

Regular Session, March 18, 2013, 7:00 p.m.
Catawba County Board of Commissioners

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Ordinance

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The Catawba County Board of Commissioners met in regular session on Monday, March 18, 2013 at 7:00 p.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Barbara G. Beatty and Commissioners Dan A. Hunsucker, Lynn M. Lail and Randy Isenhower.

Also present were County Manager J. Thomas Lundy, Assistant County Managers Dewey Harris and Mary Furtado, County Attorney Debra Bechtel and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 7:00 p.m.
2. Commissioner Lynn M. Lail led the Pledge of Allegiance to the Flag.
3. Chair Barnes offered the invocation.
4. Commissioner Randy Isenhower made a motion to approve the minutes of the Board's Regular Session of February 18, 2013.

5. Recognition of Special Guests: Chair Barnes welcomed all and specifically recognized members of the Bandy's High School AP Government class and Lori Wray from the Catawba County Leadership Academy.

6. Public Comments for Items Not on the Agenda: None.

7. Appointments:

Commissioner Lail recommended the reappointment of Clement Geitner and Joe Rowe for fourth terms on the Equalization and Review Board. These terms will expire December 4, 2015. Chair Barnes recommended the appointment of Don Coleman for an unexpired term on the Alcohol Beverage Control Board. This term will expire October 5, 2014.

Chair Barnes stated that these recommendations came in the form of a motion, which carried unanimously.

9. Consent Agenda:

Chair Barnes explained to the subcommittee system to AP Government students and then County Manager J. Thomas Lundy explained the consent agenda concept and presented the following four items on the consent agenda:

a. A request for the Board to adopt a resolution which will allow the Propst Crossroads Volunteer Fire Department to acquire a more favorable interest rate when financing an amount up to \$380,000 for the purchase of a new KME Pumper-Tanker and fourteen self contained breathing apparatus. This is not considered a financial obligation for the County. The fire department plans to purchase the new KME Pumper-Tanker to replace a 1979 pumper and 1985 tanker. The purchase price of the new Pumper-Tanker is \$315,276, plus taxes and fees. With the purchase of the apparatus, the department is also planning to purchase fourteen self contained breathing apparatus at a price of approximately \$90,000. The difference between the total purchase price and the amount to be financed is being paid by the fire department in the form of a down payment.

The fire department will receive an interest rate of 3.2% on a seven year loan as a result of this resolution, as compared to a 3.5% interest rate without the resolution. This will result in approximately \$4,600 in savings over the life of the loan. Approval by the County is required under the Internal Revenue Service code in order for the fire department to obtain the more favorable interest rate. The Propst Crossroads Volunteer Fire Department held a required public hearing on February 19, 2013, after published notice was completed in accordance with the Internal Revenue Service code. The fire department has reported the proceedings of the public hearing to the Board, and no public opposition to the financing was presented. The fire department can satisfy this financial obligation without requesting a tax increase. The following resolution applies:

Section 147(f) Approval and Written Agreement

The undersigned Official of Catawba County (hereinafter referred to as "Municipality") pursuant to section 147(f) of the Internal Revenue Code of 1986, as amended (the "code"), hereby approves the entering into by Propst Cross Roads Volunteer Fire Department No. 5 of an Agreement in an aggregate principal amount not to exceed \$380,000.00 to finance equipment consisting of One (1) KME Tanker- Pumper Truck on International Chassis with SCBA's which will be located at the fire house of the Propst Cross Roads Volunteer Fire Department No. 5. **This approval does not in any way constitute any financial involvement or obligation of the Municipality.**

Furthermore, this document acknowledges that for consideration, the receipt and sufficiency of which are hereby acknowledged, the Propst Cross Roads Volunteer Fire Department No. 5 has provided firefighting and other services for the Municipality for many years and Propst Cross Roads Volunteer Fire Department No. 5 hereby agrees to meet the requirement to continue to provide firefighting and other services for the Municipality.

b. A request to amend the 2011 Urgent Repair Project Budget Ordinance to appropriate a total of \$112 in interest earned to date. Catawba County received a \$37,500 Urgent Repair Grant in September 2011. The County is allowed to earn interest on these funds received from the North Carolina Housing Finance Agency. During the last 18 months, interest has been earned on this project totaling \$112. These funds will be expended through the rehabilitation line item, which will help complete repairs needed for the last houses obligated as the grant is completed. It is anticipated that ten homeowners scattered throughout Catawba County will have benefited from this grant. The following budget ordinance applies:

ORDINANCE# _____
AMENDMENT#1
CATAWBA COUNTY PROJECT BUDGET ORDINANCE
FOR THE 2011 URGENT REPAIR GRANT

The following revenues are anticipated to be available to complete this Project:

Revenues

North Carolina Housing Finance Agency-URP	
NCHFA-URP Grants Revenue	\$ 37,500
Interest Earned on Revenue	<u>\$ 112</u>
	\$ 37,612

Section 4. The following Expenditures are appropriated for the project:

Expenditures

North Carolina Housing Finance Agency-URP	
Rehabilitation-URP	\$ 32,474
WPCOG Administration	<u>\$ 5,138</u>
	\$ 37,612

Adopted this the 18th of March, 2013.

c. A request for the Board to adopt a resolution approving a Water Shortage Management Implementation Plan for the Southeastern Catawba County (SECC) Water System. North Carolina General Statute 143-355(i) requires that each local government that provides public water services shall, either individually or together with other such units of local government, prepare or submit a Water Shortage Response Plan. Catawba County contracts with the City of Hickory for operations, maintenance and management of the SECC Water System. The County and the City of Hickory developed a Water Shortage Management Implementation Plan in accordance with the provision of North Carolina General Statutes. The Plan will provide appropriate guidance for the future management of water supplies for the SECC Water System, as well as useful information to the North Carolina Department of Environment and Natural Resources (NCDENR) for the development of a state water supply plan as required by statute. This plan mirrors the City of Hickory's Water Shortage Response Plan. The plan will now be

submitted to NCDENR, as required. The following resolution applies (the Plan is available in the Catawba County Utilities and Engineering Department:

RESOLUTION 2013 – _____

**APPROVING SOUTHEASTERN CATAWBA COUNTY WATER DISTRICT
(PWS 20-18-004)
WATER SHORTAGE RESPONSE PLAN**

WHEREAS, North Carolina General Statute 143-355 (l) requires that each unit of local government that provides public water services or plans to provide such services shall, either individually or together with other such units of local government, prepare and submit a Water Shortage Response Plan; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Water Shortage Response Plan for The Southeastern Catawba County Water District (PWS: 20-18-004), has been developed by City of Hickory Public Utilities and is approved by Catawba County Board of Commissioners; and

WHEREAS, the Southeastern Catawba County Water District (PWS: 20-18-004) Water Shortage Response Plan is in accordance with the provisions of North Carolina General Statute 143-355 (l) and that it will provide appropriate guidance for the future management of water supplies for the Southeastern Catawba County Water District (PWS: 20-18-004), as well as useful information to the Department of Environment and Natural Resources for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the Catawba County Board of Commissioners that the Water Shortage Response Plan entitled, Water Shortage Management Implementation Plan for the Southeastern Catawba County Water District (PWS: 20-18-004) dated _____, is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and

BE IT FURTHER RESOLVED that the Catawba County Board of Commissioners intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years or as otherwise required by the Department, in accordance with the statute and sound planning practice.

This the _____ day of March, 2013.

d. A request for the Board to delegate authority to Mr. Rodney Miller, County Finance Director, to conduct an open meeting concerning preferred alternates for the Justice Center/Public Safety Expansion. North Carolina General Statute 133-3 provides for free and open competition on public contracts. It states that "specifications shall contain a performance specification or name at least three brands of equal and equivalent design characteristics; if the owner prefers a particular brand or product or material then such brand shall be bid as an alternate to the three items or equivalent design in the base bid, one of which may be the preferred brand; the specifications for the preferred brand must also identify the performance standards that support the preference; the owner shall publish a notice announcing an open meeting for the presentation of the performance standards; the open meeting may be held separately or in conjunction with the project pre-bid meeting; a designated official of the owner will conduct the meeting and the justification must either indicate a cost savings or maintain or improve the function of any process or system affected by the preferred product or both".

The following preferred alternates will be discussed at a pre-bid conference: Shaw Carpet, Trane Equipment and Controls, Corbin Russwin H2 Locksets, Tate Access Flooring "PosiTile" System, and Vapro Retarder Upgrade.

As of this date, the proposed timeline is to bid the project in June 2013. All general contractors will be prequalified. The expansion is expected to be completed in July 2015.

Chair Barnes asked if any Commissioner wished to have an item broken out of the consent agenda for consideration. None were requested. Commissioner Hunsucker made a motion to adopt the consent agenda. The motion carried unanimously.

9.. Departmental Report:
FINANCE

1. Finance Director Rodney Miller presented a request for the Board to approve an agreement with the North Carolina Department of Commerce for a \$2.6 million loan to develop a 70 acre multi-jurisdictional business park in Conover. In addition, the Board approved an interlocal agreement with the City of Conover and the Western Piedmont Council of Governments to manage all construction/grant activities. On September 17, 2012, the Board held a public hearing and subsequently approved an interlocal agreement with the municipalities of Catawba, Conover, Hickory and Maiden for a business park for economic development. This agreement formed a group of governmental partners that jointly agreed to develop a business park on Highway 16 in Conover, sharing in the costs to develop and the revenues generated by the park. The County applied for a \$2.6 million loan through the North Carolina Department of Commerce at a rate of 2% for seven years, with the first two years as interest only.

On January 4, 2013, the County was notified by the North Carolina Department of Commerce that the loan was approved upon the execution of all required documentation and applications. Funds will be used to develop a 70-acre business park (North Carolina Data Campus) north of Interstate 40 in the City of Conover and support an expected 75 new jobs. Estimated development costs are \$2.6 million and include the construction of the following items: 1) roadway, 850 linear feet with curb and gutters, including a sidewalk on one side of the road to provide access to three lots marketed as data center sites, \$500,000; 2) 10,000 linear feet of 12-inch water line from NC Highway 16 through the NC Data Campus site to Lee Cline Road, \$600,000; 3) 825 linear feet of 15/16 inch gravity sewer lines to serve three potential lots, \$108,680; 4) three building pads including erosion control and drainage facilities, \$1,061,320; and 5) electrical duct bank (proposed), \$330,000. The County, as the loan recipient, will be responsible for annual loan payments in July of each year, with each of the governmental partners contributing their share of the loan repayment to the County. Commissioner Lail made a motion to approve the agreement with the North Carolina Department of Commerce for a \$2.6 million loan and associated capital project ordinance to develop a 70 acre multi-jurisdictional business park in Conover and approve an interlocal agreement with the City of Conover and Western Piedmont Council of Governments to manage all construction/grant activities and authorize the Chair to sign all related documents. The motion carried unanimously. The Agreements are as follows:

Agreement Between Catawba County and City of Conover for the construction of Infrastructure in a Business Park

THIS AGREEMENT, made effective this the 18th day of March, 2013, by and between Catawba County, a public body politic and political subdivision of the State of North Carolina (hereinafter "County") and the City of Conover, being a municipal corporation located in Catawba County (hereinafter "City").

WITNESSETH:

WHEREAS, City and County, with others, have jointly entered into an Interlocal Agreement for a Business Park for Economic Development dated September 17, 2012 (the MJP Agreement) for the purposes of job creation and economic development; and

WHEREAS, the County has applied for and received funding for certain improvements to be constructed within the Business Park (sometimes marketed as the "ncDataCampus") through the North Carolina Department of Commerce by way of a loan in the amount of \$2,600,000.00 (all as contemplated by the MJP Agreement) and desires to allocate those funds toward the improvements (the Project) all more particularly described on Exhibit A attached hereto and made a part hereof; and

WHEREAS, this Agreement is entered into to set out and provide for the respective obligations of the County and City with respect to the Project; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

1. City has procured engineering services (at the expense of others) for the design, bidding, awarding and construction management of the Project. The engineering services are to be provided by McGill Associates, P.A. (the "Engineering Firm") all pursuant to a contract between the City and the Engineering Firm approved by the City on November 5, 2012.
2. County agrees to procure construction services necessary to construct the Project as designed by the Engineering Firm. County will initiate this action utilizing established County / State procurement policies and directives as required by funding agencies involved. City will assist the County with review of bids and making recommendations for the award of bids by the County for the Project.
3. County and City agree to utilize services provided by the Western Piedmont Council of Governments (WPCOG) for grant management and coordinate all relative matters to insure compliance with requirements from the appropriate funding agencies. These services will be contracted for by and between WPCOG and the Catawba County Economic Development Corporation.
4. County and City will be responsible for review and approval of engineering design drawing and specifications. All specifications for materials and installation of the infrastructure shall be in accordance with the City's standard specifications. The County and City shall agree on final design prior to permitting and/or the solicitation of bids.
5. City shall be responsible for permitting of the infrastructure and obtaining authorizations for construction and use from North Carolina Department of Environment and Natural Resources (NCDENR) and other appropriate agencies as necessary.
6. City agrees to provide project management services in conjunction with the Engineering Firm and contractors to construct the Project. Those services include the daily oversight of

engineering and construction phases of the Project. City further agrees to routinely provide County with project status, concerns, modifications and pay requests from contractors.

7. County agrees to establish and manage a budget for the Project and provide for the payment of invoices / pay requests as reviewed, approved, and submitted by the City Engineering Firm, and other approval required by County.

8. City agrees to maintain all Project documents generated by the Engineering Firm, contractors and permitting agencies and make those available to the County as deemed necessary or upon request.

9. County agrees to maintain all Project documentation such as pay requests, expense reports, its capital project ordinance and other similar documents and make those available to the City as deemed necessary or upon request.

10. County and City agree that all operations manuals, material specifications and contract warranties shall be assigned to the City upon completion of the Project.

11. Final approval and acceptance of the Project shall be by the City upon Engineering Firm's certification of Project completion.

12. County and City agree that all infrastructure associated with the Project, including all right of ways and easements, shall be dedicated to the City and become City assets upon completion of the project. All Applications for Approval of Engineering Plans and Specifications submitted to NCDENR and / or other permits to State or Federal Agencies shall be in the name of the City.

13. City agrees to assume ownership and full responsibility for operation and maintenance of water lines, sewer lines and roadway upon final completion. Future maintenance obligations of an electrical duct bank and storm water facilities (to serve any developed building sites) are not being addressed by this Agreement.

14. To the extent allowed by law, City agrees to indemnify and hold harmless the County, its elected and appointed officers and duly authorized agents, servants and employees from any and all costs, expenses or liabilities (including costs, and expenses or liabilities to third parties and attorney fees) which are caused by or arise from the City's breach of this agreement or the neglect or willful acts or omissions of the City or its agents, servants or employees or subcontractors, provided such costs, expenses or liabilities do not arise as a result of the neglect or willful acts or omissions of the County.

15. To the extent allowed by law, County agrees to indemnify and hold harmless the City, its elected and appointed officers and duly authorized agents, servants and employees from any and all costs, expenses or liabilities (including costs, and expenses or liabilities to third parties and attorney fees) which are caused by or arise from the County's breach of this agreement or the neglect or willful acts or omissions of the County or its agents, servants or employees or subcontractors, provided such costs, expenses or liabilities do not arise as a result of the neglect or willful acts or omissions of the City.

16. If within two (2) years of the effective date of this Agreement, and no construction has begun, the contract will be void.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year above first written.

AGREEMENT BETWEEN THE
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
CATAWBA COUNTY
FOR THE PROVISION OF
GRANT MANAGEMENT ASSISTANCE:
CATAWBA COUNTY NC DATA CAMPUS
APRIL 1, 2013 – DECEMBER 31, 2014

This AGREEMENT, entered into on this the ____ day of _____, 2013, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and Catawba County, North Carolina (hereinafter referred to as the "Local Government"); WITNESSETH THAT:

WHEREAS, the Planning Agency is empowered to provide technical assistance by the North Carolina General Statutes and by resolution passed by the Planning Agency on May 17, 1972. Technical assistance shall consist of the provision of services as described in Attachment A, which is herein made a part of this Contract;

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to the Local Government; and

WHEREAS, the Planning Agency desires to cooperate with the Local Government in every way possible to the end that the proposed activities are carried out in an efficient and professional manner;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Personnel.** That during the period of this Contract, the Planning Agency will furnish the necessary trained personnel to the Local Government.
2. **Travel/Printing.** The Local Government will pay for expenses related to conferences, conventions, seminars, local travel, etc. of the personnel when the Local Government requests or approves travel related to the Local Government's planning program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio.

The Local Government will also pay for expenses related to printing of report(s), mailings to advisory boards, and other costs not related to normal travel and staffing costs associated with personnel furnished by the Planning Agency.

3. **Compensation.** The Local Government will pay the Planning Agency an _____ amount not to exceed \$25,000 (twenty-five thousand dollars) for the _____ satisfactory performance of all services related to administration of the _____ project as defined in the attached Scope of Services. Planning Agency personnel will keep an accurate record of time spent, which will serve as the basis for the amount charged to the Local Government per month. The Local Government will reimburse the Planning Agency monthly at a _____ rate per hour for each of the personnel involved, which includes the _____ salary, fringe benefits, travel and indirect costs, plus travel and other approved expenses.

In addition, the Local Government will pay the Planning Agency \$5,000 for costs associated with application preparation and completion of the environmental review.

All other costs associated with the administration of the CDBG grant will be expended from the grant administration allowance budgeted for the Local Government. Such expenses shall not be incurred without prior approval of the Local Government.

It is expressly understood and agreed that total compensation shall not exceed the maximum sum specified without prior approval of both agencies.

4. Termination/Modifications. The Local Government may terminate this Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written approval of the other.

5. Time of Performance. The Planning Agency shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning April 1, 2013 and ending December 31, 2014.

6. Key Personnel. The Planning Agency shall not substitute key personnel assigned to the performance of this contract without prior written approval by the County and the grantor agency, the North Carolina Department of Commerce. Individuals designated as key personnel for purposes of this contract are those specified in the Planning Agency's proposal.

7. **Subcontracting.** Work proposed to be performed under this contract by the Planning Agency or its employees shall not be subcontracted without prior written approval by the Agency's Contract Administrator and the grantor agency, the North Carolina Department of Commerce. Acceptance of an offeror's proposal shall include any subcontractor(s) specified therein.

8. Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials. No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.

9. Nondiscrimination Clause. No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.

10. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

11. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified disabled person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

12. **Access to Records and Record Retainage.** All official project records and documents must be maintained during the operation of this project and for a period of three years following closeout, in compliance with 15 NCAC 13L Rule .0911, Recordkeeping. The NC Department of Economic and Community Development, US Department of Housing and Urban Development, the

Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Planning Agency which are pertinent to the execution of this Agreement, for the purpose of making audits, examinations, excerpts, and transcriptions in compliance with 15 NCAC 13L Rule .0911, Recordkeeping.

13. **Liquidated Damages Clause.** If the project fails to be carried out within the time frame outlined in the administrative proposal due to activities attributed to the Planning Agency, the Local Government may assess the Planning Agency a sum in the amount of \$50 per week for any subsequent weeks until completion.

14. **Termination of Agreement for Cause.** If, through any cause, the Planning Agency shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or violate any of the covenants, conditions, or stipulations of this Agreement, the Local Government shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared under this Agreement shall, at the option of the Local Government, become its property, and the Planning Agency shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials in direct proportion to the extent of services actually completed.

15. **Grantee Assurances.** In the performance of this Agreement, the Planning Agency shall comply with all applicable federal rules and procedures outlined on the attached pages as E.O. 11246 Clause, the Section 3 Clause and Lobbying Clause (Attachments B,C and D).

IN WITNESS WHEREOF, the Planning Agency and the Local Government have executed this Agreement as of the date first above written.

2. Finance Director Rodney Miller requested the Board consider approval of a final resolution regarding installment purchase financing for the construction of two new elementary schools (Longview and South Newton), renovations to two existing school facilities and improvements to Catawba Valley Community College (CVCC), a new Animal Shelter and Highway 150 sewer lines. In the County's Fiscal Year 2011/12 budget, the Board continued its practice of funding school and community college projects by dedicating two cents of the property tax rate towards a new four-year construction cycle. The first year of this cycle included an addition at Webb Murray Elementary School and completion of the Hickory High School project, though funds for both were advanced in the previous cycle and reduced from the current four-year allocation. The other two projects included renovations to the Hickory Career and Arts Magnet School and campus improvements at CVCC. These two projects were planned to be financed with the second-year projects to minimize financing costs. Apart from the school construction cycle, the County has set aside funding over multiple years in anticipation of the new animal shelter and addition of sewer lines along Highway 150 to account for population growth in the County. Total projects to be financed are approximately \$39 million and no future tax increase is planned or needed to account for the annual debt service.

In total, the County has approved the following construction projects and amounts to be financed: South Newton Elementary Project, \$10,790,580 (September 2012); Longview Elementary School Project, \$11,824,670 (February 2013); Animal Shelter, \$4.2 million (December 2012); Highway 150 Sewer, \$8 million (December 2012); CVCC Campus Renovations (former Ryan's Steakhouse and Advising/Information Center), \$1.5 million (April 2012); Hickory Career & Arts Magnet School, \$1.5 million (September 2011) and Newton-Conover Middle School Conversion, \$1 million (February 2012).

For more than a decade, Catawba County has financed school construction through an installment payment method, described under North Carolina General Statute 160A-20. This type of financing pledges the asset acquired or constructed as collateral for the loan in case of default. Since the County does not own the land on which the two elementary schools will be built, the Boards of Education for both school districts must convey the land to the County in order for the County to borrow the funds for the new schools. The County will, in turn, lease the new schools and land to the Boards of Education for their use, and at the end of the financing term, transfer all rights to the property back to the school systems. Both the Newton-Conover City

and Hickory Public Boards of Education approved these agreements at their respective meetings on March 11, 2013. The County will pledge both the new elementary schools to the bank as collateral for that portion of the loan.

The County received bank bids on March 8, 2013, to finance the projects up to \$39 million. SunTrust Bank was the low bidder at a 1.96% rate over 15 years. However, SunTrust Bank was not willing to include the Highway 150 Sewer project in this loan, so this project was omitted from a loan of \$31 million which covers the remaining six projects. Financing for the Highway 150 project will be finalized in the near future. All local governments in North Carolina that borrow funds greater than \$500,000, or for longer than five years to maturity, must receive approval by the Local Government Commission (LGC), a division of the North Carolina Department of State Treasurer. The LGC will consider this financing at its April 2, 2013, meeting in Raleigh. Commissioner Isenhower made a motion to approve a final resolution regarding an installment purchase financing for the construction of two new elementary schools (Longview and South Newton), renovations to two existing school facilities and improvements to Catawba Valley Community College (CVCC), along with County projects including the new Animal Shelter and Hwy 150 sewer lines. The motion carried unanimously. The following resolution applies.

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF CATAWBA, NORTH CAROLINA, APPROVING A CONTRACT AND A DEED OF TRUST AND THE DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Catawba, North Carolina (the “County”) is a political subdivision validly existing under the Constitution, statutes and laws of the State (the “State”);

WHEREAS, the County has the power, pursuant to the General Statutes of North Carolina, to (1) purchase real and personal property, (2) enter into installment purchase contracts to finance the purchase or improvement of real and personal property used, or to be used, for public purposes, and (3) grant a security interest in some or all of the property purchased or improved to secure repayment of the purchase price;

WHEREAS, the Board of Commissioner of the County (the “Board”) has determined that it is in the best interest of the County to (1) enter into an installment financing agreement (the “Contract”) with STI Institutional & Government, Inc. (the “Bank”) in order to pay the capital costs of acquiring, constructing, improving, expanding, installing and equipping various facilities in the County (collectively, the “Mortgaged Projects”), including, without limitation, (1) Longview Elementary School, located at 737 12th Street SW, Hickory, (2) South Newton Elementary School, located at 306 West I Street, Newton, (3) Catawba Valley Community College, located at 2550 US Highway 70 SE, Hickory, (4) Catawba County Animal Shelter, located at 201 Government Services Drive, Newton and (5) sewer lines to be installed along US Highway 150, and (2) in order to provide security for the County’s obligations under the Contract, grant to the Bank a security interest in all or a portion of the Mortgaged Projects under the Contract or a deed of trust, security agreement and fixture filing (the “Deed of Trust”) on all or such portion of the County’s fee simple interest in any of the sites of the Projects as the Bank may require;

WHEREAS, the Board also hereby determines that the County will use proceeds from the Contract to finance renovations and improvements to Hickory Career and Arts Magnet School and the former Newton-Conover Middle School for its conversion to an elementary school (the “Other Projects” and collectively with the Mortgaged Projects, the “Projects”);

WHEREAS, the Board conducted a public hearing with respect to the Projects on February 18, 2013 to receive public comments on the Projects, the proposed financing, the Contract and the Deed of Trust;

WHEREAS, the County has filed an application with the LGC for approval of the LGC with respect to the County entering into the Contract in an aggregate principal amount of not to exceed \$40,000,000;

WHEREAS, there has been made available to the Board the forms of the Contract and the Deed of Trust (collectively, the “Instruments”), which the County proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing at an interest rate as specified in the Instruments; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF CATAWBA, NORTH CAROLINA, AS FOLLOWS:

Section 1. Ratification of Prior Actions. All actions of the County, the County Manager, the Finance Director of the County and the Clerk to the Board and their respective designees in effectuating the proposed financings are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. Authorization to Negotiate, Execute and Deliver the Instruments. The County hereby approves the financing of the Projects in accordance with the terms of the Instruments, which will be a valid, legal and binding obligation of the County in accordance with its terms. The County hereby approves the amount advanced by the Bank to the City pursuant to the Contract in an aggregate principal amount not to exceed \$40,000,000, such amount to be repaid by the County to the Bank as provided in the Contract. The Instruments are in all respects authorized and approved, and the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees, individually and collectively, are authorized, empowered and directed to execute and deliver the Instruments for and on behalf of the County, including necessary counterparts, in substantially the form as set forth above. The execution of each Instrument by the Chairman, the Clerk to the Board, the County Manager, the Finance Director or their respective designees shall constitute conclusive evidence of the County's approval of any and all such deviations in such Instrument from the form and content of similar agreements previously executed and delivered by the County, and that from and after the execution and delivery of the Instruments, the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Instruments as executed.

Section 3. Authorization to Negotiate, Execute and Deliver Agreements Relating to Projects and Sites. The County Manager and the Finance Director, with advice from the County Attorney and Special Counsel, are hereby authorized and directed to negotiate with the County Board of Education for (1) the conveyance to the County, if necessary, of the Project sites to be encumbered by the lien of the Deed of Trust and (2) such construction and acquisition agreements and lease agreements as may be required by the entity or entities, or their respective assigns, providing the funds to the County under the Contract to finance the Projects (collectively, the "Agreements"). The Chairman, the Clerk to the Board, the County Manager, the Finance Director and their respective designees, individually and collectively, are each hereby authorized, empowered and directed to execute and deliver such Agreements, including necessary counterparts, in substantially the same form and content as similar agreements previously executed and delivered by the County in similar financings, but with such changes, modifications, additions or deletions as they may deem necessary, desirable or appropriate. The execution of each Agreement by the Chairman, the Clerk to the Board, the County Manager, the Finance Director or their respective designees shall constitute conclusive evidence of the County's approval of any and all such deviations in such Agreement from the form and content of similar agreements previously executed and delivered by the County, and from and after the execution and delivery of each Agreement, the Chairman, the Clerk to the Board, the County Manager and the Finance Director of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Agreement as executed.

Section 4. County Representative. That the Chairman, the County Manager and the Finance Director of the County, individually and collectively, are hereby designated as the County's Representative to act on behalf of the County in connection with the transactions contemplated by the Instruments and the Agreements, and the Chairman, the County Manager and the Finance Director are each authorized to proceed with the acquisition of the Projects in accordance with the Instruments and to seek opinions as a matter of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law.

The Chairman, the Clerk, the County Manager and the Finance Director of the County or their respective designees are each hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by the Instruments and the Agreements or as they deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 5. **Repealer.** All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

Section 6. **Effective Date.** This Resolution is effective on the date of its adoption.

TAX

1. The Board received a settlement report from retiring Tax Collector Ona Scruggs. Ms. Scruggs reported that as of February 28, 2013, the adjusted 2012 levy was \$83,062,264; the balance of receiveables was \$4,796,854; collections were \$78,265,854 and the percentage collected was 94.23%. In accordance with North Carolina General Statute 105-373(d), a settlement report is due upon a vacancy during a collector's term of office. The Board thanked Ms. Scruggs for her service to the County and wished her well in her retirement. Commissioner Barbara Beatty made a motion to accept this report. The motion carried unanimously.

2. The Board accepted a report on 2012 delinquent real property taxes from incoming Tax Collector Lori Mathes and received a request to adopt a resolution authorizing Ms. Mathes to advertise the delinquent tax liens as prescribed by North Carolina General Statute 105-369. This statute requires that each county's Tax Collector submit to his or her Board of Commissioners the total amount of unpaid taxes for the current year. As of January 31, 2013, delinquent real property taxes in Catawba County totaled \$5,281,954, which represents 7.69% of the 2012 real property levy. Ms. Mathes reported that, as of March 15, 2013, the percentage of delinquent real estate taxes had dropped to 5.16%. Commissioner Isenhower made the motion to adopt the resolution and the motion carried unanimously. The following resolution applies:

RESOLUTION No.

BE IT RESOLVED, the Board of Commissioners for Catawba County, in compliance with NCGS 105-369(a), order the Tax Collector to advertise all unpaid tax liens, as prescribed in NCGS 105-369.

This the _____ day of March, 2013.

10. Other Items of Business: Chair Barnes noted she had represented the County at a celebration on March 17th recognizing the 100th anniversary of Hickory's Council-Manager form of government. She said the event was well attended and Lee Worsley, past Assistant Manager of Catawba County, has represented ICMA at the event.
11. Attorney's Report: None.
12. Manager's Report: None.
13. Adjournment. The meeting adjourned at 7:35 p.m.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk