

Minutes
 Catawba County Board of Commissioners
 Regular Session, Monday, April 7, 2008, 9:30 a.m.

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The Catawba County Board of Commissioners met in regular session on Monday, April 7, 2008 at 9:30 a.m. in the 1924 Courthouse, Robert E. Hibbitts Meeting Room, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn M. Lail and Commissioners Dan Hunsucker, Barbara G. Beatty and Glenn E. Barger.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Lee Worsley, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 9:30 a.m. She reported the Board had had an excellent meeting that morning with the CVCC Board of Trustees and thanked CVCC President Garrett Hinshaw and his staff for hosting the meeting.
2. Commissioner Barbara G. Beatty led the Pledge of Allegiance to the Flag.
3. Commissioner Dan Hunsucker offered the invocation.
4. Commissioner Glenn Barger made a motion to approve the minutes of the regular meeting of Monday, March 17, 2008. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed everyone present and recognized Sheriff Huffman, Louis Woods and Dr. Hinshaw.
6. Comments for Items not on the Agenda. None.
7. Presentations:
 - a. Chair Barnes asked the Commissioners to declare Deputy Mullen's badge and service sidearm as surplus. Commissioner Beatty made this motion. The motion carried unanimously. Then Chair Barnes and Sheriff Huffman met Deputy Mullen at the podium and he was presented with his badge and sidearm after the Sheriff summarized Deputy Mullen's career. Deputy Mullen retired on March 1, 2008 after fourteen years of service with the Catawba County Sheriff's Office.
 - b. Vice-Chair Lail presented Deborah Johnson, Children's Advocacy Center Director and Pam Brooks, Child Protective Service Social Work Supervisor, with the Child Abuse Prevention Month Proclamation. This proclamation recognized that the majority of child abuse cases stem from stressful situations and conditions that are preventable in an engaged, supportive community and urged citizens, community agencies, faith groups, medical facilities and business to provide this support for families.
 - c. Commissioner Barger presented Jerry Boggs, Administrator of the E-911 Center, with the National Public Safety Telecommunications Week Proclamation. The proclamation recognized the men and women who are engaged in the operation of emergency response systems in Catawba County, and help to save the lives and property of our citizens.
 - d. Commissioner Beatty presented Amanda Kain, Waste Reduction Coordinator, with the Spring Litter Sweep In Catawba County Proclamation. Commissioner Beatty urged staff to commend the people they see picking up trash outside of this program. The proclamation declared April 19-May 3 as Spring Litter Sweep Weeks in Catawba County to encourage local governments and communities, civic and professional groups, businesses, churches, schools, families and individuals to participate in the cleanup of roadsides and common areas such as parks and lake shores. Amanda pointed out that Catawba County's litter sweep program is one of the most successful programs in the State, ranking in the top five in the State. She then asked Fred Miller, Director of the Cooperative Extension to come forward. Mr. Miller introduced a new staff member, Kelly Groves, as the Environmental Natural Resources Agent. Ms. Groves comes from Vance and Warren Counties. Ms. Grove gave the Board a handout regarding the Litter Sweep and also an outline of activities she plans for the future.
 - e. Commissioner Hunsucker first announced the Children Advocacy Center's poker run scheduled for April 12 and golf tournament on April 21. He then presented Doug Urand, Public Health Director, with the Public Health Month Proclamation. The proclamation recognized public health services which have controlled and eliminated infectious diseases, improved environmental

sanitation and promoted healthy lifestyle practices, resulting in improved health status and increased life expectancy for Catawba County citizens.

8. Public Hearings:

a. Rodney Miller, Finance Director, requested the Board to hold a public hearing to receive public comment regarding installment purchase financing for the construction of a new elementary school, additions to three high schools, improvements at Catawba Valley Community College and the extension of sewer lines in the county. In the County's fiscal year 2003-04 budget, the Board began dedicating two cents of the property tax rate annually to be used with retiring school debt, as an investment in education for Catawba County. With the funds generated, a construction schedule over a four-year revaluation cycle was created. In the County's fiscal year 2007-08 budget, the Board continued an investment in education by dedicating two additional cents of the property tax rate towards a new four-year construction cycle. The first phase of this cycle will use these funds to retire debt on a new Snow Creek Elementary School, which will replace the aging Sweetwater Elementary School in the County system. Classroom additions and improvements will be made at Bunker Hill, Bandys and Newton-Conover High Schools, and funds will be used for various roofing and paving needs at Catawba Valley Community College. Total costs for these projects are estimated at \$25.9 million.

The County has also determined a need to install sewer lines to serve unincorporated areas in the southeastern part of the county. This is part of the Development Agreement commitment made last year between the County, Crescent Resources, LLC, and MAG Land Development, LLC regarding the proposed Village Center and other MAG Land properties. This proposed installment financing will fund the extension of 65,000 linear feet of sewer lines from Sherrills Ford Elementary School north to the Town of Catawba's Wastewater Treatment Plant, in addition to three pump stations and a utility bridge to handle up to 750,000 gallons of sewer each day. Total costs for this project are estimated at \$12.5 million. While this project will be used for the financing, repayment of the debt will come from fees generated from the MAG Land/Crescent Resources development.

County Manager J. Thomas Lundy added that this was the first phase and the second phase will be the creation and development of the Village Center which would be 3 – 7 years out. The citizens had asked the Board to look at sewer service along Hwy 150 and the Board asked staff to get that design work done and that is in the process. Chair Barnes clarified that this system was just a backbone and they would not compel anyone with existing septic systems to tie on at this time. Vice-Chair Lail stated she thought it was really important to say that the County is going to be repaid for this sewer line by Magland. Commissioner Barger questioned the capacity of the treatment plant and was assured that the plant was going to be updated to handle future capacity needs based on the engineering study already ordered by the Board (expansion of the plant is awaiting State approval). (There is a 20 year build out of homes in the Magland agreement so capacity is a fair way off). Commissioner Beatty noted this would serve the Sherrills Fords school and asked if there were any plans for Bandys and Mill Creek schools to be supplied sewer – Mr. Edwards said they hoped Comscope would extend the line and then the County would go down and grab that line and there was an option to go to the City of Newton but a financial study was needed to determine the best way to do that.

Financing of these projects will be in accordance with North Carolina General Statute 160A-20. Until recently, installment purchase financing, which is a direct bank loan, was limited to a maximum term of fifteen years. Over the last six months, banks have extended this term to twenty years, which the County is proposing for this project. This financing would result in a less expensive method, by reducing financing costs associated with underwriters, financial advisors, rating agencies and extensive legal work with bond attorneys. Since Catawba County does not own the land and the schools upon which the improvements will be made, the property must be conveyed to the County in order for the County to borrow the funds. County staff proposes to use the new Snow Creek Elementary and Bandys High as collateral for the loan, which will consolidate the collateral within one school system. In addition, the County will lease the two schools and land back to the Catawba County Board of Education for its unlimited use and, at the end of the financing term, transfer all rights to the property back to the school system. This collateral will also secure the loan for the construction of the sewer lines, eliminating the need to include easements and rights of way

into the collateral package. All local governments in North Carolina that borrow funds greater than \$500,000, and for terms longer than five years to maturity, must receive approval by the Local Government Commission (LGC), a division of the NC Department of State Treasurer. The LGC will consider this project on May 6, 2008.

Chair Barnes opened the public hearing and noted it had been duly advertised. No one came forward to speak. Chair Barnes closed the public hearing. Commissioner Beatty then asked that Comscopes comments be updated and another map be provided to the Board. County Manager Lundy said it must be made clear that Comscope was a way from these lines and it would not be a simple matter for them to hook up and a fairly large expense would be involved. Chair Barnes then requested the Board members have a timeline on the subject projects so they can respond to inquiries regarding the phases of the sewer line. Mr. Edwards said he would have that to the Board that day.

The Board then adopted the following resolutions, motion made by Commissioner Barger and unanimously approved, accepting the proposal of the financial institution that submits the best bid for this installment purchase financing, making certain findings and determinations regarding the financing, and seeking approval from the Local Government Commission and authorizing the execution of documents associated with the financing.

RESOLUTION ACCEPTING THE PROPOSAL OF BRANCH BANKING AND TRUST COMPANY IN CONNECTION WITH AN INSTALLMENT FINANCING FOR THE ACQUISITION, CONSTRUCTION, RENOVATION AND EQUIPPING OF VARIOUS PUBLIC SCHOOL FACILITIES, COMMUNITY COLLEGE IMPROVEMENTS AND SANITARY SEWER FACILITIES

WHEREAS, the County of Catawba, North Carolina (the "County") intends to enter into an installment financing agreement pursuant to Section 160A-20 of the General Statutes of North Carolina for the purpose of providing funds, together with any other available funds, to pay the costs of (a) acquiring, constructing, improving, expanding and equipping various public school facilities in County, including, without limitation, construction of a new elementary school and renovations and additions and to Bunker Hill High School, Bandys High School and Newton-Conover High School, (b) roofing and paving improvements at Catawba Valley Community College and (c) construction of various wastewater system improvements, including sewer mains and lines, pump stations and a utility bridge (collectively, the "Project"); and

WHEREAS, the County has solicited proposals from various financial institutions to provide the financing for such improvements; and

WHEREAS, upon careful review and consideration of the proposals submitted by banks to provide such financing, the County desires to accept the proposal of Branch Banking and Trust Company (the "Lender");

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Catawba, North Carolina (the "County") as follows:

1. The proposal of the Lender to provide financing through an installment financing agreement in the principal amount not to exceed of \$38,400,000 for the purpose of providing funds to pay the costs of the Project and associated financing costs is hereby accepted, subject to further approval of the particular documentation related thereto by the Board.
2. The County Manager and the Finance Director of the County are each hereby authorized and directed to execute and deliver such documentation as may be necessary to accept the proposal of the Lender.
3. This resolution shall take effect immediately upon its passage.

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF THE ACQUISITION, CONSTRUCTION, RENOVATION AND EQUIPPING OF VARIOUS PUBLIC SCHOOL FACILITIES, COMMUNITY COLLEGE IMPROVEMENTS AND SANITARY SEWER FACILITIES BY THE COUNTY PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT AND DEED OF TRUST, A CONSTRUCTION AND ACQUISITION AGREEMENT, A LEASE AGREEMENT AND RELATED DOCUMENTS IN CONNECTION WITH SUCH INSTALLMENT FINANCING FOR PUBLIC SCHOOL IMPROVEMENTS

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Catawba, North Carolina (the "County") as follows:

Section 1. The Board does hereby find and determine as follows:

(a) There exists in the County a need to acquire, construct, renovate and equip certain public school facilities, community college improvements and sanitary sewer facilities of the County.

(b) After due consideration, the County has determined to enter into an installment financing agreement (the "Agreement") in the aggregate principal amount of \$38,400,000 to pay, together with other available funds, the costs of (a) acquiring, constructing, improving, expanding and equipping various public school facilities in County, including, without limitation, construction of a new elementary school and renovations and additions and to Bunker Hill High School, Bandys High School and Newton-Conover High School, (b) roofing and paving improvements at Catawba Valley Community College and (c) construction of various wastewater system improvements, including sewer mains and lines, pump stations and a utility bridge (collectively, the "Project").

(c) The County will enter into the Agreement with Branch Banking and Trust Company (the "Lender"), pursuant to which the Lender will advance to the County amounts sufficient to pay the costs of financing the Project and relating financing expenses, and the County will repay the advancement in installments, with interest (the "Installment Payments").

(d) In order to secure its obligations under the Agreement, the County will execute and deliver a deed of trust (the "Deed of Trust"), granting a lien on certain of the sites where the Project will be located, together with all improvements and fixtures located or to be located thereon.

(e) In order for the County to enter into the plan of finance, the site of the Project will be conveyed by the Board of Education to the County.

(f) In order to facilitate the construction of the Project, the County will enter into a Construction and Acquisition Agreement (the "Construction Agreement") with the Board of Education providing for the supervision of construction of the Project by the Board of Education.

(g) The Mortgaged Property will be leased back to the Board of Education pursuant to a Lease Agreement (the "Lease Agreement") between the County and the Board of Education, which Lease Agreement will be subordinate to the lien created by the Deed of Trust.

(h) It is in the best interest of the County to enter into the Agreement and the Deed of Trust in that such transaction will result in providing financing for such Project in an efficient and cost effective manner.

(i) Entering into the Agreement is preferable to a general obligation bond and revenue bond issue in that (i) the County does not have the constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution because the County has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds for the Project without an election; (ii) the size of the financing does not

allow for the issuance of revenue bonds in as economical a manner as entering into the Agreement; (iii) the cost of the Project exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the circumstances existing require that funds be available to commence construction of the Project as soon as practicable and the time required for holding an election for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution and the Local Government Bond Act will delay the commencement of construction of the Project by several months; and (v) there can be no assurances that the Project will be approved by the voters and the necessity of such Project dictates that the Project be financed by a method that assures that such Project will be constructed in an expedient manner.

(j) It has been determined by the Board that the cost of financing the Project through an installment financing agreement is reasonably comparable to the costs of issuing general obligation bonds or other available methods of financing and is acceptable to the Board.

(k) Counsel to the County will render an opinion to the effect that the proposed undertaking as described above is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(l) The debt management policies of the County have been carried out in strict compliance with law, and the County is not in default under any obligation for repayment of borrowed money.

(m) Any tax rate increase necessary to pay the Installment Payments will be reasonable and not excessive.

Section 2. The Board hereby authorizes, ratifies and approves the filing of an application with the Local Government Commission for approval of the Agreement and requests the Local Government Commission to approve of the Agreement and the proposed financing in connection therewith.

Section 3. The Board hereby approves the Agreement and Deed of Trust, the Construction Agreement and the Lease Agreement and authorizes the Chairman or the Vice Chairman of the Board or the County Manager of the County to execute and deliver on behalf of the County each of said documents, with such execution to be conclusive evidence of approval by the Board. The Clerk or any Deputy or Assistant Clerk to the Board is hereby directed to affix the official seal of the County to each of said documents and to attest the same.

Section 4. No deficiency judgment may be rendered against the County and any action for breach of any contractual obligation under the Agreement or Deed of Trust and the taxing power of the County is not, and may not be pledged directly or indirectly to secure any monies due under the Agreement or Deed of Trust.

Section 5. All officers, agents and employees of the County are authorized to execute and deliver such certificates, opinions and other items as shall be necessary to consummate the transactions described above.

Section 6. This resolution shall take effect immediately upon its passage.

b. Rodney Miller, Finance Director, then requested the Board hold a public hearing to receive public comment regarding proposed installment purchase financing for the construction and renovation of a 15,000 square foot fitness and wellness center on the Hickory High School campus. The Hickory Public Schools has applied for, and received approval for, 2007 Qualified Zone Academy Bonds (QZABs) in the amount of \$700,000 through the State of North Carolina.

In 1997, Congress made funds available for state or local governments to issue QZABs due to concerns from educators and employers about the ability of high poverty schools to address the vital issue of how they prepare students for a more competitive global economy. QZABs may be used to support schools (or programs within a school) that enter into partnerships with local businesses to

enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the workforce under a plan approved by the local school system.

Hickory Public Schools, with assistance from County funds, constructed the fitness and wellness center on the former American Legion property in July 2007. The proposed financing will apply the \$700,000 in QZAB proceeds towards the completed project and replace previously dedicated County funds, which will be transferred to other needed school projects in the system, with approval by the Board. The term of the loan will be fourteen years and funds to repay the debt will come from Hickory Public Schools in the amount of \$50,000 per year.

Since the County does not own the land and building, the property must be conveyed to the County in order for the County to borrow the funds. In addition, the County will lease the building and land back to Hickory Public Schools for its unlimited use, and at the end of the financing term, transfer all rights to the property back to the school system. All local governments in North Carolina that borrow funds greater than \$500,000, and for terms longer than five years to maturity, must receive approval by the Local Government Commission (LGC), a division of the NC Department of State Treasurer. The LGC will consider this project on May 6, 2008.

Mr. Lundy clarified that the project had already been completed but this was the way the Federal funding is organized so Hickory Public Schools is eligible for the money, can receive it and that money can be used on other projects and it was staff's recommendation, which will come to the Board as part of the Budget, that that \$700,000 be put toward the Hickory High Bond project – a project when the Board decided to reduce the tax rate, the Board reduced that project so that would give the County a little flexibility to do it and then Hickory would be required to pay the County back that \$50,000 per year for 14 years. The County was currently holding some funds that were earmarked for Hickory Public Schools several years ago which would cover at least the first three years of that requirement. Chair Barnes said the legal obligation of the School Board to commit for future school boards was to be reviewed legally to ensure there was not a problem but the transfer of the title of the property covered the liability for the life of the financing.

Chair Barnes opened the public hearing and noted it had been duly advertised. No one came forward to speak. Chair Barnes closed the public hearing.

The Board adopted the following resolution, upon the motion of Vice-Chair Lail and unanimously carried, making certain findings and determinations regarding the financing, and seeking approval from the Local Government Commission and authorizing the execution of documents associated with the financing.

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF THE ACQUISITION, CONSTRUCTION, RENOVATION AND EQUIPPING OF PUBLIC SCHOOL FACILITIES BY THE COUNTY PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT AND DEED OF TRUST, A CONSTRUCTION AND ACQUISITION AGREEMENT, A LEASE AGREEMENT AND RELATED DOCUMENTS IN CONNECTION WITH SUCH INSTALLMENT FINANCING FOR PUBLIC SCHOOL IMPROVEMENTS

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Catawba, North Carolina (the "County") as follows:

Section 1. The Board does hereby find and determine as follows:

(a) There exists in the County a need to acquire, construct, renovate and equip certain public school facilities of the County.

(b) After due consideration, the County has determined to enter into an installment financing agreement (the "Agreement") in the aggregate principal amount of \$700,000 to pay, together with other available funds, the costs of acquiring, constructing, renovating and equipping an approximately 15,300 square foot building located adjacent to Hickory High School to be used by said school for a fitness and wellness center (the "Project").

(c) The County will enter into the Agreement with a financial institution (the "Lender") authorized by the Local Government Commission with a term of no more than fourteen years and at a rate not to exceed 1.25%, and with such other provisions acceptable to the Finance Officer of the County, pursuant to which the Lender will advance to the County amounts sufficient to pay the costs of financing the Project, and the County will repay the advancement in installments, with interest (the "Installment Payments").

(d) In order to secure its obligations under the Agreement, the County will execute and deliver a deed of trust (the "Deed of Trust"), granting a lien on the site of the Project, together with all improvements and fixtures located or to be located thereon.

(e) In order for the County to enter into the plan of finance, the site of the Project will be conveyed by the Board of Education to the County.

(f) In order to facilitate the construction of the Project, the County will enter into a Construction and Acquisition Agreement (the "Construction Agreement") with the Board of Education providing for the supervision of construction of the Project by the Board of Education.

(g) The Mortgaged Property will be leased back to the Board of Education pursuant to a Lease Agreement (the "Lease Agreement") between the County and the Board of Education, which Lease Agreement will be subordinate to the lien created by the Deed of Trust.

(h) It is in the best interest of the County to enter into the Agreement and the Deed of Trust in that such transaction will result in providing financing for such Project in an efficient and cost effective manner.

(i) Entering into the Agreement is preferable to a general obligation bond and revenue bond issue in that (i) the County does not have the constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution because the County has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds for the Project without an election; (ii) the size of the financing does not allow for the issuance of revenue bonds in as economical a manner as entering into the Agreement; (iii) the cost of the Project exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the circumstances existing require that funds be available to commence construction of the Project as soon as practicable and the time required for holding an election for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution and the Local Government Bond Act will delay the commencement of construction of the Project by several months; and (v) there can be no assurances that the Project will be approved by the voters and the necessity of such Project dictates that the Project be financed by a method that assures that such Project will be constructed in an expedient manner.

(j) It has been determined by the Board that the cost of financing the Project through an installment financing agreement is reasonably comparable to the costs of issuing general obligation bonds or other available methods of financing and is acceptable to the Board.

(k) Counsel to the County will render an opinion to the effect that the proposed undertaking as described above is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(l) The debt management policies of the County have been carried out in strict compliance with law, and the County is not in default under any obligation for repayment of borrowed money.

(m) Any tax rate increase necessary to pay the Installment Payments will be reasonable and not excessive.

(n) This financing will qualify as a "qualified zone academy bond" financing with the meaning of Section 1397E of the Internal Revenue Code such that tax credits will be issued by the United States government in lieu of some portion of the interest component of the Installment Payments under the Agreement, and the total financing cost to the County is expected to be less than it would have been under a traditional installment financing arrangement.

Section 2. The Board hereby authorizes, ratifies and approves the filing of an application with the Local Government Commission for approval of the Agreement and requests the Local Government Commission to approve of the Agreement and the proposed financing in connection therewith.

Section 3. The Board hereby authorizes the Chairman or the Vice Chairman of the Board or the County Manager of the County to execute and deliver on behalf of the County the Agreement and Deed of Trust, the Construction Agreement and the Lease Agreement, with such execution to be conclusive evidence of approval by the Board. The Clerk or any Deputy or Assistant Clerk to the Board is hereby directed to affix the official seal of the County to each of said documents and to attest the same.

Section 4. No deficiency judgment may be rendered against the County and any action for breach of any contractual obligation under the Agreement or Deed of Trust and the taxing power of the County is not, and may not be pledged directly or indirectly to secure any monies due under the Agreement or Deed of Trust.

Section 5. All officers, agents and employees of the County are authorized to execute and deliver such certificates, opinions and other items as shall be necessary to consummate the transactions described above.

Section 6. This resolution shall take effect immediately upon its passage.

9. Appointments:

Vice-Chair Lail recommended the Board appoint Mr. Rodney Franklin for a first term to the Nursing and Rest Home Advisory Committee to replace a member who had resigned. Mr. Franklin initial term will be for one year and will expire 4/7/09. This recommendation came in the form of a motion and the motion carried unanimously.

10. Consent Agenda:

County Manager J. Thomas Lundy presented the following items under the consent agenda:

a. A request for the Board to approve a proposed 2008-09 funding plan, in the amount of \$337,716, for the Catawba County Juvenile Crime Prevention Council (JCPC). The Council is charged with assessing the needs of youth, ages 6-16, who are at risk of get into troubling situations with, or already involved in, the judicial system, and to provide diversion from detention through programs that provide appropriate services. The Council holds three planning sessions each year to determine which services are needed. The State of North Carolina allocates \$337,716 to fund these services, funds which generated an additional \$618,285 in local, state and federal matching dollars last year for Catawba County youth. The Council has recommended the following uses for the funding, based on availability of State dollars for juvenile crime prevention councils in the next fiscal year: \$50,750 for Project Challenge (which involves restitution); \$18,914 for the Conflict Resolution Center; \$64,285 for FamilyNET for substance and sexual abuse assessment/treatment and diagnostic/psychological assessments; \$169,550 for Corner House I and II; \$19,217 for the Catawba Parenting Network and \$15,000 for JCPC Administration.

b. A request for the Board to approve an increase of \$135,000 to the Public Health Special Contingency revenue and expense accounts, which will increase these accounts from \$200,000 to \$335,000 for fiscal year 2007-08. Several years ago, an expense and revenue account totaling \$150,000, entitled Special Contingency, was added by the County's Budget Office. The Special Contingency line allows an agency to add a revenue and expense line for accounting purposes, in order to accept and expend funds that come in during the year, without the need for action by the Board of Commissioners. Funds that would be placed in the Public Health budget through the use of Special Contingency would normally be funds received for currently established programs, such as Women's Preventive Health, WIC (Women, Infants, and Children), School Nurse programs, Aid to County funds, etc. During the last few weeks, Catawba County Public Health has been notified of several additional allocations, totaling approximately \$115,000 (\$15,000 in State funds for the Smart Start program; \$60,000 from the State for women's health program; \$15,000 in State "Aid-To-County" funds and a \$25,000 private donation designated to breast cancer related programs). The current balance in Special Contingency is \$21,000, therefore Public Health is requesting an increase to the Special Contingency line item by \$135,000.

c. A request for the Board to award a bid for a new 100,000 lb. class compactor needed at the Blackburn Landfill to Al-Jon, Inc. via a budget transfer of \$602,640 from the Solid Waste Enterprise Fund, which is derived from solid waste tipping fees containing no ad valorem tax proceeds. The Landfill has a 1998 Al-Jon compactor with 14,300 hours of operation that is in need of a major engine overhaul. The estimated useful life of compactors is 12,000 operating hours. This compactor was already scheduled to be replaced during fiscal year 2008-09. It is now imperative that the compactor be replaced with a new machine as soon as possible. If the 1998 Al-Jon were to become completely disabled, the cost to rent a compactor would be \$17,000 per month. Bids were received on March 11, 2008 for a new 100,000 lb. class landfill compactor. The 2008 Al-Jon Advantage 525J4 compactor meets the County's specifications. A 2008 Al-Jon compactor burns much cleaner than the 1998 Al-Jon compactor it would replace. Its fuel economy is similar to the 1998 compactor, which met a lower Environmental Protection Agency threshold, even though the 2008 compactor is 15,000 pounds heavier.

d – f. A request for the Board to accept a series of federal grants awarded to Catawba County Emergency Services. The first is a \$12,000 grant from the US Department of Homeland Security that will fund the Citizen Corps Program in Catawba County, to assure the continued training of volunteers in emergency preparedness and basic disaster techniques. After the September 11, 2001 attacks on the United States, the President created the Citizen Corps, which is comprised of multiple agencies under the direction of the Director of Catawba County United Way. \$6000 from this grant will be used to purchase equipment and training materials for Certified Emergency Rescue Training for Citizens Corps agencies, while the other \$6000 will be allocated to the Citizens Corps Council to conduct a regional training and exercise program designed to show community partners the value of the Citizen Corps and educate citizens on how to prepare in case of an emergency. The second grant is from the US Department of Health and Human Services in the amount of \$21,213.48. The funds will be used to support three separate projects submitted by Catawba County EMS. \$15,810.01 was awarded for the purchase of 800 MHz radios which will assist EMS personnel in communicating with agencies across the county, while \$2,681.98 was awarded for replacement of expiring medications used by the County's State Medical Assistance Team Type III and \$2,721.50 was awarded for the purchase of Level C chemical suits also used by the State Medical Assistance Team Type III. The third grant, from the US Department of Homeland Security and Federal Emergency Management Agency in the amount of \$8,229.30, will assist in the cost of maintaining a comprehensive emergency management program in Catawba County. \$3000 of those funds would be directed towards the continued use of part-time staff. The County has a part-time employee who has committed time to learning use of the Community Alert System (CAS). Thirteen different agencies are utilizing the CAS and this part-time staff is significant in educating and training those agencies, as well as future partners, about this system. The remaining \$5,229.30 will be used to offset monies used to fund the County's new voice over internet phone system. The funds will also be used to offset the cost of additional air cards needed for wireless connectivity

g. A request for the Board to approve an increase in five areas of the current EMS Fee Schedule, to correspond with an inflationary increase in the Medicare Fee Schedule. The new Medicare Fee Schedule will increase to reflect a 2.7% Ambulance Inflation Factor for dates of service starting on January 1, 2008. Based on this information, County staff identified a need to increase the EMS fee schedule to keep County rates above the Medicare allowable limit. With the Medicare fee increase,

two of the categories in the County's current fee schedule will be below the Medicare allowable rate and three additional categories are nearing the Medicare rate. Research by the County's EMS Manager has determined that the industry standard for percentage above the Medicare Fee Schedule is 25 to 30% nationwide. The new rates for Catawba County will keep rates at just over 10% above the Medicare Fee Schedule in five areas, which will keep rates manageable for Catawba County citizens, while still maximizing the County's collections under the Medicare system. The fee for Specialty Care Transport increases from \$597.37 per incident to \$685.00. The fee for transport when mileage is greater than 50 miles increases from \$7.55 per mile to \$9.00 per mile. The fee for Emergency Basic Life Support increases from \$294.09 to \$338.00, while the fee for Emergency Advanced Life Support increases from \$349.23 to \$400.00 and the fee for Advanced Life Support, Level Two increases from \$505.46 to \$580.00. These fees range from 10.27% to 10.83% above the Medicare Fee Schedule.

Mr. Lundy pointed out the grants received above plus what David Weldon will present under Departmental reports, about \$1 million in grants to be added on – meeting one of the Commissioners goals to draw on State and Federal funds.

Chair Barnes asked if any of the Commissioners wished to have an item broken out of the consent agenda and none were requested. Commissioner Beatty made a motion to approve the consent agenda. The motion carried unanimously.

11. Departmental Reports:

a. Finance/Catawba Valley Community College:

Dr. Garret Hinshaw, President of CVCC, and Finance Director Rodney Miller requested the Board approve appropriating funds in the amount of \$1,046,665 to repair exterior walls to several buildings on the Catawba Valley Community College (CVCC) campus. The County was notified a few months ago about significant structural damage at several buildings on the CVCC campus. In the spring of 2005, CVCC officials asked CBSA Architects to review concerns college officials had regarding condition of the existing exterior wall on the Student Services building, which was constructed in 1980. Given the scope and initial cost of the project, the college submitted a funding proposal in February 2006 to the County as part of its fiscal year 2006-07 capital budget request. The Board of Commissioners appropriated the \$100,000 request for the Student Services building repairs into the County's FY 2006-2007 budget.

As CBSA was finalizing work on the Dunbar Building project in the spring of 2007, CVCC staff asked ADW Architects to review the concerns of school officials regarding the Student Services building. ADW contacted Sutton-Kennerly & Associates engineers to aid in this review of existing wall conditions. Sutton-Kennerly provided CVCC with an "exterior visual condition survey" of the Student Services building, which involved a visual inspection of the existing building and the opening of five inspection ports into the existing walls at selected locations to further review existing conditions. Sutton-Kennerly stated in its report that some of the existing conditions represented "a potential hazard to patrons of the building". They recommended repairs to correct the existing deterioration and damage to the exterior walls of this facility. As a result of these findings, Sutton-Kennerly, ADW, and CVCC staff worked together to create a short term and long-term solution to these concerns. Sutton-Kennerly provided CVCC with details for short-term repairs that would last a period of approximately two years, while a more permanent solution was agreed upon. These short-term repairs were implemented during the summer of 2007. For reasons that include safety of building patrons, the college's goal is to have the long-term solution implemented as soon as possible. After the initial exterior visual survey, the college conducted an inspection of all of its facilities, which resulted in the finding of similar problems with the Life Sciences Building (constructed in 1979) and the East-West Building (constructed in 1976). Construction documents for these repairs are being completed, with a projected construction start date of April 2008.

Chair Barnes asked when the college planned to go out for bids and how many alternates would be sought – i.e. using brick vs. metal panels - Dr. Hinshaw said if they found the visual improvements that were recommended by the architects were more expensive, they would go back to just the brick

vener. He noted that time was important since they wanted the work to be done over the summer when the least number of students were on campus.

Commissioner Barger made a motion to approve this appropriation. The motion carried unanimously.

b. Emergency Services:

David Weldon, Emergency Services Director, presented a request for the Board to approve a supplemental appropriation in the amount of \$450,000, to be funded by the US Department of Homeland Security, for a Patient Tracking, Triage, and Transportation system. The project is a collaboration between North Carolina Emergency Management and the North Carolina Office of Emergency Medical Services. It is designed to build a statewide Patient Tracking and Triage System. Patients who are moved during a disaster will be accounted for by the system, even if they are transported out of the county. System equipment will be divided between the 100 county EMS systems in the state, based on the number of permitted vehicles each system owns. Each system must purchase one "SMART MCI" triage kit and 10 triage packs per permitted vehicle, and may select other items from an approved list of triage supplies, up to the funds allotted to the system. The total award from the Department of Homeland Security was \$500,000, with \$50,000 dedicated to training and allocated to another county. The \$450,000 for equipment is being passed through to Catawba County, which will serve as the host county for the grant. \$13,420 of those funds will be spent for project coordination, with the remaining \$436,580 will be used for the purchase of equipment.

Commissioner Beatty made a motion to approve this supplemental appropriation. The motion carried unanimously.

12. Other items of Business:

Assistant County Manager Lee Worsley presented a proposed 2008 State and Federal Legislative Agenda, which highlighted issues the Board is advised to ask to have addressed during the upcoming Short Session of the North Carolina General Assembly and the current session of the US Congress. The "short session" of the General Assembly begins on May 13, 2008. Highlights of the State agenda included support of an increase in the Homestead Exclusion Income Limit to \$35,000, which is expected to provide tax relief for additional senior citizens, to \$35,000; flexible local revenue options to avoid future property tax increases; the repeal of a \$2 per ton Solid Waste Disposal Tax; an exemption of State sales tax on purchases made by local school systems; a fairer distribution in the School Capital Fund Formula for lottery proceeds; additional child care subsidies funding; additional strengthening of interbasin transfer (IBT) rules; and other issues that Assistant County Manager Lee Worsley discussed with the Board at this meeting. The proposed State agenda opposed the unfunded mandate that counties pay for the implementation of Administrative Office of the Courts phone systems in courthouses; attempts to reduce the property tax base and place more burden on property tax payers; and attempts to eliminate the prohibition on collective bargaining for public employees.

The Federal agenda included support of implementation of streamlined sales tax; increased local funding, incentives, and community-based surveillance and communication systems regarding disease spread related to a pandemic flu threat; increases in Homeland Security grant funds for capital projects such as Emergency Operations Centers. It opposed efforts to require collective bargaining for public employees; and U.S. House Resolution 811, which could force the County to replace some or all of its voting machines.

Vice-Chair Lail made a motion to adopt the 2008 State and Federal Legislative Agenda. The motion carried unanimously.

13. Attorneys' Report.

County Attorney Debra Bechtel reported Garza vs. Catawba County and the Sheriff's Office, et al. was dismissed against both those defendants with no payment by the County.

14. Manager's Report. None.
15. Adjournment: Commissioner Hunsucker made a motion to adjourn the meeting at 11:25 a.m. The motion carried unanimously.

Katherine W. Barnes, Chair
Board of Commissioners

Barbara E. Morris, County Clerk