$(113.00)	TOTAL	\$(113.00)

Justification: Projected HCCBG transportation state grant is \$113 less than originally budgeted.

DSS 7231 TANF

101-7231-349-23-00	\$(8,227.00)	101-7231-450-39-35	\$(8,227.00)
TANF Staff & Ovhd		TANF Domestic Viol	
TOTAL	\$(8,227.00)	TOTAL	\$(8,227.00)

Justification: Funds allocated for the TANF Domestic Violence Program are less than the original state estimates indicated. Funding is 100% federal, no County match.

DSS 7221 Adult Services

101-7221-349-22-0	\$(11,204.00)
Services Staff & Ovhd	
101-00-399-01-0	\$ 11,204.00
Fund Balance	
TOTAL	\$0.00

Justification: The Federal participation for the Title IV-B I grant for North Carolina has been reduced from 75% to 70% due to the State as a whole not meeting the interim targeted compliance measure for Foster Care monthly visitation. Therefore, the SSBG State funding has been reduced by the additional state and county funds necessary to match the Title IV-B I grant based on the 5% change. This funding is state and county funds for services staff salary and benefits.

DSS 7231 TANF

101-7231-349-28-0	\$1,963.00
CPS Staff and Overhead	
101-00-399-01-0	\$(1,963.00)
Fund Balance	

TOTAL \$0.00

Justification: Because NC did not meet the interim targeted compliance measure for Foster Care monthly visitation, the Federal Participation for the Title IV-B I grant has been reduced by 5%. This will reduce the match rate for Permanency Planning from 75% Fed/25% State to 70% Fed/30% State. The total federal dollars counties receive will not change. The state and county match will increase in order for the counties to continue to receive the same federal dollars. This funding authorization is for the state increase portion. This funding is state and funds services staff salary and benefits.

DSS 7291 Mandated

101-7291-349-42-00	\$76.00	101-7291-450-23-42	\$76.00
Share the Warmth		Share the Warmth	
TOTAL	\$76.00	TOTAL	\$76.00

Justification: Additional allocation has been received for the Share the Warmth Program. Funds are 100%, no County match.

Subdivision for Approval

Craven County Planning Director, Don Baumgardner, submitted the following subdivision for the Board’s approval. Commissioner Sampson moved for its approval, seconded by Commissioner Morris and unanimously carried in a roll call vote.

Austin Business Park – Final: The property, owned by Magnolia Investor, LLC and engineered by Thomas Engineering, is located within Twp. 7 off of Kale Road. The subdivision contains 1 lot on 1.56 acres and is proposed to be served by existing community water and existing New Bern sewer.

Road Addition Request

The Planning staff received a request to add Brody Lane in Sellhorn Heights Subdivision, Phase Three, located within Twp. 7, to the state maintenance system and to adopt a standard SR-2 Road Addition Resolution. Commissioner Sampson moved to add Brody Lane to the state maintenance system, as requested, and to adopt a standard SR-2 Road Addition Resolution, seconded by Commissioner Morris and unanimously carried in a roll call vote.

Health Fee Adjustments

The Board of Health recommended that the following fee adjustments in various clinics be approved, to be equal to or greater than the rates paid by Medicaid and Medicare in order to receive full reimbursement for services. Commissioner Sampson moved to approve the requested fee adjustments, seconded by Commissioner Morris and unanimously carried in a roll call vote.

<u>Procedure Code/Description</u>	<u>Current Rate</u>	<u>Medicaid Rate</u>	<u>Proposed Rate</u>
<u>Maternity</u>			
88142/Cytopath C/V, Thin Layer	\$10.69	\$12.33	\$13.00
<u>Adult Health</u>			
90658/Influenzae	\$12.00	\$12.82	\$13.00
90733/Menomune	\$90.00	\$91.00	\$91.00
90732/Pneumococcal	\$28.00	\$31.70	\$32.00
<u>Child Health</u>			
J0530/La Bicillin	\$14.00	\$14.30	\$15.00
94760/Pulse Oximeter	\$ 1.79	\$ 2.13	\$ 3.00
<u>All Clinics</u>			
99354/Prolong Phy Service	\$75.00	\$84.57	\$85.00

Tax Releases and Refunds

Craven County Tax Administrator, Ronnie Antry, submitted the following tax releases and refunds for the Board's approval. Commissioner Allen moved to excuse Commissioner McCabe from voting on tax releases and refunds due to a conflict, seconded by Commissioner Morris and unanimously carried. Commissioner Sampson moved for their approval, seconded by Commissioner Tyson and unanimously carried in a roll call vote.

Credits

TAXPAYER NAME	TICKET#	AMOUNT
BOTTS, RONALD J & CAROL A CORRECTING APPRAISAL ERROR	2009-0005593	\$2.21
BRINSON, JARVIS GRAHAM BUSINESS CLOSED	2009-0006452	\$8.18
COX, HARVEY ALTON APPRAISAL ERROR	2009-0012504	\$368.89
DAVIS, AMY BRYAN QUALIFIED FOR SENIOR EXCLUSION	2009-0014034	\$291.45
DAVIS, DONALD R BILLED INCORRECT TOWNSHIP – REBILL	2009-0091056	\$145.93
GASKINS, KENDALL E & MILLS JER APPRAISAL ERROR	2009-0021021	\$5.34
HOLLOWAY JUANITA SOPHIA LASHON DOUBLE BILLED SEE ACCT 4060450	2009-0091064	\$73.46
HOOTEN, JOHN ROBERT (J R) APPRAISAL ERROR	2009-0027616	\$71.77
KOONCE, CURTIS L DOUBLE BILLED	2009-0032364	\$392.92
MCCABE, THERON APPRAISAL ERROR	2009-0036889	\$3.36
MID-STATE HOMES INC BILLING ERROR	2009-0038597	\$9.93
MID-STATE HOMES INC BILLING ERROR	2009-0038596	\$37.54
NC DEPT OF TRANSPORTATION APPRAISAL ERROR	2008-0040992	\$39.42
NC DEPT OF TRANSPORTATION APPRAISAL ERROR	2009-0041175	\$36.00
NC DEPT OF TRANSPORTATION APPRAISAL ERROR	2007-0041627	\$42.66
NC DEPT OF TRANSPORTATION APPRAISAL ERROR	2008-0042194	\$39.42

NC DEPT OF TRANSPORTATION APPRAISAL ERROR	2009-0042456	\$36.00
RICE, PAUL A & KATHLEEN D DID NOT OWN 1/1/2009	2009-0047297	\$13.13
SMITH-MAYFIELD, ROSA MARIE VACCANT-NOT YET COMPLETE	2009-0051705	\$36.00
THE LEWIS LAW FIRM PA BILLED INCORRECT TOWNSHIP-REBILL	2009-0090906	\$56.90
WEEDEN, SHARON DOES NOT OWN SEE ACCT 81678	2009-0090954	\$66.93
	21 – CREDIT MEMO (S)	\$1,777.44

Refund

WHAREY, PAUL BILLED INCORRECT TOWNSHIP – REBILL	2009-0060397	\$698.73
	1 – REFUND (S)	\$698.73

DOWN EAST RPO MEMORANDUM OF UNDERSTANDING

Mr. Rob Will of the Down East Rural Planning Organization (RPO) presented recent amendments made to the Memorandum of Understanding (MOU), summarized as follows:

- The first page has been shortened significantly to include only four paragraphs instead of seven.
- TAC and TCC members are permitted to have an alternate who may vote in their absence.
- If TAC or TCC members or their alternates fail to attend two consecutive RPO meetings, the seat will be designated as vacant and will not count toward a quorum. Attendance at future meetings will reinstate the member.
- A quorum is defined as 51% of the membership.
- Sections 6, 8, and 9 have been added.

The amended MOU was presented to the Board for their consideration and approval. Commissioner Sampson moved to approve the amended MOU, as presented, seconded by Commissioner Allen and unanimously carried. The Board was advised of an opportunity to choose an alternate for the TAC and TCC members, with adoption of the amendment.

FINANCE MATTERS

Refunding Bond Resolutions

The Board was asked to pass the following refunding resolutions, which authorize the bond sale by the Local Government Commission, and authorize the Chairman, the Clerk and the Finance Officer to execute the bonds and take all necessary steps to proceed with the sale, or if it is determined that it is not in the best interest of the County, to delay or postpone the sale.

Airport

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:

Pursuant to and in accordance with the refunding bond order adopted by the Board of Commissioners on November 2, 2009 and subject to Section 6 hereof, the Issuer shall issue its bonds in an aggregate principal amount not to exceed \$800,000. The Bonds shall be designated "General Obligation Airport Refunding Bonds, Series 2009 (AMT)" (hereinafter referred to as the "Bonds"). The Bonds shall be dated December 22, 2009 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 June 1, 2010 and semi-annually thereafter on December 1 and June 1. The Bonds shall mature, subject to adjustment as hereinafter set forth, annually on June 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2010	\$150,000		\$
2011	150,000		
2012	170,000		
2013	170,000		
2014	120,000		

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.

The Bonds shall be deemed to refund the bonds being refunded within the period of usefulness of the capital projects financed by such bonds being refunded.

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 June 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.

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 manually executed.

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 execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds and the endorsements thereon shall be in substantially the following form:

Community College/Schools

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:

Pursuant to and in accordance with the refunding bond order adopted by the Board of Commissioners on November 2, 2009 and subject to Section 6 hereof, the Issuer shall issue its bonds in an aggregate principal amount not to exceed \$26,200,000. The Bonds shall be designated "General Obligation Refunding Bonds, Series 2009" (hereinafter referred to as the "Bonds"). The Bonds shall be dated December 22, 2009 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 June 1, 2010 and semi-annually thereafter on December 1 and June 1. The Bonds shall mature, subject to adjustment as hereinafter set forth, annually on June 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2010	\$ 10,000	2017	\$2,075,000
2011	15,000	2018	2,480,000
2012	115,000	2019	2,375,000
2013	1,215,000	2020	2,275,000
2014	1,200,000	2021	2,275,000
2015	1,180,000	2022	2,275,000
2016	1,170,000	2023	1,370,000

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.

The Bonds shall be deemed to refund the bonds being refunded within the period of usefulness of the capital projects financed by such bonds being refunded.

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 June 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.

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 manually executed.

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 execution by the Bond Registrar of the certificate of authentication endorsed thereon.

ESCROW DEPOSIT AGREEMENT

This ESCROW DEPOSIT AGREEMENT, dated December 22, 2009, by and between the County of Craven, North Carolina, having Federal Employer Identification Number 56-6000290 (the "County") and Wells Fargo Bank, N.A., Atlanta, Georgia, as escrow agent hereunder (the "Escrow Agent"):

WITNESSETH:

WHEREAS, the County has issued School Bonds, Series 2002, dated May 1, 2002 and \$19,200,000 of such Bonds maturing on May 1 in each of the years 2013 to 2023, inclusive, are outstanding (the "School Bonds"); and

WHEREAS, the County has issued Community College Bonds, Series 2001, dated June 1, 2001, and \$1,000,000 of such bonds maturing in the years 2012 to 2019, inclusive, are outstanding (the "Community College Bonds," together with the School Bonds, the "Refunded Bonds;" and

WHEREAS, the County, pursuant to The Local Government Finance Act, a bond order adopted by the Board of Commissioners of the County on November 2, 2009 and a resolution adopted by said Board of Commissioners on November 16, 2009 and December 21, 2009, authorized the issuance and provided for the sale of \$26,200,000 General Obligation Refunding Bonds, Series 2009 (the "Refunding Bonds"), for the purpose of providing funds, together with other available funds, to refund all or a portion of the Refunded Bonds; and

WHEREAS, the County has determined to provide for the payment, refunding and redemption of the Refunded Bonds by depositing with the Escrow Agent cash and non-callable direct obligations of the United States of America, which obligations shall not include investments in money market mutual funds ("Government Obligations"), in such amounts and maturing at stated fixed prices as to principal and interest at such times so that sufficient moneys will be available from such principal and interest to pay interest on and to redeem on June 1, 2011 the Community College Bonds maturing after June 1, 2011 and to redeem on May 1, 2012 the School Bonds maturing after May 1, 2013;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **Creation of Escrow Account and Expense Account.** There is hereby created and established with the Escrow Agent a special and irrevocable escrow account, designated "2009 Refunding Bonds Escrow Account", to be held in the custody of the Escrow Agent separate and apart from other funds of the County and of the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds.

There is also hereby created and established with the Escrow Agent the special account designated "2009 Expense Account" to be held in the custody of the Escrow Agent separate and apart from other funds of the Escrow Agent.

2. **Deposit of Moneys.** Concurrently with the execution of this Agreement, the County deposits or causes to be deposited with the Escrow Agent, and the

Escrow Agent acknowledges receipt of, immediately available moneys for deposit in the following Accounts, in the amounts and from the sources indicated, to be supplied solely as provided in this Agreement:

- (a) \$_____, to be deposited in the 2009 Refunding Bonds Escrow Account, from the proceeds of the Refunding Bonds.
- (b) \$[_____], to be deposited in the 2009 Expense Account, from the proceeds of the Refunding Bonds.

3. **Irrevocable Trusts Created.** The deposit of moneys in the 2009 Refunding Bonds Escrow Account, as provided in paragraph 2 (a), shall constitute an irrevocable deposit and pledge of said moneys for the equal and ratable benefit of the holders of the Refunded Bonds. The holders of the Refunded Bonds shall have an express lien on all moneys deposited in the 2009 Refunding Bonds Escrow Account, and on the Government Obligations credited to the 2009 Refunding Bonds Escrow Account, until applied in accordance with this Agreement. The matured principal of the Government Obligations and the interest thereon and uninvested cash shall be held in trust by the Escrow Agent, and shall be applied as hereinafter set forth, solely to the payment of the principal of and premium and interest on the Refunded Bonds, respectively, as the same become due and payable upon the redemption thereof.

In reliance upon the mathematical computation performed by Ferris, Baker Watts, Incorporated. and the verification thereof performed by Barthe & Wahrman, PA, the County has determined that the interest on and the principal amounts maturing on the Government Obligations in accordance with their terms, together with an initial cash balance of \$0.67, are sufficient to assure that moneys will be available to the Escrow Agent in amounts sufficient to pay, refund and redeem the Refunded Bonds and to pay the interest thereon as herein provided.

4. **Purchase of Government Obligations.**

The Escrow Agent is hereby directed to immediately purchase the non-callable Government Obligations identified in Exhibit A hereto, solely for the account of and from the moneys deposited in the 2009 Refunding Bonds Escrow Account, as therein set forth. The Escrow Agent will not make any purchase until it possesses sufficient funds for such purchase. A \$0.00 portion of the moneys deposited in the 2009 Refunding Bonds Escrow Account shall not be invested. The Escrow Agent shall apply the moneys deposited in the 2009 Refunding Bonds Escrow Account, and the Government Obligations purchased therewith, together with all income or earnings thereon, in accordance with the provisions hereof. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder except as provided in this Agreement.

5. **Substituted Government Obligations.** Except as otherwise expressly provided in paragraphs 3, 4 and 6 hereof and this paragraph 5, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the non-callable Government Obligations held hereunder or to sell, transfer or otherwise dispose of the Government Obligations acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder; provided, however, that at the written direction of the Finance Officer of the County and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, or otherwise dispose of the Government Obligations acquired hereunder, to substitute therefor other Government Obligations and to release excess cash from the 2009 Refunding Bonds Escrow Account and pay such cash to the County. The Escrow Agent shall purchase such substitute Government Obligations and shall pay such excess cash to the County with the proceeds derived from the sale, transfer or disposition of the Government Obligations. The substitution of Government Obligations described above and the payment of such excess cash to the County may be effected only if (i) the moneys and Government Obligations on deposit immediately after such substitution will be sufficient to meet or exceed the amount required to pay and refund the Refunded Bonds as hereinbefore provided, (ii) the County and the Escrow Agent shall receive, at the expense of the County, and may rely conclusively upon, a verification of an independent certified public accountant or firm of independent certified public accountants designated by the

County and not unacceptable to the Escrow Agent, that the moneys and Government Obligations on deposit immediately after such substitution or release of cash will be sufficient to meet or exceed the amount required to pay and refund the Refunded Bonds as hereinbefore provided without any reinvestment and (iii) the Escrow Agent shall receive an opinion of Dewey & LeBoeuf LLP, or other nationally recognized bond counsel to the effect that the substitution and payment of excess cash to the County will not cause any of the Refunding Bonds to be an "arbitrage bond" within the meaning of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

6. **Deposit of Amounts Received.** The Escrow Agent shall deposit, as received, to the credit of the 2009 Refunding Bonds Escrow Account, all maturing principal of and interest on the Government Obligations purchased with the moneys deposited in the 2009 Refunding Bonds Escrow Account.

The Escrow Agent shall invest in the Wells Fargo Bank, N.A., U.S. Treasury Money Market Fund amounts in the Expense Account until such time as such amounts are needed for payment of expenses as provided herein.

7. **Transfers from Accounts for Payment of Refunded Bonds and Expenses.**

(a) The Escrow Agent on behalf of the County and without further authorization and direction, unless the County shall otherwise direct in writing, shall, on or immediately prior to each interest or principal payment date for the Refunded Bonds, transfer from cash on hand to The Depository Trust Company, New York, New York, amounts sufficient to pay the interest on and any principal or redemption price of the Refunded Bonds payable on such date, as set forth in Exhibit B hereto.

(b) If the Escrow Agent shall determine that amounts in the 2009 Refunding Bonds Escrow Account available to make the payments required by paragraph (a) of this section 7 are insufficient for such required payments, the Escrow Agent shall immediately notify the Finance Officer of the County in writing of such shortfall, c/o Finance Officer, County of Craven, 406 Craven Street, New Bern, NC 28560. The County shall timely deposit in the 2009 Refunding Bonds Escrow Account such additional amounts as may be required to meet fully the amount so to become due and payable.

(c) The Escrow Agent shall, upon receipt of invoices approved by the Finance Officer of the County, pay or reimburse the County for paying, from the 2009 Expense Account, expenses incurred in connection with the refunding.

8. **Redemption; Notice of Redemption.**

(a) The County specifically and irrevocably elects to redeem on June 1, 2011 the Community College Bonds and on May 1, 2012, the School Bonds. The Escrow Agent is hereby irrevocably authorized and directed, and hereby agrees, to cause to be given a notice of redemption of the Refunded Bonds in substantially the form set forth in Exhibit C-1 and Exhibit C-2 attached hereto. The Escrow Agent hereby agrees to inform the County promptly and in writing of the required mailing of said notice of redemption.

(b) The notice of redemption, stating the redemption date, redemption price and identifying the bonds to be redeemed by reference to their numbers, shall be given not less than 30 nor more than 45 days, prior to the redemption date, by mailing by certified or registered mail to The Depository Trust Company or its nominee.

9. **Surplus Funds.**

(a) (a) When all the Refunded Bonds and interest due thereon have been paid and discharged, this Escrow Deposit Agreement shall terminate and all remaining moneys and Government Obligations, together with any income and interest thereon, in the 2009 Refunding Bonds Escrow Account shall be transferred to the County by the Escrow Agent.

(b) Any moneys remaining in the Expense Account on April 30, 2010 shall be transferred to the County by the Escrow Agent.

10. Acceptance by Escrow Agent; Liability.

(a) By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent represents that it has all requisite power, and has taken all corporate actions necessary, to execute the trusts hereby created.

(b) The Escrow Agent shall have no responsibility to the County or any other person in connection herewith except those responsibilities specifically provided herein and shall not be responsible for anything done or omitted to be done by it except for its own negligence or default in the performance of any obligation imposed on it hereunder. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by or need it give consideration to the terms or provisions of any other agreement or undertaking between the County and any other person, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement. Unless specifically provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the County with respect to arrangements or contracts with others, the Escrow Agent's sole duty hereunder being to safeguard the 2009 Refunding Bonds Escrow Account and Expense Account and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable for its own negligence or willful misconduct. In determining the occurrence of any such event or contingency, the Escrow Agent may request from the County or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult with the County, among others, at any time. The Escrow Agent may consult with legal counsel, and the opinion of such counsel shall be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion, and the reasonable fees and expenses of such counsel shall be paid by the County. The Escrow Agent shall have no lien whatsoever upon any of the moneys or investments in the 2009 Refunding Bonds Escrow Account for the payment of fees and expenses for services rendered by or on behalf of the Escrow Agent under this Agreement.

(c) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys deposited, and of the principal amount of the Government Obligations as provided herein, and the earnings thereon, to pay the Refunded Bonds or any of them. So long as the Escrow Agent applies any moneys, the Government Obligations and the earnings therefrom to pay the Refunded Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations.

(d) In the event of the Escrow Agent's failure to account for any of the Government Obligations or moneys received by it, such Government Obligations or moneys shall be and remain the property of the County in trust for the holders of the Refunded Bonds as herein provided, and if for any reason such Government Obligations or moneys are not applied as herein provided, or cannot be identified, the assets of the Escrow Agent shall be impressed with a trust in the amount thereof for the benefit of the holders of the Refunded Bonds until the required application or identification shall be made.

(e) The County agrees to indemnify the Escrow Agent, to the extent permitted by law, against any liability which it may incur while acting in good faith in its capacity as Escrow Agent except for its own negligence, misconduct or default, such

indemnification including, but not limited to, any court costs and reasonable attorneys' fees.

11. **Escrow Agent Reports.** The Escrow Agent shall, no later than August 1 of each year furnish the County a written report of the receipts, investments, redemptions and payments of and from the 2009 Refunding Bonds Escrow Account as of the immediately preceding June 1.

12. **Receipt of Proceedings.** Receipt of true and correct copies of the bond order and resolutions authorizing the issuance and providing for the sale of the Refunding Bonds is hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

13. **Performance on Business Days.** Whenever under the terms of this Agreement the performance date of any act to be done hereunder shall fall on a day which is not a legal banking day in the State of North Carolina and the State of New York, and upon which the Escrow Agent is not open for business, the performance thereof on the next succeeding business day of the Escrow Agent which is a legal banking day in the State of North Carolina and the State of New York shall be deemed to be in full compliance with this Agreement.

14. **Fees and Expenses.** The County shall pay the Escrow Agent reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements incurred in and about the administration and performance of its powers and duties hereunder including expenses attributable to mailing notices of redemption.

15. **Amendments.** In the absence of 100% bondholder approval, amendments to this Agreement shall be limited to (a) the insertion of unintentionally omitted material or the correction of mistakes or clarification of ambiguities, (b) the pledging of additional security to the holders of the Refunded Bonds or (c) the deposit of additional cash or securities in the 2009 Refunding Bonds Escrow Account. All amendments shall be in writing and shall be signed by the County and by the Escrow Agent.

16. **Severability.** If any one or more of the covenants or agreements provided in this Agreement on the part of the County or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

17. **Representations and Covenants.** All the covenants, promises and agreements of the County or of the Escrow Agent shall bind and inure to their respective successors and assigns whether so expressed or not. All representations and covenants contained herein shall survive the termination of this Escrow Agreement. This Agreement constitutes the complete understanding by all parties to this Agreement.

18. **Counterparts.** This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

19. **Notices.** Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

to the County, if addressed to:

Finance Officer
County of Craven
406 Craven Street
New Bern, North Carolina 28560

to the Escrow Agent, if addressed to:

Wells Fargo Bank, N.A.
Corporate Trust Services
7000 Central Parkway NE, Suite 550
Atlanta, GA 30328

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other persons named in this section 19 by the person effecting the change.

20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the applicable law of the State of North Carolina.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their official seals to be hereunto affixed and attested as of the date first above written

The resolutions also authorize the Chairman, the County Manager and the Finance Officer to execute the Official statement and revise such as necessary, and also asks the Board to approve the Escrow Agreement with Wells Fargo. Finance Officer, Rick Hemphill, stated that rates moved somewhat in the County's favor, but not enough at this point. Commissioner Morris moved to adopt the refunding bonds, as presented, seconded by Commissioner Tyson and unanimously carried.

2008-2009 Audit Report

Lou Cannon of McGladrey & Pullen presented the annual audit report for the year ended on June 30, 2009. He announced that Craven County had received an unqualified, or "clean" opinion on all reports. He pointed out that property tax revenue in Craven County tends to remain stable from year to year. Intergovernmental revenue has increased by 1.1%, while sales tax is down 3%. The General Fund expenditure percentages are also fairly consistent from year to year. The fund balance has increased in a tough year because some budget items have been held off. The fund balance remains at 23.04%. The Chairman expressed appreciation to Tax Collection and the Finance Officer for an excellent job.

RECOGNITIONS

Non-Profit Awareness Month Proclamation

The Non-Profit Council of the New Bern Area Chamber of Commerce requested that the Board adopt the following proclamation, to be presented by the Chairman during the meeting of the Council on November 17.

**CRAVEN COUNTY BOARD OF COMMISSIONERS
PROCLAMATION**

Nonprofit Awareness Month 2009

WHEREAS, Craven County is home to more than 90 charitable nonprofit organizations which provide diverse services to the community; and

WHEREAS, these organizations spend more than \$250,241,305 annually serving the people of Craven County; and

WHEREAS, North Carolina's nonprofit sector puts more than \$29 billion into our state's economy, and North Carolina nonprofits' economic impact has more than doubled in a decade; and

WHEREAS, 10% of all jobs in our state are provided by charitable nonprofits; and

WHEREAS, people throughout Craven County support and participate in nonprofit organizations by serving as board members, volunteering, donating, and working as staff; and

WHEREAS, nonprofit employees pay income taxes and spend their salaries locally, thus paying local and state sales taxes too; they buy houses, cars, computers, groceries, clothes, home products, and all other items sold in our community; and

WHEREAS, Craven County nonprofits build partnerships and collaborate with governments, businesses, faith-based organizations, and other groups to expand resources; and

WHEREAS, nonprofits play a central role in the democratic process by providing a means for individuals to deliberate on and advocate for public policies and decisions that affect them; and

WHEREAS, Craven County nonprofits provide opportunities for developing skills, leadership abilities, and service through civic engagement; and

WHEREAS, everyone who lives in Craven County benefits from nonprofits' vital contributions of strengthening our social fabric, public policy, culture, sense of community, and future; and

NOW, THEREFORE, be it resolved that the Board of Commissioners of Craven County declares November 2009 as *Nonprofit Awareness Month* and extends its congratulations to charitable nonprofits serving our community for their dedicated service to the community and its sincere gratitude to the residents of Craven County whose volunteer spirits and donations make these organizations strong.

Adopted this 16th day of November, 2009.

Commissioner Allen moved to approve the proclamation, as requested, seconded by Commissioner McCabe and unanimously carried.

2009 Craven County Governor's Service Award Recipients

Tim Kelly of the Governor's Office provided information to the Board concerning the North Carolina Award for Outstanding Volunteer Service Program, and asked that the Board recognize the following Craven County 2009 recipients.

1. The Healthcare Volunteers of Merci Clinic
2. Mrs. Mamie B. Carter – Coastal Community Action
3. Mr. Walter Bock – MERCI Clinic & Knights of Columbus
4. Mr. Harry K. Goodman – New Bern Historical Society
5. Carolina East Health System Volunteers

He stated that the office was created in 1994 by an executive order of former Governor, Jim Hunt. The program is administered on a county level and each county is limited to five nominees. The Medallion award recognizes the top twenty volunteers and encourages continued involvement. Commissioner Sampson stated that he is very appreciative of all the volunteers who serve in Craven County.

ADOPTION OF THE 2010 SCHEDULES OF VALUES

According to the calendar that was submitted earlier this year, Tax Administrator, Ronnie Antry, presented for adoption, the proposed schedules of values, standards and rules for the 2010 reappraisal that were submitted to the Board on October 19, 2009. A public hearing on the proposed schedules was held on November 2, 2009 with no comment.

Commissioner Allen moved to approve the following order, which will be published four times during four consecutive weeks, seconded by Commissioner McCabe and unanimously carried.

**ORDER TO ADOPT FINAL
SCHEDULES, STANDARDS AND RULES
FOR REAPPRAISAL OF REAL PROPERTY**

WHEREAS, the Craven County Tax Administrator presented to the Craven County Board of Commissioners the schedules, standards, and rules to be used in the reappraisal of real property for 2010 on October 19, 2009; and

WHEREAS, a public hearing was held at 7:12 p.m. on November 2, 2009 to hear public comment on the proposed schedules, standards, and rules; and

WHEREAS, there were no members of the public who spoke at the public hearing.

NOW, THEREFORE, BE IT ORDERED BY THE CRAVEN COUNTY BOARD OF COMMISSIONERS that the schedules, standards, and rules to be used in the reappraisal of real property in Craven County for 2010, which were presented on October 19, 2009, and which were considered on November 16, 2009. are hereby adopted as presented, in accordance with NCGS 105-317(c).

Adopted this 16th day of November, 2009.

APPOINTMENTS – COASTAL RESOURCES COMMISSION

The Board received notification of a vacancy on the Coastal Resources Commission and an invitation to submit a nomination. The opening requires an individual actively connected with or having experience in wildlife or sports fishing. Commissioner Morris placed the name of Donald Hughes into nomination. There were no additional nominees to go forward.

COUNTY ATTORNEY'S REPORT

The County Attorney stated that he would be requesting a closed session pursuant to NCGS 143-318.11 (a)(3) and (4), to consult with the Board concerning privileged matters and industrial development.

COMMISSIONERS' REPORTS

Commissioner Sisk stated that she is pleased that DOT has finished fixing the dangerous intersection on U.S. 17 at River Bend.

Commissioner Morris announced that Havelock High School won the football conference championship.

Commissioner Tyson announced a Wounded Warrior's fundraiser being held December 8 from 5:00-8:00 p.m. at the New Bern Golf & Country Club and encouraged support of the event.

Commissioner Sampson noted his attendance at the Veterans Day service at the National Cemetery. He commented on the wide variation of gas prices in a 40 mile radius and urged the public to protest. He was appreciative that the hospital has forgiven a \$38,000 bill to the County for an inmate. He encouraged parents to have their children vaccinated for the H1N1 virus and encouraged participation in the 2010 census.

Commissioner Allen expressed appreciation for all who came out to honor veterans in the bad weather on Veterans Day. He commented on a letter he received from the Governor asking him to be a part of a task force to develop a public health improvement plan for North Carolina and announced his acceptance.

Commissioner McCabe congratulated Havelock High School on their victory.

Commissioner Morris noted at 2:00 p.m. today is National Hour of Prayer.

Commissioner Jones announced that the Board of Education adopted a resolution asking that they be exempted from stopping at James City railroad crossing 722-599E. Commissioner Morris moved to allow staff to draft and the Chairman to sign a resolution of support, as follows:

RESOLUTION

WHEREAS, the Craven County Board of Education has set as a Strategic Direction for students and staff, to provide a Safe and Inviting Learning and Working Environment; and

WHEREAS, the Craven County Board of Education is concerned for the safety of students, staff and the general populace in Craven County and encourages safety both in and around Craven County; and

WHEREAS, the gated railroad crossing 722-599E on Highway 70 East in James City, North Carolina has been the site of multiple rear end bus collisions since 2004, which have resulted in serious injuries and death; and

WHEREAS, requiring school and activity buses to stop at the above crossing has contributed to numerous accidents at this location; and

WHEREAS, the Craven County Board of Education is of the opinion that an exemption from the requirement that school and activity buses stop at the gated railroad crossing number 722-599E in James City, North Carolina would be in the best interest of students, staff, general populace, and the motoring public; and

WHEREAS, the Craven County Board of Education has recommended and petitioned that all school buses and all activity buses be exempt from stopping at railroad crossing number 722-599E located in James City, North Carolina.

NOW, THEREFORE, the Craven County Board of Commissioners resolves to register its support of the Craven County Board of Education recommendation.

Resolved this 16th day of November, 2009.

Chairman Jones announced that he has advertised in *The Sun Journal*, *Kinston Free Press* and to churches for a public meeting tomorrow on the revaluation, and announced the schedule of Christmas Parades and other events, as follows:

December 12th – 2:00 p.m. – Havelock Christmas Parade
 December 19th – 11:00 a.m. – Dover Christmas Parade
 December 13th – 3:00 p.m. – Cove City Christmas Parade
 November 20th – 11:30-1:00 – lunch meeting with Board of Education
 November 20th – 2:00 p.m. – Craven County Jail Dedication
 December 4th – 7:30 a.m. – Legislator’s breakfast at Grover C. Fields School

At 9:30 a.m. Commissioner Sampson moved to recess, seconded by Commissioner Morris and unanimously carried.

At 10:10 a.m. the Board reconvened in regular session. Commissioner Morris moved to go into closed session to discuss a privileged matter and industrial development, pursuant to N.C.G.S. 143-318 (11)(a)(3) and (4), seconded by Commissioner McCabe and unanimously carried.

At 11:45 a.m. the Board reconvened in regular session.

Timber Harvesting

Arey Grady reported that the Board had discussed a timber cutting contract in closed session, which the County has investigated through EDC. It was proposed that lots 9 & 10 in Industrial Park be clear-cut; lots 13 & 14 be thinned, and recommended that a bid in the amount of \$37,640 for clear cutting and \$6.35/ton (estimated at \$1,900) for thinning be accepted, subject to the upset bid process. Commissioner Sisk moved to accept the recommendation of the attorney and accept the bids, seconded by Commissioner Morris and unanimously carried in a roll call vote.

BSH Logistics Center

Mr. Grady reviewed the County's conveyance of an industrial park parcel to BSH for locating a logistics center, which was attached to certain conditions, including construction of the facility according to a specified timetable, along with a provision for the County's reconveyance rights should the facility not be completed as represented. An additional provision allows BSH "to buy back" the County's reconveyance rights. The timetable stipulated completion of a minor expansion by the end of this calendar year. Initial obligations of BSH were satisfied; however, completion of the expansion by the end of the year is not feasible due to the sluggish economy. The company has an escrow account in the amount of \$117,000 for the purpose of buying out the County's reconveyance right if that becomes necessary. Mr. Grady explained that the County is at liberty to extend the deadline for the expansion, provided some of the funds in escrow remain with the County. The EDC Board recommended that the County allow BSH a two year extension on the expansion until December 31, 2011, provided that a prorated amount of escrow funds, essentially one-third of the \$117,000, be retained. The remainder would be refunded to BSH following completion of the expansion within the extended deadline. Commissioner Sisk moved to adopt the recommendation of the EDC, and instruct the County Attorney's office to make the necessary arrangements to document the agreement. Commissioner Sampson seconded the motion, which carried unanimously in a roll call vote.

At 10:55 a.m. Commissioner McCabe moved to adjourn, seconded by Commissioner Morris and unanimously carried.

Chairman Jason R. Jones
Craven County Board of Commissioners

Gwendolyn M. Bryan
Clerk to the Board