

**AGENDA  
CRAVEN COUNTY BOARD OF COMMISSIONERS  
REGULAR SESSION  
MONDAY, JUNE 16, 2014  
8:30 A.M.**

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

APPROVE MINUTES OF JUNE 2, 2014 REGULAR SESSION AND RECONVENED SESSIONS OF MAY 20, MAY 21, MAY 27 AND JUNE 2

1. CONSIDERATION OF FY 2015 BUDGET ORDINANCE FOR ADOPTION

DEPARTMENTAL MATTERS

2. TAX: Ronnie Antry, Tax Administrator

A. Releases and Refunds

B. Budget Amendment

3. FACILITIES/OPERATIONS – AWARD OF ADDITIONAL STORM DEBRIS REMOVAL GRANT MONIES: Gene Hodges, Assistant County Manager, Facilities/Operations

4. CARTS – BUDGET AMENDMENT: Gene Hodges, Interim CARTS Director

5. PLANNING: Don Baumgardner, Planning Director

A. Request to Set Public Hearing – Pamlico Sound Regional Hazard Mitigation Plan

B. Road Closure Request

6. FINANCE – BUDGET AMENDMENTS AND ORDINANCE UPDATE: Rick Hemphill, Assistant County Manager, Finance/Administration

7. HEALTH – REQUEST FOR PUBLIC HEARING: Scott Harrelson, Health Director

8. APPOINTMENTS

A. Pending

B. Upcoming

9. COUNTY ATTORNEY'S REPORT: Jim Hicks
10. COUNTY MANAGER'S REPORT: Jack Veit
11. COMMISSIONERS' REPORTS
12. CLOSED SESSION

Agenda Date: June 16, 2014

Presenter: Jack Veit

Agenda Item No. 1

Board Action Required: Yes

### **CONSIDERATION OF FY 2015 BUDGET ORDINANCE FOR ADOPTION**

County Manager, Jack Veit, will present the Budget Ordinance for FY 2014-15, which will be provided to you under separate cover.

**Board Action: If there is no additional input from Commissioners regarding the budget, the Chairman will call for a motion to adopt the FY 2014-15 Budget Ordinance. A roll call vote will be required.**

Agenda Date: June 16, 2014

Presenter: Ronnie Antry

Agenda Item No. 2

Board Action Required: Yes

## DEPARTMENTAL MATTERS: TAX

### A. TAX RELEASES AND REFUNDS

Craven County Tax Administrator, Ronnie Antry, will present the routine requests for tax releases and refunds, contained in Attachment #2.A., for the Board's approval.

**Board Action: A roll call vote is needed to approve releases and refunds.**

### B. BUDGET AMENDMENT

Mr. Antry will request that the Board approve a budget amendment as shown in Attachment #2.B. to appropriate funds from the General Fund fund balance and transfer funds to the four fire departments affected by the oversight in billing fire tax on motor vehicles for the first several months of Tax and Tag. The oversight resulted in no fire tax being charged on motor vehicles which had a municipality on the bill. The County is prohibited from going back and recovering the amounts.

**Board Action: A roll call vote is needed to approve budget amendment.**

Agenda Date: June 16, 2014

Presenter: Gene Hodges

Agenda Item No. 3

Board Action Required: No

**DEPARTMENTAL MATTERS: FACILITIES/OPERATIONS – AWARD OF  
ADDITIONAL STORM DERIS REMOVAL GRANT MONIES**

In 2012, Craven County Soil and Water Conservation District was awarded a \$108,869 grant through the Storm Debris Removal Project from the North Carolina Department of Agriculture and Consumer Sciences Division of Soil and Water Conservation. With additional support from the Craven County Board of Commissioners, we were able to conduct an extensive tree snagging project along the Swift Creek. This project removed downed and leaning trees from the water way that impede or threaten to impede water flow. This creek and the surrounding area produced the highest number of historical flood claims than the other creeks in the county. The project has proven to be successful and has been well received by the public. The State issued a call for additional projects and again we applied for all the creeks to be considered. For this round, the District was awarded \$40,826 to be used for tree snagging in another creek. Patrick Baker and Chad Strawn have gathered data for the remaining creeks to assist the Board with the evaluation of the projects. This data is provided in Attachment #3.

We request the Board to evaluate the remaining creeks and provide direction on which project they would like to see completed. An RFP will be issued to collect bids from interested contractors and the results of those bids will be presented to the Board at a later date.

**Board Action: Receive information and direct staff accordingly.**

Agenda Date: June 16, 2014

Presenter: Gene Hodges

Agenda Item No. 4

Board Action Required: Yes

**DEPARTMENTAL MATTERS: CARTS – BUDGET AMENDMENT**

Jones County has received additional Home and Community Care Block Grant (HCCBG) monies and has requested that Craven Area Rural Transportation System (CARTS) provide additional transportation services to serve this population. CARTS will be receiving approximately \$11,875 in additional revenue from Jones County. This revenue needs to be budgeted, and will be used for salary related expenditures directly related to the additional transportation services. (See Attachment #4)

**Board Action: A roll call vote will be required to adopt budget amendment.**

Agenda Date: June 16, 2014

Presenter: Don Baumgardner

Agenda Item No. 5

Board Action Required: Yes

## DEPARTMENTAL MATTERS: PLANNING

### A. REQUEST TO SET PUBLIC HEARING – PAMLICO SOUND REGIONAL HAZARD MITIGATION PLAN

The Planning Department requests that the Craven County Board of Commissioners set a Public Hearing for July 7, 2014 at 7:00 pm. The purpose of the public hearing will be to inform the public, as well as Commissioners, on the status of the Regional Mitigation Plan effort.

**Board Action: Set a public hearing for July 7th 7:00 PM Commissioner’s meeting.**

### B. ROAD CLOSURE REQUEST

The Coastal Carolina Airport Authority is requesting that a section of Howell Road which lies between two portions of the airport’s property be abandoned by the Board of Transportation. The Coastal Carolina Airport desires to take control of the road right-of-way which currently divides their property. (See Attachment #5.B.)

No public hearing is required for this road closure.

**Board Action: A vote by the Board of Commissioners is needed to approve the Road Abandonment Resolution which will be forwarded to the NCDOT.**

Agenda Date: June 16, 2014

Presenter: Rick Hemphill

Agenda Item No. 6

Board Action Required: Yes

**DEPARTMENTAL MATTERS: FINANCE – BUDGET AMENDMENTS AND ORDINANCE UPDATE**

Assistant County Manager for Finance/Administration, Rick Hemphill, will present the following budget amendments and ordinance update for the Board's approval. The budget amendments are contained in Attachment #6.

**Amendments:** Health Benefit – Need to budget an additional \$450,000 from Health Benefits (fund 512) fund balance to cover health insurance claims through end of fiscal year (fy'14). Experiencing an unusual amount of high claims this fiscal year.

Schools – One half of Article 40 and Article 42 sales tax distributed to counties is dedicated to school debt service. Given fiscal year-to-date collections and four more distributions to be credited to current fiscal year, it is anticipated that final receipts will be greater than originally projected. Need to budget an additional \$250,000 in expected revenue and corresponding transfer to Debt Service Fund.

Mental Health – Need to budget additional \$ 1,000 anticipated receipts from Craven Co. ABC Board. These funds are in turn passed to East Carolina Behavioral Health

Rescue Squads – Ambulance service fees/collections are exceeding amount budgeted. Need to budget an additional \$44,444 for Bridgeton rescue and \$40,000 for Twp # 7 rescue. (90% squads, 10% collection fees).

Economic Development/County Reserve – Craven County received its portion of the NC Eastern Region Development Commission totaling \$1,516,317 In December 2013. During this fiscal year (fy '14), \$56,500 was utilized for the Comprehensive Economic Development Strategic Plan. The remaining \$1,459,817 needs be transferred to County Reserve Fund for future development use.

Planning – Need to close out the American Eagle Relocation Project CDBG-SBEA#: 12C-2442. The project for this \$250,000 grant was budgeted on 05/31/12. After the project was setup, the beneficiary of the award became reluctant to adhere to the terms of the grant. Some expenses had been incurred prior to this knowledge - \$2,900 toward land and \$12,142 in admin costs.

**Ordinances:** Close American Eagle Relocation Project – CDBG-SBEA#:12-C-2442.

Agenda Date: June 16, 2014

Presenter: Scott Harrelson

Agenda Item No. 7

Board Action Required: Yes

**DEPARTMENTAL MATTERS: HEALTH – REQUEST TO SET PUBLIC HEARING  
FOR SALE OF HOME HEALTH AGENCY**

Health Director, Scott Harrelson, will request that the Board set a public hearing for July 7, 2014 at 7:00 p.m., as required, concerning the proposed sale of the County's Home Health Agency.

**Board Action: Set public hearing as requested.**

Agenda Date: June 16, 2014

Presenter: \_\_\_\_\_

Agenda Item No. 8

Board Action Required: Yes

## APPOINTMENTS

- A. PENDING
- B. UPCOMING

**Board Action: Appointments will be effective immediately, unless otherwise specified.**

**A. PENDING APPOINTMENT(S):**

HIGHWAY 70 CORRIDOR COMMITTEE (additional member)

The City of New Bern has not yet submitted a name.

CRAVEN COUNTY ABC BOARD

AUTHORIZATION: N.C.G.S. 18B-700

MISSION/FUNCTION: To serve the locality responsibly by controlling the sale of spiritous liquor and promoting customer-friendly, modern and efficient stores.

NUMBER OF MEMBERS:

3  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TYPE:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

QUALIFICATIONS (Special Skills, Professional Classifications, Affiliations, Limitations, etc.):

Interest in public affairs, good judgement, knowledge, ability and good moral character

LENGTH OF TERMS: 3 Years

MEETING SCHEDULE: Third Tuesday of each month at 5:30 p.m. in the boardroom of the warehouse located at 3493 Martin Drive

COMPENSATION: No  Yes  Specify: \$150/month

**Appointment of a Chairman (Effective 7/1/14)**

EASTERN CAROLINA WORKFORCE DEVELOPMENT BOARD

AUTHORIZATION: Bylaws

MISSION/FUNCTION: "...to perform all functions of a Workforce Investment Board and Local Area as set forth in the Federal Workforce Investment Act (WIA)

NUMBER OF MEMBERS:

18

9

recruited organizations, vocational assistance agencies, and public

1

TYPE:

2 from private sector, appointed by each member county

1 appointed by each member county, to be to represent community based organized labor, education agencies, rehabilitation agencies, public economic development employment service

Additional member from consortium member county from which current chairman appointed

QUALIFICATIONS (Special Skills, Professional Classifications, Affiliations, Limitations, etc.):

LENGTH OF TERMS: 2 Years

MEETING SCHEDULE: Bi-monthly, at a time and location determined by the Board

COMPENSATION: No  Yes  Specify: \_\_\_\_\_

**Term ending:** William Green (Appointed 2012; interested in being reappointed)

**Application on file:** William Gower; and

**Letter from Eastern Carolina Workforce Development** (Attachment #8.A.)

HAVELOCK BOARD OF ADJUSTMENT

AUTHORIZATION: Havelock City Code – Article XI

MISSION/FUNCTION: \_\_\_\_\_

NUMBER OF MEMBERS:

7

1

1

TYPE:

City of Havelock

Extraterritorial Jurisdiction (County)

Extraterritorial alternate (County)

QUALIFICATIONS (Special Skills, Professional Classifications, Affiliations, Limitations, etc.):

County appointees must reside in the extraterritorial areas of the City of Havelock.

LENGTH OF TERMS: 3 Years

MEETING SCHEDULE: 3<sup>rd</sup> Wednesday of the month at 7:30 p.m., and at the call of the Chair

**Terms ending:** Nancy Webster, Alt.(Appointed 2009; resigned)

**No applications on file.**

RECREATION AND PARKS ADVISORY BOARD

AUTHORIZATION: Bylaws

MISSION/FUNCTION: Serves as the recreation advisory body for the Craven County

Department of Recreation and Parks; suggests policies; consults with and advises

Recreation Director, County Manager and Commissioners in matters related to recreation

programs, finances, acquisition and disposal of property consistent with overall, long range recreation planning.

NUMBER OF MEMBERS:

12

\_\_\_\_\_

TYPE:

1 from each township (8)

4 at-large

QUALIFICATIONS (Special Skills, Professional Classifications, Affiliations, Limitations, etc.):

LENGTH OF TERMS: 3 Years

MEETING SCHEDULE: 3<sup>rd</sup> Monday at 6:00 p.m.; Administration conference room

COMPENSATION: No  Yes  Specify: \_\_\_\_\_

**Terms expiring:** Charles Fisher (Deceased; Carolina Avenue)

**No applications on file.**

## **B. UPCOMING APPOINTMENTS**

**July**  
2010)

Craven Community Child Protection Team: Debbie Kirkman (Appointed

ABC Board: Chair

New Bern Planning and Zoning Board:

**August**

Adult Care Home Advisory Committee:

Kate Clark (Initial appointment 2011)

Laraine Mark (Initial Appointment 2011)

Tom McDivor (Initial Appointment 2011)

Ruth Swank (Initial appointment 2011; wishes to continue)

Joan Taylor (Initial appointment

Rick Walter (Initial appointment 2011)

EMS Advisory Committee:

Jackie Barrows, Craven County Communications

Chris Cangemi, N.C. Office of Emergency Medical Services

Mark Dail, Rhems Fire Department (Appointed 2012)

James Davis, CarolinaEast

Doug Ferguson, At-Large (Appointed 2006)

John Harrell, Bridgeton Rescue (Appointed 2009)

Joe Hoffman, Craven County Law Enforcement Association

Stanley Koontz, CarolinaEast Medical Director

Jean Matthews, Cove City Rescue (Appointed 2008)

Debra Rogers, CarolinaEast E.D. Supervisor

Nicholas Salter, MCAS Cherry Point

Ronnie Weems, Fire Association

Rick Zaccardelli, City of Havelock

Fire Tax Commissioners:

Ray Hemphill, Rhems (Appointed 2010)

Nursing Home Advisory Committee:

Britt Bendy (Appointed 2011)

Deborah Shannon (Appointed 2011)

Agenda Date: June 16, 2014

Presenter: Jim Hicks

Agenda Item No. 9

Board Action Required: Yes

## COUNTY ATTORNEY'S REPORT

### **A. Final Acceptance - Offer to Purchase Real Property – 200 Muddy Lane (Parcel #1-044-105)**

The County previously received and tentatively approved an offer in the amount of \$4,000.00 for this property, which was acquired through a tax foreclosure. The total taxes and costs that were foreclosed on were \$2,468.52. The current tax value is \$13,500.00. The offer was advertised, and there were no upset bids. Attachment #9.A. is the proposed deed. It is recommended that the Board give final approval of the sale.

**Board Action: A vote to give final approval of the offer to purchase.**

### **B. Days Inn Hotel – Tax Foreclosure by City of New Bern (Parcel #8-008-202)**

The City of New Bern has commenced a tax foreclosure against this real property. Previously, the County determined not to file an answer. The reason for this decision was to assist the City in obtaining ownership and placing the property back into use; and for the County to avoid the possibility of potential ownership at the foreclosure sale, which would make the County liable for any abatement and/or environmental issues. The County would, however, forego any past due taxes for failing to answer.

To mitigate the County losing its taxes, the City has agreed as a part of this arrangement to potentially reimburse the County upon any future sale of the property. After first reimbursing the City for the costs of foreclosure, abatements, and ownership, any excess funds would be allocated between the City and the County pro-rata based on taxes due at the time of foreclosure. An updated itemization of past due taxes will be provided to the Board.

Attachment #9.B. is the proposed agreement with the City to accomplish the same. It is recommended that the Board approve the agreement.

**Board Action: A vote to approve the agreement and to authorize the Chairman to execute it.**

### **C. Sale of Craven County Home Health Agency**

Attachment #9.C. is the Letter of Intent (“LOI”) submitted by the potential highest bidder. This topic will be presented earlier in the meeting. This LOI is being provided for information only.

Agenda Date: June 16, 2014

Presenter: Jack Veit

Agenda Item No. 10

## **COUNTY MANAGER'S REPORT**

Agenda Date: June 16, 2014

Presenter: \_\_\_\_\_

Agenda Item No. 11

## **COMMISSIONERS' REPORTS**

Agenda Date: June 16, 2014

Presenter: \_\_\_\_\_

Agenda Item No. 12

**CLOSED SESSION**

The Board will be requested to go into closed session pursuant to NCGS 143-318.11(a)(4) to discuss industrial expansion.

Attachment #2.

TAX804P

CRAVEN COUNTY

PAGE 1

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 06/16/2014

TAXPAYER NAME	ACCT#/TICKET#	AMOUNT
BARFIELD, GAIL S FORECLOSURE-LIEN EXTINGUISHED	0356300 2011-0002888	155.90
BARNES, KENNY RAY DID NOT OWN 1/1/2010	0068652 2010-0002735	43.95
BARNES, KENNY RAY DID NOT OWN 1/1/2011	0068652 2011-0003002	40.14
BARNES, KENNY RAY DID NOT OWN 1/1/2012	0068652 2012-0002982	41.54
BARNES, KENNY RAY DID NOT OWN 1/1/2013	0068652 2013-0002943	27.89
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2004-0006541	49.78
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2005-0006771	47.63
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2006-0006840	45.49
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2007-0006974	30.01
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2009-0007184	44.50
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2010-0006645	86.93
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2011-0007337	81.39
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2012-0007363	75.67
BRUNSON, MACK HRS FORECLOSURE-LIEN EXTINGUISHED	0003491 2013-0007252	64.54

## CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 06/16/2014

TAXPAYER NAME	ACCT#/TICKET#	AMOUNT
COX, RONALD R & CAROLE K KEATI VEHICLE PLATED-NO LONGER PERSONAL	0092651 2013-0012271	8.04
CRABBY JACKS LLC NOT IN BUSINESS 1/1/2009	0042392 2009-0090403	207.32
CRANFORD, CHARLES R & GERLENE DWELLINGS UNOCCUPIED SINCE 2009	0065069 2013-0091713	75.60
DAWSON, THELMA ANNE DOUBLE LISTED MH AS REAL ACC 95564	0020657 2013-0014083	2.42
KOONCE, EDWARD ELBERT FORECLOSURE-LIEN EXTINGUISHED	0049066 2012-0032645	514.20
KOONCE, EDWARD ELBERT FORECLOSURE-LIEN EXTINGUISHED	0049066 2013-0031488	471.86
LEARN, LARRY RICHARD MILITARY EXEMPTION	0084159 2013-0092653	12.89
MARCOE, STEPHEN J CORRECTED BOAT VALUATION	0099830 2014-0090013	865.60
MILKIN, FRED & LEORA FORECLOSURE-LIEN EXTINGUISHED	4941050 2009-0038713	59.80
MILKIN, FRED & LEORA FORECLOSURE-LIEN EXTINGUISHED	4941050 2010-0035295	99.11
MILKIN, FRED & LEORA FORECLOSURE-LIEN EXTINGUISHED	4941050 2011-0039300	93.33
MILKIN, FRED & LEORA FORECLOSURE-LIEN EXTINGUISHED	4941050 2012-0039192	85.97
MILKIN, FRED & LEORA FORECLOSURE-LIEN EXTINGUISHED	4941050 2013-0037711	78.90
PASTOR, ADAM M & CHRISTINE M MILITARY EXEMPTION	0076130 2013-0042740	33.97

CREDIT MEMOS SUBJECT TO BOARD APPROVAL ON 06/16/2014

TAXPAYER NAME	ACCT#/TICKET#	AMOUNT
PHILLIPS, LYMAN & LEE ROSE DID NOT OWN 1/1/2013	0080018 2013-0093070	2.72
THORNTON, LYDIA JEAN & THORNTON MILITARY EXEMPTION	0093137 2013-0094314	232.11
WALLACE, TINNIE B DWELLING VACANT SINCE 2012	7511975 2013-0057149	36.00
	31 -CREDIT MEMO(S)	3,715.20

TAXPAYER NAME	ACCT#/TICKET#	AMOUNT
CRABBY JACKS LLC NOT IN BUSINESS 1/1/2009	0042392 2009-0090403	186.79
DAWSON, THELMA ANNE DOUBLE LISTED MH AS REAL ACCT 95564	0020657 2013-0014083	511.09
PORTRAITS BY ANGELO LLC NOT IN BUSINESS 1-1-2013	0089517 2013-0095119	144.67
WORLEY, BILLY J & WORLEY, AMBE DWELLING UNOCCUPIED SINCE 2009	0089110 2012-0064030	36.00
WORLEY, BILLY J & WORLEY, AMBE DWELLING UNOCCUPIED SINCE 2009	0089110 2013-0061353	36.00
	5 -REFUND(S)	914.55

Craven County



DISTRIBUTION:

ORIGINAL: FINANCE  
DUPLICATE: DEPARTMENT

**BUDGET AMENDMENTS**

1. Fund: Fire Depts/General Fund

2. Department: Trf in/Trf out

3. Revenue Account Number(s)	Amount	4. Expenditure Account Number(s)	Amount
101-0000-399-01-00 Fund Bal Approp	21,246.00	101-0567-410-97-80 Trf to Fire Depts	21,246.00
244-0000-366-01 Twshp 3 - Trf In from G/F	2,038.00	244-0000-399-01-00 Fund Bal Approp	2,038.00
240-0000-366-01 WNB II - Trf In from G/F	7,570.00	240-0000-399-01-00 Fund Bal Approp	7,570.00
248-0000-366-01 WNB - Trf in from G/F	10,638.00	248-0000-399-01-00 Fund Bal Approp	10,638.00
241-0000-366-01 Twshp 1 - Trf in from G/F	1,000.00	241-0000-399-01-00 Fund Bal Approp	1,000.00
<b>Journal Entry</b>			
101-0567-410-97-80 Trf to Fire Depts	21,246.00	101-0000-101-00-00 G/F Cash	21,246.00
244-0000-101-00-00 Twshp 3 - Cash	2,038.00	244-0000-366-01 Twshp 3 - Trf in from G/F	2,038.00
240-0000-101-00-00 WNB II - Cash	7,570.00	240-0000-366-01 WNB II - Trf in from G/F	7,570.00
248-0000-101-00-00 WNB - Cash	10,638.00	248-0000-366-01 WNB - Trf in from G/F	10,638.00
241-0000-101-00-00 Twshp 1 - Cash	1,000.00	241-0000-366-01 Twshp 1 - Trf in from G/F	1,000.00
<b>Total:</b>	84,984.00	<b>Total:</b>	84,984.00

**Justification or Explanation of Change:**

To appropriate funds from the General Fund fund balance and transfer funds to the four fire depts affected by the oversight in billing fire tax on MV's for the first several months of Tax and Tag. Oversight resulted in no fire tax being charged on MV's which had a municipality on the bill. Unable to go back and recover the amounts paid.

\_\_\_\_\_  
Jun 16, 2014  
Department Head                      Date

\_\_\_\_\_  
County Manager                      Date

\_\_\_\_\_  
Jun 16, 2014  
County Commissioners/Chairman                      Date

\_\_\_\_\_  
Journal Entry Number                      Date



**Steve Troxler**  
Commissioner

**North Carolina Department of Agriculture  
and Consumer Services**  
*Division of Soil and Water Conservation*

**Patricia K. Harris**  
Director

June 3, 2014

Patrick Baker  
Craven Soil & Water Conservation District  
302 Industrial Drive  
New Bern, NC 28562

Dear Mr. Baker:

Thank you for submitting your request for funding for Phase II of the Stream Debris Removal Project. The Division of Soil and Water Conservation has considered your request for assistance, and is pleased to inform you that \$40,826.00 has been allocated to Craven Soil & Water Conservation District for Phase II.

The division received applications totaling nearly \$540,000 from 18 applicants. Considering that only \$204,000 was available to be awarded, the division invited applicants to propose projects ranging from one-third to one-half the size of the initial Phase I project award.

We recognize that the funding amount you requested was substantially more than the amount we can award at this time. For this reason, we request that you submit a revised application reflecting the work your organization can commit to do based on funding we can provide at this time. We expect that your revised application will likely be scaled back considerably from your initial application. We also request that you include the estimated amount of other funding your organization can apply toward the revised project on the total estimated project cost line. This leveraged other funding may be helpful for attracting other sources of funding to support a second round of debris removal projects.

Please submit your revised application by June 30, 2014. If you need additional time to develop your revised application, please let me know. Once we receive your revised application, the division will proceed to prepare an amendment to the previous debris removal agreement to allow you to begin work on the Phase II project. In addition to increasing the agreement amount by the amount of the Phase II allocation, the amendment will also extend the agreement expiration date to December 31, 2016.

MAILING ADDRESS  
Division of Soil and Water Conservation  
1614 Mail Service Center  
Raleigh, NC 27699-1614

Telephone: 919-733-2302  
Fax Number: 919-733-3559

LOCATION  
Archdale Building  
512 N. Salisbury Street, Suite 504  
Raleigh, NC 27604

**An Equal Opportunity Employer**

We look forward to working with you to implement your stream debris removal project. Please contact me at 919-715-6103 or [David.B.Williams@ncagr.gov](mailto:David.B.Williams@ncagr.gov) if I may answer any questions you have or assist you in any other way.

Sincerely,

A handwritten signature in black ink that reads "David B. Williams". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

David B. Williams, Deputy Director

Cc: Commissioner Steve Troxler  
David Smith  
Pat Harris  
Tom Reeder  
Jeff Bruton  
Kent Yarborough  
Natalie Woolard  
Martin McLawhorn  
Richard Clark  
Kristina Fischer  
Eric Pare

## Data on Craven County Creeks and Surrounding Areas

Parameters	Bachelor Creek	Little Swift Creek	Core Creek	Flat Swamp
Length	53,852 ft. (10.2 miles)	72,114 ft. (13.6 miles)	68,122 ft. (12.9 miles)	26,521 ft. (5.0 miles)
Drainage Area	35,125 ac (54.88 sq mls)	40,951 ac (64 sq mls)	35,131 ac (54.9 sq mls)	7,040 ac (11 sq mls)
Landowners	1,958	1,045	1,812	168
Residential Structures	1,038	585	1,026	119
Historic Loss Structures	9	1	2	0
Prior Debris Removal Work	None	None	2000 (EWP - Floyd)	2000 (EWP - Floyd)
<b>Present Use Value Properties (Ag/Timber)</b>				
Number of Properties	139	154	349	67
PUV Acres	7,119 (out of 35,125)	11,595 (out of 40,951)	15,800 (out of 35,131)	4,790 (out of 7,040)
Percentage of PUV acres in basin	20%	28%	45%	68%

Previous Project - Swift Creek	
Length	94,797 ft. (17.9 miles)
Drainage Area	60,206 ac (94.1 sq mls)
Landowners	4302
Residential Structures	2720
Historic Loss Structures	31
Prior Debris Removal Work	2000 (EWP - Floyd) & 2013
<b>Present Use Value Properties (Ag/Timber)</b>	
Number of Properties	512
PUV Acres	26,942 (out of 60,206)
Percentage of PUV acres in basin	45%



Airport Authority

James Bender  
Harold Blot  
Warren Bruce  
Scott Dacey  
Mary Harris  
Tyler Harris  
Jerry Jackson  
Joseph Leahy  
Charles Meekins  
Kenny Morris  
William Naumann  
Art Schools

COASTAL  
CAROLINA  

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Regional Airport

**Tom Braaten**  
**Airport Director**

30 May 2014

200 Terminal Drive  
P.O. Box 3258  
New Bern, NC 28564

E-mail  
[admin@newbernairport.com](mailto:admin@newbernairport.com)

Web  
[www.newbernairport.com](http://www.newbernairport.com)

(252) 638-8591  
Fax (252) 638-5930

Mr. Jack B. Veit III  
Craven County Manager  
406 Craven Street  
New Bern, NC 28560

Dear Mr. Veit,

The Airport Authority requests that the Craven County Commission ask the NCDOT to abandon a stretch of Howell Road that lies between two portions of Airport property. The Airport Authority recently purchased four (4) parcels of land adjacent to its existing property on Howell Road (902, 904, 906, and 908 Howell Road) for future use. The land on the opposite side of Howell Road from those parcels is an existing part of the Airport property. Howell Road ends at an Airport gate with no side streets between Williams Road and the gate. It is a dead end road. A photo map is attached.

In a discussion with NCDOT, the Airport Authority was informed that the request to abandon a section of road would have to come from the Craven County Commission. The part of Howell Road requested to be abandoned is the stretch between the Airport's gate and the western end of the Airport's new property at 908 Howell Road, a length of 455 feet. If the NCDOT agrees to abandon that stretch of Howell Road, the Airport will install a gate across the road to indicate the Airport's property line.

We spoke to the residents of the two homes on Williams Road whose properties back up to the Airport's property. Both have approved the installation of the fence and a gate. There are several reasons for the request. Since the Airport acquired the properties, some citizens have started using the area as a trash dumping ground. Signs have been installed, but that has not been totally effective. One of the neighboring residents on Williams Road said he has had to call the Sheriff's office on a couple of occasions due to suspected drug dealings in the far corner of the Airport's property. A third reason is to properly secure the Airport property and add another layer of security to the historic slave quarters located on Airport property off the stretch of Howell Road requested to be closed. I have spoken with Mr. Ben Watford of the James City Historical Society, and he concurs with this request.

Sincerely,



Tom Braaten  
Airport Director

Copy to: Mr. Don Baumgardner  
Attachment: Photo map

Serving Eastern North Carolina For Over 80 Years  
Gateway To North Carolina's Crystal Coast  
Close • Convenient • Connected

**RESOLUTION OF THE CRAVEN COUNTY  
BOARD OF COMMISSIONERS REQUESTING  
THE BOARD OF TRANSPORTATION TO ABANDON  
A ROAD IN THE SECONDARY SYSTEM**

WHEREAS, the Coastal Carolina Airport has requested that a portion of Howell Road identified on the map attached hereto as Exhibit "A" be closed; and,

WHEREAS, it appears that the proposed abandonment would not prevent adjacent property owners from the ability to access their property; and,

WHEREAS, the portion of Howell Road to be abandoned is a dead end, and the Coastal Carolina Airport desires to expand their existing boundaries due to the fact that they own both properties on both sides of Howell Road ;and

WHEREAS, the proposed abandonment will not affect a road connecting with any street of a city or town; and

WHEREAS, the abandonment of the above referenced section of Howell Road is in the best interest of the citizens of Craven County.

NOW THEREFORE, BE IT HEREBY RESOLVED, that, pursuant to North Carolina General Statute § 136-63, the Craven County Board of Commissioners hereby request that the Board of Transportation abandon and remove from the secondary road system that portion of Howell Road identified in Exhibit "A".

This Resolution is effective upon its adoption this 16th day of June, 2014.

**CRAVEN COUNTY**

\_\_\_\_\_  
Thomas F. Mark, Chairman

ATTEST:

\_\_\_\_\_  
Gwendolyn Bryan, Clerk

-SEAL-

**Proposed Section of Howell Rd.  
To Be Closed  
"Exhibit A"**

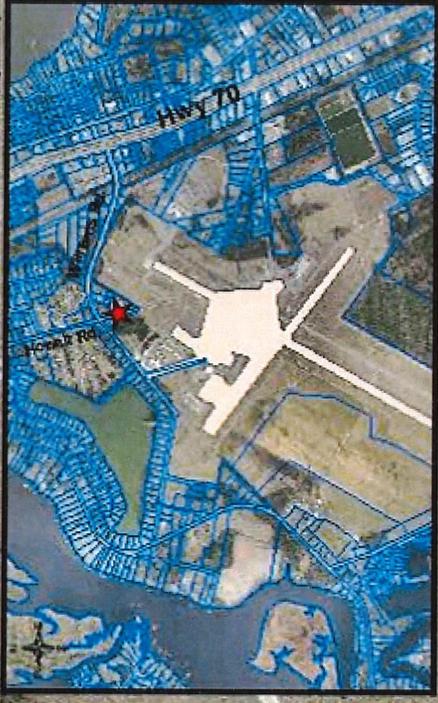
Coastal Carolina  
Regional Airport  
Property

Craven County  
Property

**455' Section of Howell Rd.  
To Be Closed**

Coastal Carolina  
Regional Airport  
Property

Vicinity Map

















This ordinance is hereby amended in the following amounts for expenditures to the American Eagle Manufacturing Relocation Project.

Expenditures:

Land Acquisition	\$	2,900.00
Administration	\$	12,142.00
TOTAL	\$	15,042.00

The following revenues are hereby approved for the American Eagle Manufacturing Relocation Project.

Revenues:

General Fund	\$	15,042.00
TOTAL	\$	15,042.00

This ordinance is hereby approved this 16th day of June, 2014.

---

Thomas F. Mark, Chairman  
Craven County Board of Commissioners

Attest:

---

Gwendolyn M Bryan, Clerk to the Board  
Craven County Board of Commissioners

# Volunteer Board Information and Interest Sheet Craven County, North Carolina

Names of board, committee, authority, etc., in which you are interested. Please list in order of priority:

Eastern Carolina Workforce Development  
open to others

Name: William A. GOWER Home Phone: 252-626-0352

Home Address: 128 Riversides Lane

City: New Bern, NC

Zip Code: 28562

Township: \_\_\_\_\_

City Limits:  Yes  No

Occupation: RETIRED

Business Phone: \_\_\_\_\_

Place of Employment: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-Mail Address: William A. GOWER

(Please indicate your preferred contact number.)

### Education

MBA AVERETTE University

### Business and Civic Experience

\_\_\_\_\_  
\_\_\_\_\_

Provided Training to employees and customers of International  
Director of Training (Training) Central Piedmont <sup>Public</sup> University  
INST worker @ Richmond Community College <sup>and Covington</sup>

### Why do you want to serve?

My experience is broad in business applications  
worked with government agencies, and foreign companies

Please List Other Local, Regional and Statewide Boards, Committees or Commissions on Which You Serve

(A resume may be attached to this form, but will not be accepted in lieu of the form.)

Date: 2/5/2014

William A. Gower  
Signature

The Craven County Board of Commissioners sincerely appreciates the interest of all citizens in serving their county. For more information on the responsibilities of various boards, you may view the on-line board descriptions or contact the County Clerk's Office at (252) 636-6601. RETURN FORM TO: CRAVEN COUNTY CLERK, 406 CRAVEN STREET, NEW BERN, NC 28560. The form may also be sent via e-mail ([gbryan@cravencountync.gov](mailto:gbryan@cravencountync.gov)) or fax: 252 637-0526.

This form will remain active until two years after date received.

**WILLIAM A. GOWER**  
128 Rivertides Lane  
New Bern, NC 28562  
252-626-0352  
williamagower@bellsouth.net

---

## SUMMARY

A professional operations manager with expertise in operations / warehouse management for general business applications. Strong capabilities in project management, materials management (including warehouse) and strategic planning are reflected in each of the companies. Dedication to developing and maintaining strong customer business relationships and providing excellent customer service were shown due to extensive technical service and product training/development/performance. The following should represent items that should transfer to other business applications.

## Special Skills

Team builder	Change Agent	printing
Re-engineering business practices	Lean Manufacturing	SAP
Leadership, coaching, and supervision	Load training	Inventory control
Computer systems (Microsoft)	Customer focused	Kaizen
MBA		

## PROFESSIONAL EXPERIENCE

### INTERNATIONAL PAPER

1990 – 2009

#### **Product Performance Manager** (2005-2009)

Managed a staff of 4 technicians responsible for product specification for both offset and copier paper quality. Developed and Implemented processes to drive quality and reduce manufacture cost thru training and implementation of statistical applications to tract trends. Establish tests and justifications for either installation or replacement of new equipment. Implemented processes with departments and suppliers to improve inter-departmental cooperation with issues of efficiencies and quality.

- **Change agent** dealing with off specification products to find alternative outlets avoiding destruction of product. Establishing pricing for the off-grade products leading to savings for the customer as well as profits for the company.
- **New products development** (or modification of existing products) to meet customer specifications and mill requirements for profitability.
- **Improved equipment efficiencies** and test methods reducing annual cost by \$400,000. One example is where our corrugated supplier was providing warped corrugated boxes. Joint efforts to provide training and working together saved \$100,000 per year of lost production, lost products, and improved efficiencies to both International Paper and the supplier.
- **Continual training** for the warehouse personnel with loading, storage, and selection of the right rail cars lead to reducing damage and product rejections (in one case the shipments to California resulted in a savings of \$125,000 per month).

**WILLIAM A. GOWER**  
(252) 626-0352

page 2

INTERNATIONAL PAPER (continued)

**Senior Customer Technical Service** (1990-2005) (including my time at Union Camp due to merger)  
(Based in Virginia and Dallas)

Provided technical on-site support for customers in the Continental US, Canada, and Mexico for equipment, process, or paper related products -- lead task teams to improve service to customers, reduce manufacturing costs, product development and eliminate defects at both the customer's facilities and International Paper's facilities. Technical support was provided to solve customer problems.

- **Project and task team manager** leading to establishment of several task teams that would bring together the right people to be focused on the task hand. The task team became a means for several facilities to share issues, share knowledge, create or improve on procedures and provide training.
- **Training developer** to provide programs and implementation of best practices for 29 production facilities and warehouses to reduce damage to product and repair received product reducing rejection of materials saving \$1,000,000 per month.
- **Statistical analysis**, tracking, and research for new or existing trends in regards to issues with products or mill or customer processes.

CADMUS CORPORATION, Richmond, VA  
Expert Graphics Division

1979 – 1989

**Plant Manager**

The printing plant grew to over 100 employees in ten years (500% growth for both personnel and sales). Responsible for purchasing, inventory control, customer service, and scheduling while being focused on commercial printing of short run publications with coated and uncoated paper and board including financial printing (the printing of materials required for mergers).

- **Change Agent** increasing sales, installation of new equipment such as a web offset press while reducing overall operating cost by over 20%.
- **Creation of new products** leading to increased sales from two million dollars to \$10,000,000 by growing the customer base and increasing efficiencies and productivity.
- **Inventory control** by increasing inventory turns to an average of 15 turns and held cost well below the parent company that bought our facility forming Cadmus.

**Other positions (held after graduating from college)**

- **Manager of Purchasing and Materials control** – Position involved purchasing of all materials, negotiating allocations and contracts, setting up Materials Control System (similar to Material Requirement Planning system) which lead to inventories of this company from \$500,000 to \$250,000.
- **Community College Director** – developed and directed training programs that involved 18 instructors that reported to me. This included the establishment of budgets and getting grants for the equipment while promoting the training program to the printers.

**EDUCATION**

Averett University (Danville, VA) -- Master of Business Administration, May 1998

Arkansas State University (Jonesboro, AR) -- Bachelor of Science in Printing Technology and Minor in Business Management

Chowan Junior College (Murfreesboro, NC) -- Associate Degree of Graphic Arts



May 27, 2014

Mr. Thomas F. Mark, Chairman  
Craven County Chief Elected Official  
406 Craven Street  
New Bern, NC 28560

Dear Mr. Mark:

As you are aware, chief elected officials continue to have a central role in the administration of workforce investment activities. Specifically, chief elected officials are responsible for appointing members to the local Workforce Development Board to represent their counties' workforce needs.

We are requesting that the Craven County Board of Commissioners re-appoint Bill Green, representing the Private Sector, to the Eastern Carolina Workforce Development Board, Inc., for a two-year appointment beginning July 1, 2014, and expiring June 30, 2016.

Additionally, we are requesting the appointment of an individual to serve a two-year term beginning July 1, 2014, and expiring June 30, 2016, in the following category:

- One individual representing the Private Sector

"Private Sector" is defined as: Owners of business concerns, chief executives or chief operating officers of non-governmental employers, or other private sector executives who have a substantial management or policy responsibility.

Please feel free to call me at (252) 636-6901 if you have any questions. Thank you for your continued support.

Sincerely,

*Tammy Childers*  
DS

Tammy Childers  
Executive Director

cc: Mr. Jack Veit, III, County Manager  
Mr. Jeff Taylor  
Ms. Gwendolyn Bryan, Clerk to the Board  
Mr. Bill Green

1341 South Glenburnie Road • New Bern, NC 28562  
(252)636-6901 voice (252)638-3569 fax emailadmin@ecwdb.org  
An Equal Opportunity/Affirmative Action Employer

NORTH CAROLINA  
CRAVEN COUNTY

Tax Parcel No. 1-044-105  
Revenue Stamps \$0.00

**QUITCLAIM DEED**

THIS QUITCLAIM DEED made this \_\_\_ day of June, 2014, by and between **CRAVEN COUNTY**, a body politic and corporate of the State of North Carolina ("Grantor"); to **DEGRAFFEREE GEORGE**, an individual of Craven County, North Carolina ("Grantee"), whose mailing address is \_\_\_\_\_, is as follows:

**WITNESSETH:**

That said Grantor for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration to Grantor paid by the Grantee, the receipt of which is hereby acknowledged, has remised and released, and by these presents does remise, release and forever quitclaim unto the Grantee, Grantee's heirs, successors and assigns, pursuant to N.C.G.S. Section 160A-274, the following described property, **which said property does not include the primary residence of the Grantor** to wit:

**SEE EXHIBIT "A" ATTACHED HERETO  
AND INCORPORATED HEREIN BY REFERENCE.**

TO HAVE AND TO HOLD the above described lot or parcel of land and all privileges and appurtenances thereunto belonging to the Grantee, Grantee's heirs, successors and assigns, free and

---

Prepared By:  
Jimmie B. Hicks, Jr.  
Sunrell, Sugg, Carmichael, Hicks and Hart, P.A.  
Attorneys at Law  
416 Pollock Street  
New Bern, North Carolina 28560

No Title Search  
No Opinion Rendered  
Property Does Not Include a Primary Residence

discharged from all right, title, claim or interest of the said Grantor or anyone claiming by, through or under the Grantor.

IN TESTIMONY WHEREOF, **CRAVEN COUNTY** has caused this instrument to be executed as its act and deed by the Chairman of its Board of Commissioners, attested by its Clerk, and its seal to be hereunto affixed, all by the authority of its Board of Commissioners, as of the day and year first above written.

**CRAVEN COUNTY**

(COUNTY SEAL)

\_\_\_\_\_  
By: THOMAS F. MARK, Chairman  
Craven County Board of Commissioners

ATTEST:

\_\_\_\_\_  
GWENDOLYN M. BRYAN, Clerk  
Craven County Board of Commissioners

STATE OF NORTH CAROLINA  
COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, Notary Public in and for said County and State, do hereby certify that on the \_\_\_\_\_ day of June, 2014, before me personally appeared THOMAS F. MARK, with whom I am personally acquainted, who, being by me duly sworn, says that he is the Chairman of the Board of Commissioners for Craven County, and that GWENDOLYN M. BRYAN is the Clerk of the Board of Commissioners for Craven County, the body politic and corporate described in and which executed the foregoing instrument; that he knows the common seal of said body politic and corporate; that the seal affixed to the foregoing instrument is said common seal; that the name of the body politic and corporate was subscribed thereto by the said Chairman; that the said common seal was affixed, all by order of the Board of Commissioners of said body politic and corporate; and that the said instrument is the act and deed of said body politic and corporate.

WITNESS my hand and official seal this the \_\_\_\_\_ day of June, 2014.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
  
\_\_\_\_\_

EXHIBIT A

That certain lot, tract or parcel of land, lying and being in No. 1 Township, Craven County, N.C. and near Vanceboro, N.C. bounded on the North by Dortha Bryant and on the South by a proposed road; BEGINNING at a point in the centerline of U.S. Highway #17, said point being in the center of a 36" pipe culvert across said Highway; THENCE with the center line of U.S. Highway #17 a south direction 950.30 feet; THENCE North  $83^{\circ} 05'$  West 129.5 to a point in the east margin of the N&S Rail Road; THENCE with the North margin of a proposed road North  $71^{\circ} 41'$  West 324.73 feet to a stake , said stake being the beginning corner of the tract herein described; THENCE with the North margin of a proposed road North  $71^{\circ} 41'$  West 201.98 feet to a corner; THENCE North  $18^{\circ} 19'$  East 215.66 feet to a corner; THENCE South  $71^{\circ} 41'$  East 201.98 feet to a corner; THENCE South 215.66 feet to the beginning, containing one acre more or less and being part of the tract described in Book 772, Page 725 of the Craven County Registry.

The following description contains an easement for a road to the above tract BEGINNING at a point in the centerline of U.S. Highway #17, said point being in the center of a 36" pipe culvert across said Highway; THENCE with the centerline of U.S. Highway #17 a South direction 950.30 feet; THENCE North  $83^{\circ} 05'$  West 129.5 feet to a point in the West margin of the N&S Rail Road, said point being the beginning; THENCE with the North margin of a proposed road North  $71^{\circ} 41'$  West 526.71 feet to a point, said point being the Southwest corner of the above lot; THENCE South  $18^{\circ} 19'$  West 40 feet; THENCE South  $71^{\circ} 41'$  East 534.77 feet to the West margin of the N&S Rail Road; THENCE with said margin North  $6^{\circ} 55'$  East 40.8 feet to the beginning.

Being the same property described in Deed recorded in Book 493 at Page 609 of the Craven County Registry.

This property is also commonly referred to by its tax parcel identification number which is 1-044-105.

Subject to restrictive covenants and easements of record.

**STATE OF NORTH CAROLINA**

**COUNTY OF CRAVEN**

**AGREEMENT**

THIS AGREEMENT ("Agreement") is made and entered into as of the \_\_\_ day of June, 2014, by and between the CITY OF NEW BERN ("City"), a North Carolina municipal corporation, and the COUNTY OF CRAVEN ("County"), a body politic and corporate of the State of North Carolina, collectively referred to as the "Parties."

**WITNESSETH:**

THAT WHEREAS, the City initiated a civil action to collect ad valorem taxes due the City as more specifically provided in the complaint filed in Craven County civil action file number 14-CVS-325 ("Pending Action"); and

WHEREAS, the County was made a party to the Pending Action as result of ad valorem taxes due the County; and

WHEREAS, the County has determined that it's in its best interest not to answer the complaint filed in the Pending Action provided that the City complies with the terms and conditions set forth herein; and

WHEREAS, the Parties hereto desire to reduce their agreement to writing.

NOW, THEREFORE, it is mutually agreed as follows:

**1. County Obligations**

1.1. The County shall decline to file an answer in the Pending Action.

**2. City Obligations**

2.1. The City shall default all parties who fail to answer the complaint in the Pending Action as allowed by law.

2.2. The County understands and agrees that the City may become the owner of the real property that is the subject of the Pending Action, said real property being more specifically described as Craven County tax parcel number 8-008-202 ("Subject Property"). In such event, and only if the City sells the Subject Property, the City shall be entitled to retain an amount equal to its costs and expenses associated with the Pending Action and its ownership of the Subject Property, including nuisance abatement liens; and any excess funds shall be prorated between the Parties based upon the proportion of ad valorem taxes, occupancy taxes, and any other taxes due

to the Parties at the time the City takes ownership of the Subject Property; provided however in no event shall County receive more than the total amount of such taxes due to County.

2.3. Should the City not become the owner of the Subject Property as a result of the Pending Action, the City shall be entitled to retain an amount equal to its costs and expenses associated with the Pending Action; and any excess funds shall be prorated between the Parties based upon the proportion of ad valorem taxes, occupancy taxes, and any other taxes due to the Parties at the time of the foreclosure sale.

**3. Costs of Transaction**

3.1. Each party shall be solely responsible for all other costs incurred by each respective party, including without limitation, attorney's fees.

**4. Miscellaneous**

4.1. This Agreement sets forth the full understanding of the City and the County with regard to the Pending Action; and all prior negotiations and understandings with regard to the same are merged herein.

4.2. If any of the provisions of this Agreement shall be held by a court of competent jurisdiction to be unconstitutional or unenforceable, the decision of such court shall not affect or impair any of the remaining provisions of this Agreement, and the parties shall, to the extent they deem to be appropriate, take such actions as are necessary to correct any such unconstitutional or unenforceable provision. It is hereby declared to be the intent of the parties to this Agreement that this Agreement would have been approved and executed had such an unconstitutional or unenforceable provision been excluded therefrom.

4.3. This Agreement shall be enforceable by each party hereto by all remedies available at law or in equity, including but not limited to specific performance. Failure or delay to exercise any right, remedy or privilege hereunder shall not operate as a waiver of such right, remedy or privilege nor prevent subsequent enforcement thereof. In the event that it becomes necessary to enforce this Agreement by any remedy, the party against whom enforcement is sought hereby agrees to waive any defense of sovereign immunity.

4.4. Each party agrees that from and after the date of execution hereof, each will, upon the request of the other, execute and deliver such other documents and instruments and take such other actions as may be reasonably required to carry out the purpose and intent of this Agreement.

4.5. This Agreement shall be executed by the parties hereto in duplicate originals, each of which, when executed, shall constitute one and the same Agreement and one of which shall be retained by each party.

4.6. This Agreement shall be governed in accordance with the laws of the State of North Carolina.

IN TESTIMONY WHEREOF, CITY has caused this instrument to be executed in its corporate name by its Mayor and its corporate seal to be affixed and attested by its City Clerk, and, County has caused this instrument to be executed in its corporate name by its Chairman and its corporate seal to be affixed and attested by its County Clerk all as of the day and year first above written.

CITY OF NEW BERN

By: \_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

COUNTY OF CRAVEN

By: \_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
COUNTY CLERK

This instrument has been preaudited in the manner required  
by The Local Government Budget and Fiscal Control Act.

---

Finance Officer, City of New Bern

---

Finance Officer, County of Craven



June 6, 2014

Mr. Thomas F. Mark, Chairman  
Craven County Board of Commissioners  
406 Craven Street  
New Bern, North Carolina 28560

RE: Proposed Sale of Medicare-certified Home Health Agency in Craven  
County, North Carolina

Dear Chairman Mark:

This letter of intent (this "LOI") is by and between PruittHealth Home Health, Inc. ("Buyer") and Craven County, North Carolina ("Seller") regarding the sale of the Medicare-certified Home Health Agency, (the "Agency") owned by Seller, operated as a division of the Craven County Public Health Department and licensed as Craven County Home Health Agency. The general terms and conditions which would apply to this LOI and under which Buyer and Seller would enter into an Asset Purchase Agreement, including any documents customarily supplied in support of such an agreement, for the purchase by Buyer of the Agency are as follows:

1. Purchase and Sale of Limited Assets; Closing. Buyer will buy, and Seller will sell, free and clear of all liens and encumbrances, except those approved by Buyer, the Agency, to continue to be located in Craven County, NC, and which has the legal authority to operate a Medicare-certified home health agency in Craven County, North Carolina (the "Limited Assets"). An exhaustive list of the Limited Assets to be purchased by Buyer would be more fully set forth and further defined in the Asset Purchase Agreement. The closing of the sale shall take place on or before Tuesday, September 30, 2014, unless extended by mutual consent of Buyer and Seller.
2. Assets Retained. Seller will retain at closing all current assets including accounts receivable, inventory, supplies, all office-related equipment, home health software, cash, investments, and prepaid expenses. Seller's office currently located at 2818 Neuse Blvd., New Bern, NC, is not an asset being purchased but Seller will lease to Buyer, at a reasonable and market comparable rate, the current office until the issuance of the final CMS "tie-in" letter. Seller would have the right to retain copies of administrative, patient records and reports, and Brainstorm software, but Buyer would receive the originals of all such records and reports. An exhaustive list of assets to be retained by Seller would be more fully set forth and further defined in the Asset Purchase Agreement.
3. Purchase Price. The purchase price of the Limited Assets will be a price of EIGHT HUNDRED and FIFTY THOUSAND DOLLARS (\$850,000). The purchase price would be paid as follows:
  - a. FIFTY THOUSAND DOLLARS (\$50,000) as earnest money within five (5)

working days of written acceptance by Seller of this LOI and the Offering Proposal Form (the "Earnest Money Deposit") as submitted and/or as subsequently modified through mutually accepted terms between the Buyer and Seller. The funds will be deposited in the escrow account belonging to the Seller's legal counsel.

- i. Failure by the Buyer to proceed to closing with all due diligence, failure of completion and submission of any required documents that are the responsibility of the Buyer, failure to comply or adhere to any part of the Offering Proposal Form, failure for Seller to be able to close due to any misrepresentations of the Buyer as to information provided on the Offering Proposal Form, or voluntary withdrawal of Buyer's Offering Proposal Form and offer, will result in forfeiture of the entire earnest money deposit.
    - ii. In case of a failure to close due to no fault or no lack of good faith by either the Seller or Buyer, the Buyer's earnest money will be refunded in full within five (5) working days. If for any reason the Seller should decide not to move forward with final closing, solely based on its own decisions and not related to any fault or lack of good faith of the Buyer, the Seller will immediately return the entirety of the Buyer's earnest money deposit within five (5) working days of the Seller's notification to the Buyer that the Seller is not going to move forward with final closing.
  - b. The balance of the purchase price (less the earnest money) in immediately available funds by wire transfer at closing.
4. Transfer Cost. Each party shall bear its own costs, including expense of counsel, financial advisors, and accountants, in connection with the consummation of the proposed transaction.
5. Non-Assumed Liabilities. Buyer will not assume any liabilities of Seller that result from operations of the Agency prior to closing or any other liabilities whatsoever unless specifically agreed to by Buyer in the Asset Purchase Agreement. Seller would be responsible for payment of any taxes on the Limited Assets, if any, for the tax year prior to closing. Current year taxes will be prorated at closing and Seller shall also be responsible for any penalties and/or fines, if any, which are a result of operating the Agency prior to closing.
6. Employees. Buyer intends, but is not obligated, to offer employment to all employees of the Agency, subject to drug test and criminal background check results, effective after closing. Seller will be responsible for all vacation, sick leave, and other benefits due the employees through the date of closing, whether accrued but not paid and whether earned or unearned. Seller makes no guarantees that any current employee would accept employment with the Buyer and the Buyer agrees to be prepared, with its own staff, to assume the patient caseload as of Closing. The Seller will do its best to offer some limited, short term "per visit" contract staffing to the Buyer for nursing and aide services as may be requested by the Buyer to assure a smooth transition of patient care services.
7. Due Diligence. Following Buyer's execution of this LOI, Seller shall make available to Buyer such books and records of the Agency reasonably required for Buyer's inspection and review. Buyer will begin its due diligence review immediately, and will collaborate with Seller to prepare the required "Letter of Non-Review" request to the Certificate of Need Section of the North Carolina Department of Health and Human Services Division of

Health Service Regulation, and "Notice of Change" to the Adult Care Licensure Section of the North Carolina Department of Health and Human Services. Every effort will be made to have all necessary reviews and consents received by the time the Asset Purchase Agreement is signed. Buyer will conclude its analysis of financial and clinical due diligence and have a findings and clearance letter issued no later than July 15, 2014.

8. Exclusivity. For a period commencing on the date of the acceptance of this LOI and ending on either: (a) the date a mutually acceptable final Asset Purchase Agreement is executed, which period shall not exceed September 1, 2014, unless extended by mutual consent of Buyer and Seller; or (b) the date Buyer provides written notice to Seller of its desire not to purchase the Agency (the "Exclusivity Period"), Seller will negotiate exclusively and in good faith with Buyer regarding the sale of the Agency. Throughout the Exclusivity Period, Buyer shall not directly or indirectly, whether through any officers, directors, partners, employees, affiliates, representatives, agents, or brokers, negotiate or submit bids, proposals, for offers, for any Medicare certified home health agency, whether such agency is a parent, subunit, or branch office in the Agency's "Competitive Service Area." For purpose of this LOI, "Competitive Service Area" shall mean the following North Carolina counties, which encompass the Agency's potential service area: Craven, Beaufort, Pitt, Greene, Lenoir, Jones, Onslow, Carteret, and Pamlico.
9. Refund of Earnest Money. Should Seller terminate this LOI prior to the execution of an Asset Purchase Agreement as described herein, or should Buyer terminate this LOI prior to the execution of an Asset Purchase Agreement due to its due diligence review revealing irregular materials, data, or regulatory issues that cannot reasonably be explained or cured to the satisfaction of Buyer, Seller shall refund the Earnest Money Deposit.
10. Asset Purchase Agreement. Unless extended by mutual consent of Buyer and Seller, it is contemplated that no later than 45 days after signing the Offering Proposal Form and final letter of intent, the parties will agree to the terms of the Asset Purchase Agreement. The Asset Purchase Agreement shall be based upon the general terms and conditions contained in the OPF, this LOI, and such terms and conditions as counsel for the parties deem appropriate.
11. Nominee. It is understood that, except with respect to constraints which may be required by third parties, Buyer may nominate any entity owned or affiliated with it to replace it as Buyer hereunder and in the Asset Purchase Agreement, except that such nominations shall not relieve Buyer of its obligations to negotiate in good faith the Asset Purchase Agreement.
12. Confidentiality. Buyer agrees that all information concerning Seller furnished, or to be furnished, by or on behalf of Seller, whether in accordance with the provisions of paragraph 7 or otherwise in connection with the transactions contemplated hereby (collectively the "Information") shall be kept confidential. The Information will be used solely for the purpose of the due diligence of Buyer and will be kept confidential by Buyer, its officers, directors, employees, representatives, agents and advisors; provided that (i) any of the Information may be disclosed to Buyer's officers, directors, employees, representatives, agents, lenders, managers, advisors and other parties who need to know such Information for the purpose of evaluation of the transaction, (ii) any disclosure of the Information may be made for any other purpose to which Seller consents in writing and (iii) the Information may be disclosed if required by law pursuant to a lawfully issued subpoena or order issued by any court with jurisdiction over the matter. To the

extent that a transaction is not consummated, Buyer shall immediately return the Information to Seller.

13. Additional Provisions.

- a. If, or as needed, the Seller will follow State procedures to separate the existing home health agency license from its Hospice state license prior to closing. As of this date, these two (2) licenses are already separated as attested by the Seller.
  - b. Buyer and Seller will comply with the provisions of North Carolina General Statute 131E-13, a copy of which has been supplied to, and reviewed by Buyer.
  - c. Buyer and Seller shall work together in order to complete and submit the Change of Ownership Forms (CMS-8SSA) to transfer and assign the current Medicare Provider Number and Agreements to Buyer as quickly as federal and/or state regulations allow.
  - d. Buyer and Seller shall work together to obtain the approval of all appropriate regulatory authorities, and to satisfy all requirements of North Carolina law.
  - e. As of the closing date, Buyer shall accept all of the Agency's then current home health patients willing to accept a transfer, including the patients' approved plans of care for the current certification period, unless modified by physician orders.
14. Non-Binding Nature. Except for Sections 4, 8, 9, 12, 14, and 17, which are intended to create binding obligations, this LOI is not contractual in nature and is non-binding on the parties with respect to the transaction contemplated herein and does not constitute an agreement to consummate any transaction involving the Agency and/or the Limited Assets, subject to the terms and conditions hereof.
15. Governing Law; Exclusive Venue. The validity and construction of this LOI shall be governed by the laws of the State of North Carolina without regard to conflicts of laws principles thereof. Exclusive venue for any action, whether at law or in equity, shall be Craven County, North Carolina.
16. Counterparts. This LOI may be executed in any number of counterparts, each of which shall be an original, but all of which together shall comprise one and the same instrument.
17. Termination. As of its execution by the parties, this LOI shall constitute an expression of the good faith intentions between them until superseded by the Asset Purchase Agreement. Either party may terminate this LOI at any time, whereupon the obligations of the parties hereunder shall cease; however, the binding provisions of Sections 9 and 12 shall survive any termination of this LOI.

If the forgoing is satisfactory, please indicate your acceptance by executing this LOI where indicated and returning a signed copy to the undersigned by June 14, 2014. Following execution hereof, the parties shall cause the preparation of an Asset Purchase Agreement, which, when executed, will be binding upon the parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil L. Pruitt, Jr.", written over a horizontal line.

Neil L. Pruitt, Jr. Chairman and CEO,  
PruittHealth Home Health, Inc.

Agreed to and accepted by:  
Craven County Board of Commissioners

By:  
Thomas F. Mark, Chairman,  
Craven County Board of Commissioners