

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, SEPTEMBER 20, 2010. THE MEETING CONVENED AT 8:30 A.M.

MEMBERS PRESENT:

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

STAFF PRESENT:

- Harold Blizzard, County Manager
- Jack B. Veit, III, Assistant County Manager
- Richard F. Hemphill, County Finance Officer
- Gwendolyn M. Bryan, Clerk to the Board
- Jim Hicks, County Attorney
- Aaron Arnett, County Attorney Associate

Following an invocation by Commissioner Sampson and the Pledge of Allegiance, Commissioner Sampson moved to approve the minutes of September 7, 2010 regular session, seconded by Commissioner McCabe and unanimously carried.

CONSENT AGENDA

Tax Releases and Refund

Craven County Tax Administrator, Ronnie Antry, submitted the following tax releases and refund for the Board's approval. Commissioner Sisk moved for their approval, as requested, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

Credits

TAXPAYER NAME	TICKET#	AMOUNT
HONEYCUTT, THOMAS A & EVA JUST DID NOT OWN MH IN 2005 LISTED TO LEAKE, WALTER ACC	2010-0090136	\$141.88
LUCAS, HERBERT HRS FORECLOSURE – LIEN EXTINGUISHED	2002-0031103	\$163.52
LUCAS, HERBERT HRS FORECLOSURE – LIEN EXTINGUISHED	2003-0031340	\$149.48
LUCAS, HERBERT HRS FORECLOSURE – LIEN EXTINGUISHED	2004-0031839	\$63.56
LUCAS, HERBERT HRS FORECLOSURE – LIEN EXTINGUISHED	2005-0032929	\$65.05
LUCAS, HERBERT HRS FORECLOSURE – LIEN EXTINGUISHED	2006-0033385	\$36.02
LUCAS, HERBERT HRS FORECLOSURE – LIEN EXTINGUISHED	2007-0034335	\$33.62

LUCAS, HERBERT HRS FORECLOSURE – LIEN EXTINGUISHED	2008-0035020	\$31.22
LUCAS, HERBERT HRS FORECLOSURE – LIEN EXTINGUISHED	2009-0035060	\$28.82
PRIESTER, JOHN RANDOLPH DID NOT OWN 1/1/2009	2009-0045875	\$50.65
	10 – CREDIT MEMO (S)	\$763.82

Refund

BRADLEY, RAYMOND J JR & AMY C DID NOT OWN 1/1/2009	2009-0005922	\$19.69
	1 – REFUND (S)	\$19.69

Budget Amendments

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

Tax Collections

101-0000-399-01-00	\$1,784.00	101-0901-400-40-03	\$1,784.00
Fund Balance		Collections	
TOTAL	\$1,784.00	TOTAL	\$1,784.00

Justification: Property Owner’s Association dues for Lot 79 Tobago-Fairfield Harbour foreclosure property.

DSS Senior Program

101-7295-377-55-00	\$159.00	101-7295-450-39-37	\$177.00
Title IIID Health Prom		Title IIID Health Prom	
101-0000-399-01-00	\$18.00		
Fund Balance			
TOTAL	\$177.00	TOTAL	\$177.00

Justification: Contract amount from Eastern Carolina Council of Governments (ECC) for the Title IIID Health Promotion grant is \$177 more than originally anticipated amount. Funds are 90% reimbursed, with 10% County match.

Convention Center

101-8201-369-28-00	\$500.00	101-8201-430-96-64	\$500.00
300 th Tricentennial		Convention Center 300 Anniversary	
TOTAL	\$500.00	TOTAL	\$500.00

Justification: Contribution for gift baskets for VIPs for 300th Anniversary from Swiss Bear and New Bern Chamber of Commerce.

Request to Set Public Hearing on 2010/2011 Justice Assistance Grant

The Sheriff’s Department requested that the Board set a public hearing at 7:00 p.m. on October 4 to receive public input on the proposed spending of the funds received from the 2010/2011 Edward Byrne Justice Assistance Grant. Commissioner Sisk moved to set

a public hearing for 7:00 p.m. on October 4, as requested, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

Addendum to CARTS Substance Abuse/Drug and Alcohol Testing Policy

The Board received a request from CARTS Director, Phyllis Toler, for approval of an addendum to the CARTS Substance Abuse/Drug and Alcohol Testing Policy. Commissioner Sisk moved for its approval, as requested, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

Approval of CARTS Financial Management Policies and Procedures

The Board received a request from Ms. Toler for approval of CARTS Financial Management Policies and Procedures. Commissioner Sisk moved for its approval, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

2011 Holiday Schedule

A copy of the proposed 2011 Holiday Schedule for Craven County employees was presented which includes eleven (11) holidays with no floating holiday's.

The schedule is the same as the State of North Carolina's Holiday Schedule for 2011. Commissioner Sisk moved to approve the following 2011 Holiday Schedule for Craven County employees, as presented, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

**2011
HOLIDAY SCHEDULE**

NEW YEAR'S DAY
Friday, December 31, 2010

MARTIN LUTHER KING, JR.'S BIRTHDAY
Monday, January 17, 2011

GOOD FRIDAY
Friday, April 22, 2011

MEMORIAL DAY
Monday, May 30, 2011

INDEPENDENCE DAY
Monday, July 4, 2011

LABOR DAY
Monday, September 5, 2011

VETERANS' DAY
Friday, November 11, 2011

THANKSGIVING
Thursday, November 24, 2011
Friday, November 25, 2011

CHRISTMAS
Monday, December 26, 2011
Tuesday, December 27, 2011

Electrical Easement Agreement with the City of New Bern

The City of New Bern requested that Craven County authorize an easement through County owned property for the purpose of extending utilities to a City owned Booster Pump Station. The Booster Pump Station, already under construction at the corner of Williams Road and Scotts Street, will require underground electric through and under County owned property which makes necessary the Easement Agreement. The County owned parcels in question are part of several tracts of land purchased by the Coastal Carolina Airport Authority for the purpose of expanding the Airport proper. Due to the presence of FAA grant funding in the purchase of the said property, the Airport Authority has amended and approved the easement language to ensure the County maintains compliance with FAA grant protocols. The Booster Pump Station is also on land owned by the Airport Authority and the lease agreement follows the same FAA protocols as the above referenced Easement Agreement. Commissioner Sisk moved to approve the electrical Easement Agreement with the City of New Bern, as requested, seconded by Commissioner Sampson and unanimously carried in a roll call vote.

ELECTION UPDATE

Elections Director, Erin Burrige, appeared to seek approval to accept a HAVA grant in the amount of \$15,931. She also presented confirmation of One Stop locations, dates and times and polling place locations/changes. The Chairman asked Ms. Burrige to explain the instant run-off voting for the judges on the upcoming ballot. She explained that there are 13 candidates making a 50% win unlikely. The ballot will provide for an instant run-off by soliciting 1st, 2nd, and 3rd choices. She advised the Board that election judges are required to attend training for each election. This training will begin September 21 and continue for ten days. One segment of training will be devoted to the instant run-off process, which is a new, potentially controversial procedure. Commissioner Sampson moved to accept the HAVA grant funds, seconded by Commissioner McCabe and unanimously carried.

REVALUATION UPDATE

Tax Administrator, Ronnie Antry, reported that tax bills for this year are scheduled to be printed and mailed during the upcoming week. Chief Appraiser, Glenn Jones, and his staff have been reviewing the properties under appeal and have notified 3,970 property owners of the results of their informal review of their valuation appeal since the original notice was sent in April of this year. To date, there are 4,032 properties for which reviews necessary to resolve appeals have been completed. Plans are to print and mail tax bills to all of the properties that are not under appeal, and to send tax notices to the remaining property owners after they have been notified of their review results.

He reported that in the course of the work being conducted, it has come to light that approximately 3,450 additional parcels may require an additional review of the land valuation. The properties affected are mainly rural properties for which a land coding error has created inequities among similar parcels in the same neighborhood. These properties in most cases will not require a site visit to be corrected, and the owners will be notified of the change, and will have the same opportunity for a review of the valuation. Billing for those parcels, along with the others already under appeal, will be delayed.

Mr. Antry stated that the Board of Equalization and Review has met twice and resolved eleven of about thirty cases that are before it. Commissioner Sisk inquired if there will be any extension of payment due to late mailings. Mr. Antry responded that it would be prohibited by statute. He stated that billings will, for the first time, be structured to handle properties transferred during the year by printing in the name of the January 1st owner, but mailing to the current owner.

PLANNING DEPARTMENT MATTERS

Hazard Mitigation Assistance Grant Application (Adams Creek Road Elevation)

As part of the County's overall Hazard Mitigation goal of making the County more hazard resistant, the Planning Department recommended the elevation of Adams Creek Road at the Clubfoot Creek crossing, and requested authorization to apply for funding. Planning Director, Don Baumgardner, explained that the roadway is subject to periodic flooding as a result of nor'easters and hurricanes which make normal road use impossible. This crossing is within NCDOT right of way and NCDOT has been asked to be a cost-share partner to cover the required 25% of non-federal share. NCDOT has decided to be a cost-share partner in this application, and no funding from the County would be required. Commissioner Tyson moved to authorize the Chairman to sign the grant application and approve the Resolution of Designation of Applicant's Agents, Don Baumgardner and Harold Blizzard, seconded by Commissioner McCabe and unanimously carried.

Hazard Mitigation Assistance Grant Application (Home Elevation)

Mr. Baumgardner reminded the Board that Craven County had sent a Letter of Interest to the North Carolina Division of Emergency Management for receiving a grant to elevate structures that are listed on the County's Repetitive Loss List. Of the ten structures submitted to NCDEM, only one structure qualified as being cost-beneficial to submit to FEMA in an official grant application. Planning staff determined that the owner of the structure is still interested in the elevation project and is fiscally able to participate. There will be no County funds required for this house elevation project. The home is located in the Bridgeton area. Commissioner Sampson moved to authorize the Chairman to sign the grant application and approve the Resolution of Designation of Application's Agents, Don Baumgardner and Harold Blizzard, seconded by Commissioner Tyson and unanimously carried.

FY 09 CDBG Scattered Site Program Update

Mr. Baumgardner announced that Planning staff and Holland Consulting Planners are currently in the process of concluding the five FY09 Scattered Site homes, which consisted of rehabilitations to three structures, clearing of two dilapidated units and building two new homes under the FY09 Scattered Site Program. The Planning Department has learned that the County may be eligible to receive an additional \$100,000 to perform rehabilitation/construction activities to any of the alternates listed on the original FY09 CDBG Scattered Site Grant Program application, and requested the Board's approval that the Chairman be authorized to sign the additional grant agreements to receive the additional funding from the State. No County funds are required. Commissioner Sisk moved that the Chairman be authorized to sign the additional grant agreements to receive additional funding from the State, seconded by Commissioner McCabe and unanimously carried.

HAVELOCK CHAMBER OF COMMERCE REQUEST

At the last meeting the Board considered a request by the Havelock Chamber of Commerce to redirect an appropriation by the Board of Commissioners made in FY 2009, and which had not been expended. At the request of Commissioner Allen the matter was deferred until he could confer with the Chamber representative.

Commissioner Allen reported that he had advised the Chamber that a re-direction of funds would be inappropriate. Funds have been returned to the County and the issue has been resolved.

CITY OF HAVELOCK REQUEST

The Chairman asked the Board to allow Havelock Commissioner, George Liner, to speak. He reported that Havelock has an opportunity to apply for a Brownfields Community-Wide Assessment Grant for assessment of the Phoenix Recycling Facility

site. He asked that the County be the lead agency for the application, with the help of the City of Havelock, or to endorse the application by a letter of support if Havelock takes the lead; however, Mr. Liner expressed doubts about the city’s success in obtaining the grant as lead agency. The Chairman responded that the County is reluctant to take on the lead because the site does not belong to the City or the County. It is a privately owned state permitted site, but he suggested that the County may be willing to help with favorable endorsement.

Brownfield’s grants are also available for remediation, but it is necessary to go through assessment first. Attorney Frank Sheffied stated that a federal clean-up grant would likely be insufficient. Discussion ensued concerning potential liability of a lead agency. During discussion, Commissioner Tyson indicated that the County could revisit the request if Havelock is unsuccessful in its application as a lead agency. Commissioner Sampson moved to endorse the City of Havelock’s application, seconded by Commissioner Tyson and unanimously carried.

FINANCE MATTERS

HAVA Grant

Finance Director, Rick Hemphill, advised the Board that the HAVA grant awarded to the Election’s Department will require a budget amendment because it will supplant current budgeted items by \$15,931. Commissioner Sampson moved to approve a budget amendment in the amount \$15,931, to be returned to Fund Balance, seconded by Commissioner Jones and unanimously carried in a roll call vote.

Elections

REVENUES	AMOUNT	EXPENDITURES	AMOUNT
101-0000-399-01-00	\$(15,931.00)		
Fund Balance			
101-0601-348-00-00	\$15,931.00		
State Grant			
TOTAL	\$0.00	TOTAL	\$0.00

Justification: Awarded a \$15,931 HAVA One-Stop grant to staff three additional one-stop absentee voting locations – Havelock, Cove City and Vanceboro

School Financing

Mr. Hemphill presented the following resolution providing final approval of the QSCB financing for the school projects. This resolution is the Board’s approval to proceed and authorizes the Chairman, County Manager, Finance Officer, and Clerk to execute the agreements, including Project Fund Agreement and Financing Agreement and Deed of Trust. It authorizes the same persons to take all proper steps to complete the financing. During discussion, Commissioner Tyson reminded the Board of the Memorandum of Understanding outlining the annual reduction in the Capital Outlay budget. Mr. Hemphill stated that the County Attorney has suggested putting the MOU in a lease-back agreement for Gurganus School. Commissioner Sampson moved to approve the following resolution, as requested, seconded by Jones, there being six (6) “Ayes” and one (1) “Nay” from Commissioner Tyson.

Resolution Providing Final Approval of Terms and Documents for QSCB School Improvements Financing

WHEREAS:

Craven County has previously determined to carry out various public school improvements (the "Project"), including roof repairs, bathroom renovations and other similar projects. The County has also stated an intent to finance project costs by the use of an installment contract, as authorized under Section 160A-20 of the North Carolina General Statutes, that qualifies as a "qualified school construction bond" (a "QSCB").

The Finance Officer has obtained for the County a proposal from Branch Banking and Trust Company ("BB&T) to provide the QSCB installment financing to the County.

The Finance Officer has made available to this Board the draft agreements listed on Exhibit A (the "Agreements"), which relate to the County's carrying out the QSCB financing plan.

BE IT THEREFORE RESOLVED by the Board of Commissioners of Craven County, North Carolina, as follows:

1. *Determination To Proceed with Financing* – The County confirms its plans to undertake and finance the Project with financing from BB&T, substantially in accordance with a proposal from BB&T dated August 31, 2010.

Under the financing plan, BB&T will make funds available to the County for use on Project costs. The County will repay the amount advanced, with interest, over time. As part of the financing plan, the Craven County School Board will convey W.J. Gurganus Elementary School in Havelock (and its associated real property) to the County, so that the transferred property can provide collateral for the financing. The County will grant to BB&T a mortgage-type interest in the property to secure the County's repayment obligation.

2. *Approval of Agreements; Direction To Execute Documents* -- The Board approves the forms of the Agreements submitted to this meeting. The Board authorizes and directs the Board's Chairman and the County Manager, or either of them, to execute and deliver the Agreements in their final forms. The Agreements in their respective final forms must be in substantially the forms presented, with such changes as the Chairman or the County Manager may approve. The Agreements in final form, however, must be consistent with the financing plan described in this resolution and must provide (a) for the amount financed by the County not to exceed \$2,163,000, (b) for an annual interest rate not to exceed 4.72% (in the absence of a default or a change in tax status), and (c) for a financing term not to extend beyond December 31, 2020.

In addition, the Board's Chairman and the County Manager, or either of them, are authorized and directed to approve, execute and deliver any further documents and agreements they deem desirable for carrying out the purposes and intents of this resolution. It is the Board's understanding that the financing documents may include (a) a lease agreement, providing for the School Board to continue to use the transferred school property during the term of the financing, and (b) an agreement under which the School Board will carry out the planned school improvements on the County's behalf.

The execution and delivery of any document by an authorized officer will be conclusive evidence of his approval of the final form of such document.

3. *Authorization to County Manager and Finance Officer To Complete Closing* – The County Manager, the Finance Officer and all other County officers and employees are authorized and directed to take all proper steps to complete the financing in cooperation with BB&T and in accordance with the terms of this resolution.

The Board authorizes and directs the Finance Officer to hold executed copies of all financing documents authorized or permitted by this resolution in escrow on the County's behalf until the conditions for their delivery have been completed to such officer's satisfaction, and thereupon to release the executed copies of such documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, the Board specifically authorizes the Finance Officer to approve changes to any documents, agreements or certifications previously signed by County officers or employees, provided that such changes do not conflict with this resolution or substantially alter the intent from that expressed in the form originally signed. The Finance Officer's authorization of the release of any such document for delivery will constitute conclusive evidence of such officer's approval of any such changes.

In addition, the Finance Officer is authorized and directed to take all appropriate steps for the efficient and convenient carrying out of the County's on-going responsibilities with respect to the financing of the Project. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under this resolution or otherwise with respect to the Agreements.

4. Resolutions As To Tax Matters -- The County will not take or omit to take any action the taking or omission of which will cause its obligations to pay principal and interest (the "Obligations") to be "arbitrage bonds," within the meaning of Section 148 of the United States Internal Revenue Code of 1986, as amended, including the applicable Treasury regulations (the "Code"), or "private activity bonds" within the meaning of Code Section 141.

5. Designation as a QSCB -- The County designates the Obligations as a "qualified school construction bond" for the purposes of, and within the meaning of, Code Section 54F and related Code provisions. The County and BB&T intend that the financing will qualify as a QSCB.

6. Miscellaneous Provisions -- All County officers and employees are authorized and directed to take all such further action as they may consider necessary or desirable in furtherance of the purposes of this resolution. All such prior actions of County officers and employees are ratified, approved and confirmed. Upon the absence, unavailability or refusal to act of the County Manager, the Board's Chairman or the Finance Officer, any other of such officers may assume any responsibility or carry out any function assigned in this resolution. In addition, the Vice Chairman or any Deputy or Assistant Clerk to the Board may in any event assume any responsibility or carry out any function assigned to the Chairman or the Clerk, respectively, in this resolution. All other Board proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

I certify that the foregoing resolution (which includes the attached Exhibit A) was properly adopted at a meeting of the Board of Commissioners of Craven County, North Carolina, that was properly called and held on _____ 2010, and that a quorum was present and acting throughout such meeting. Such resolution remains in full effect as of today.

Dated this 20th day of September, 2010.

UPCOMING APPOINTMENTS

Terms on the Firemen's Relief Fund Board of Trustees (Felix Croom, Robert Stroud) and the Fire Tax Commission (George Ewell) are due to expire in October. All appointments were deferred until the Board's next meeting.

COMMISSIONERS' REPORTS

Commissioner Tyson congratulated the City of New Bern on the success of Jubilee Weekend and expressed how much he enjoyed participating in the parade.

Commissioner Sisk reminded drivers to be extra careful in school zones and behind school buses.

Commissioner Allen congratulated the City of New Bern and expressed his appreciation for all that has been done during the 300th Anniversary year. He announced that he has curtailed a lot of activities due to his wife's illness.

Commissioner McCabe commented that he enjoyed the Jubilee Heritage parade and he distributed New Bern flags to other Commissioners.

Commissioner Sampson commented that gas prices are headed upward again and stated that the public should contact congressmen. He commented on the 300th Jubilee and the evidence of the community's collaboration as well as the financial benefits that were gained during the Jubilee weekend. He announced that he would need to excuse himself before the end of the meeting due to his wife's hospitalization.

Chairman Morris announced that it is about the time that rescue squads will be making DOI grant applications and advised the Board to be prepared for their match requests.

CLOSED SESSION

The Board was requested to go into closed session to discuss industrial expansion pursuant to NCGS 143-319.11(a)(4).

At 9:58 a.m. Commissioner Jones moved to go into closed session, following a five minute recess, seconded by Commissioner McCabe and unanimously carried.

Commissioners Allen and Sampson excused themselves from the meeting.

At 10:44 a.m. the Board returned to regular session. County Attorney Associate, Aaron Arnett, announced that no action had been taken.

At 10:45 a.m. the Board recessed to reconvene at the Convention Center.

REQUEST FOR LOCATING SCULPTURE

At 11:12 a.m. the Board reconvened in the Berne Room of the Convention Center, where they viewed a PowerPoint presentation by Susan Moffat concerning the proposed placement of a spider lily sculpture. She commented that a tree at the proposed site which is slated for removal is diseased, and will need to be removed eventually. It was the consensus of the Board to offer an alternative site on County property outside the CAMA zone, with an agreement that there will be no County responsibility for maintenance, etc. The Board expressed dissatisfaction with the City's proposed site, although no approval by the County is required.

At 12:16 p.m. Commissioner Tyson moved to adjourn, seconded by Commissioner McCabe and unanimously carried.

Chairman Perry L. Morris
Craven County Board of Commissioners

Gwendolyn M. Bryan
Clerk to the Board