

Regular Session, May 20, 2013, 7:00 p.m.  
Catawba County Board of Commissioners

**Appointments**

Community Service Block Grant Advisory Board	789	05/20/13
Nursing and Rest Home Advisory Board	789	05/20/13

**Awards**

Certificate of Commendation to Jake Pierce – 3A State Swimming Champ	787	05/20/13
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**Economic Development Corporation**

Revised By-Laws	789	05/20/13
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**Emergency Services**

Waiving solid waste, building permit, zoning and flood plain development permit fees	798	05/20/13
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**Public Comments for Items Not on the Agenda**

St. Stephens Girls Softball – lighting for field	787	05/20/13
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**Public Hearing**

Establishing Fire Protection Service Districts	787	05/20/13
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**Resolution**

Establishing Fire Protection Service District	787	05/20/13
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**Social Services**

Update on Social Services Programs	798	05/20/13
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The Catawba County Board of Commissioners met in regular session on Monday, May 20, 2013 at 7:00 p.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 21 East 1<sup>st</sup> Street, Newton, North Carolina.

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

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

1. Chair Katherine W. Barnes called the meeting to order at 7:00 p.m. Chair Barnes noted that Commissioner Lynn M. Lail was participating by teleconference.
2. Commissioner Randy Isenhower led the Pledge of Allegiance to the Flag.
3. Chair Barnes offered the invocation.
4. Commissioner Hunsucker made a motion to approve the minutes of the Board's Regular Meeting of May 6, 2013. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed all and specifically recognized the St. Stephens Girls Softball Team with their parents and coaches, Jeff Kerley, Mac Mcleod and Josh Ward from Senator Burr's office.

6. Public Comments for Items Not on the Agenda:

Parents, coaches, Booster Club members and players on the St. Stephens Girls Softball Team presented a request that lighting for the St. Stephens softball field be included in the upcoming budget. This team, which has made it to the state playoffs eleven out of the past thirteen seasons, often times has to end its varsity games without completing all innings due to lack of lights, thus completely cancelling the junior varsity games that follow the varsity games. The St. Stephens field is the only softball field in the county that does not have lighting. County Manager Tom Lundy noted that Catawba County Schools ranked this project as 21<sup>st</sup> on its priority list for the upcoming budget, but Mr. Lundy had recommended funds be included in the proposed budget for this project.

Commissioner Dan Hunsucker noted the loss of Lewis Wood's wife in recent weeks – he acknowledged Mr. Wood's contributions to our community and the NAACP and extended the Board's and staff's condolences.

7. Presentation:

Commissioner Barbara Beatty presented a Certificate of Commendation to Jake Pierce for his outstanding performance in winning the North Carolina 500 Meter Freestyle 3A State Swimming Championship in 2013. The certificate commended Pierce, a member of the Fred T. Foard High School Swim Team, for his spirit, motivation and hard work in achieving this admirable accomplishment.

8. Public Hearing:

Emergency Services Director Bryan Blanton presented a request for the Board to hold a public hearing to receive citizen comments and adopt a resolution entitled "Establishing Fire Protection Service Districts".

As a result of researching an issue regarding how fire taxes were collected, maintained and used, the County Attorney discovered that fire tax districts had been established in a variety of ways between 1960 and 1975. Most districts were created pursuant to North Carolina General Statutes, which involved an election. Of those created through election, some of the fire tax district boundaries cannot be identified because a map or written description could not be located. In other cases, there isn't clear evidence as to how some districts were created. Over the years, working in conjunction with fire departments, staff made recommendations to the Board based on what was believed to be providing the best fire protection to citizens. Because boundaries have changed over the years, there are some areas where fire taxes have been collected without the proper authority and other areas where fire taxes have been collected, but not used in the original fire tax district created by election. No one intentionally created this problem. However, once the County and fire departments had knowledge of the problem, it was incumbent upon both parties to take corrective action as allowed by State law.

Staff researched the options available to become compliant with State law. There were two options. First, North Carolina General Statute (NCGS) 69-25.11 provides a statutory mechanism to make changes to fire tax districts established by election. According to the University of North Carolina Institute of Government, "...this procedure can be so complicated as to be almost unusable". Generally, this process involves a petition of two-thirds majority of the property owners of the impacted area(s), approval of a majority of the board of directors of the corporation(s) that provides fire protection for the area, and approval of the Board of Commissioners. The County's situation was further complicated by some specific challenges. These included no clear evidence as to how some districts were created, some fire tax district boundaries cannot be identified because a map or written description could not be located, and some fire tax districts may have been established or modified without following the requirements of the statutes.

The second option involved the development of County Fire Protection Service Districts. This option was much simpler and would immediately bring all districts into compliance with State law. Article 16 of NCGS Chapter 153A applies to County Service Districts. A board of commissioners may define any number of service districts to "finance, provide, or maintain for the districts" for a number of different reasons, one of which is fire protection.

In determining whether to establish a service district, a board must consider the following: the resident or seasonal population and population density of the proposed district; the appraised value of property in the district; the current tax rates of the county; the ability of the proposed district to sustain the additional taxes and any other matters the Board believes have a bearing on whether the district should be established.

The Board must hold a public hearing before it adopts a resolution establishing a new service district. Notice of the hearing is required, and it must state the date, hour, and place of the hearing. Usually this notice must be mailed to the district property owners at least four weeks before the hearing, and published at least once not less than one week before the hearing. There is an exception to the requirement of mailing notice to each district property owner at least four weeks before the hearing. The exception allows the Board to adopt a resolution no more than 90 days prior to the required public hearing and prior to the first publication of notice referenced above. The resolution must state that property taxes within a district may not be levied in excess of a rate of fifteen cents on each \$100 of property value for fire protection. This resolution was adopted at the Board's April 15, 2013, meeting. On April 16, 2013, a report required by NCGS 153A-302(b) and a map were made available for public inspection in the office of the Clerk to the Board of Commissioners. Notice of the May 20, 2013, public hearing, required by NCGS 153A-309.2, was advertised on April 22, 2013, and April 29, 2013, by publication in the Hickory Daily Record.

Following the public hearing, the Board may establish a service district if it finds that: there is a demonstrable need for providing one or more of the services authorized by statute, which includes fire protection; it is impossible or impractical to provide such services on a countywide basis; it is economically feasible to provide the services in the district without unreasonable or burdensome taxes; and there is a demonstrable demand for the proposed services by residents of the district.

After careful analysis, and with the goal of coming into full compliance with the law, staff recommended and the Board approved the establishment of fourteen individual fire protection service districts precisely identical to the current fire response/insurance districts for all unincorporated areas in Catawba County. This immediately brings all districts into compliance. Citizens will not experience a change in their fire tax rate nor the service level they receive. Additionally, this solution produces the same amount of revenue currently generated by the individual fire tax districts, ensuring that no department experiences any change in tax base.

Staff requested that the Board set current fire tax rates to zero dollars and set new fire protection service district rates equal to the current fire tax rates when adopting the Fiscal Year 2013-14 County Budget.

Chair Barnes opened the public hearing, noting it had been duly advertised. No one came forward to speak and Chair Barnes closed the public hearing. Commissioner Isenhower made a motion to adopt the necessary resolution and set the current fire tax to zero dollars and set new fire protection service district rates equal to the current fire tax rates when adopting the Fiscal Year 2013-14 County Budget. The motion carried unanimously. The following resolution applies:

#### **RESOLUTION NO. 2013-**

#### **ESTABLISHING FIRE PROTECTION SERVICE DISTRICTS**

**WHEREAS**, pursuant to NCGS § 153A-301(a)(2), the board of commissioners may define any number of service districts in order to provide fire protection; and

**WHEREAS**, the establishment of fourteen fire protection service districts will ensure citizens continue to enjoy the same level of fire protection they currently receive; and

**WHEREAS**, notice of a public hearing, required by NCGS 153A-309.2, was advertised on April 22, 2013 and April 29, 2013 by publication in the Hickory Daily Record; and

**WHEREAS**, the public hearing was held on May 20, 2013; and

**WHEREAS**, the Catawba County Board of Commissioners finds that there is a demonstrable need for providing fire protection in the fourteen districts, it is impracticable to provide those services on a countywide basis, it is economically feasible to provide fire protection in the districts without unreasonable or burdensome annual tax levies, and there is a demonstrable demand for fire protection by persons residing in the districts.

**NOW, THEREFORE BE IT RESOLVED**, that pursuant to NCGS 153A-301(a)(2) and NCGS 153A-302, the Catawba County Board of Commissioners hereby establishes fourteen fire protection services districts as identified in the attached map.

This resolution shall take effect July 1, 2013.

This the 20th day of May, 2013.

9. Appointments:

Commissioner Lynn Lail recommended the reappointment of Christina Kliesh and Chae Williams for first full terms on the Community Service Block Grant Advisory Board. Ms. Kliesh's term will expire October 31, 2015 and Ms. Williams' term will expire February 28, 2015. Commissioner Lail also recommended the reappointment of Jean Bush and William Knox for third terms on the Nursing and Rest Home Advisory Board. These terms will expire March 16, 2016. Chair Barnes noted that these recommendations had come in the form of a motion. The motion carried unanimously.

10. Departmental Reports:

A. Economic Development Corporation.

Ellie Bradshaw, Chair of the EDC Board of Directors, presented a request for the Board to approve revised bylaws for the Catawba County Economic Development Corporation. These amended bylaws were approved by the EDC Board of Directors at its April 2013 meeting, but were required to be submitted to and approved by the Board of Commissioners. The Economic Development Corporation is a non-profit corporation whose mission is to build a diversified economic base throughout Catawba County, and to foster the creation of jobs by recruiting new business and industry and helping existing business grow and prosper.

The Board of Commissioners appoints five of the nine directors for the corporation. The remaining four directors are appointed by Hickory, (two directors), and Newton and Conover, (one director appointed by each). The current bylaws have not been revised in some time. Changes to the bylaws were necessary to be consistent with current requirements for non-profit corporations and streamline the methods for taking corporate action and giving notice.

The changes reflect current standards for the conduct of the affairs of a non-profit entity and were reviewed by the County Attorney.

Commissioner Isenhower asked how often informal action was taken and Ms. Bradshaw indicated it had never happened before and anticipated that it would not occur frequently.

Commissioner Hunsucker made a motion to approve the revised bylaws. The motion carried unanimously. The following revised bylaws apply:

**BY-LAWS OF  
CATAWBA COUNTY ECONOMIC DEVELOPMENT CORPORATION  
A NON-PROFIT CORPORATION**

**ARTICLE I**  
**Purpose and Mission Statement**

Section 1.01. Purpose. The objects and purposes for which the Corporation is formed are set forth in its Articles of Incorporation, as the same may be amended from time to time.

Section 1.02. Mission Statement. The mission of the Catawba County Economic Development Corporation is to build a diversified economic base throughout Catawba County and to foster the creation of jobs by recruiting new business and industry and by helping existing business grow and prosper.

**ARTICLE II**  
**Office**

Section 2.01. Principal Office. The principal office of the Corporation in the State of North Carolina shall be located at the Hickory Metro Convention Center, 1960-B – 13<sup>th</sup> Avenue Drive SE, Hickory, North Carolina 28658.

Section 2.02. Registered Office and Agent. The Corporation shall have and continuously maintain in the State of North Carolina a registered office and a registered agent whose office is identical with such registered office.

**ARTICLE III**  
**Anti-Discrimination Policy**

Statement on Discrimination. The Corporation shall not discriminate on the basis of race, color, creed, national origin, sex, sexual orientation, religion, age, disability or other legally protected status. This policy shall apply to membership, boards, committees, staff, and other applicable services provided by the Corporation.

**ARTICLE IV**  
**Board of Directors**

Section 4.01. General Powers. The affairs of the Corporation shall be managed by its Board of Directors.

Section 4.02. Number, Tenure, and Qualifications. The number of Directors shall be nine (9). Subject to the provisions of Section 4.15 below, five (5) Directors shall be appointed by the Catawba County Board of Commissioners, two (2) Directors shall be appointed by the City of Hickory, one (1) Director shall be appointed by the City of Conover, and one (1) Director shall be appointed by the City of Newton. The Catawba County Board of Commissioners, the City of Hickory, the City of Conover and the City of Newton are each referred to as a "Governmental Unit" throughout these Bylaws.

The Directors shall serve staggered three (3) year terms, the terms of three (3) Directors expiring on June 30 of each year. The term of each Director shall continue until his or her successor shall have been selected by the appropriate Governmental Unit and shall have qualified. A Director may be re-appointed by the applicable Governmental Unit.

Section 4.03. Annual Meeting. A regular annual meeting of the Board of Directors shall be held in July of each year at such time and place, without geographic limitations, as shall be designated in the notice of the meeting.

Section 4.04. Regular Meetings. Regular monthly meetings of the Board of Directors shall be held at such time and place within Catawba County, North Carolina as shall be designated in the notice of the meeting. Any or all directors may participate in or conduct the meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting.

A Director participating in a regular meeting by this means shall be deemed to be present in person at the meeting.

Section 4.05. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chair of the Board of Directors and shall be called by the Secretary at the request of any two Directors. The authorized person or persons calling a special meeting of the Board of Directors may fix any place, without geographic limitations, as the place for holding such meeting. Any or all directors may participate in or conduct the meeting through the use of, any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in a special meeting by this means shall be deemed to be present in person at the meeting.

Section 4.06. Notice. Notice of any annual, regular, or special meeting of the Board of Directors shall be given at least two days prior to the meeting thereto by written notice delivered personally, or four days' notice sent by mail or by electronic or facsimile transmission, to each Director at his or her address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope properly addressed, with postage thereon prepaid. If notice be given by electronic or facsimile transmission, such notice shall be deemed to be delivered when sent. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law or elsewhere in these Bylaws.

Written notice of any meeting of the Board of Directors shall be given to each Governmental Unit in the same manner as notice is given to each Director, however failure to give notice or any defect in such notice shall not affect the validity of a meeting of the Board of Directors. In addition, public notice shall be given of meetings of the Board of Directors as may be required from time to time by applicable law.

Section 4.07. Quorum. A majority of the members of the Board of Directors then qualified and serving shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than a quorum is presented at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 4.08. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. The Board of Directors may also act by written consent or approval of all of the Directors of the Corporation setting forth the action taken.

Section 4.09. Informal Action by Directors. The Board of Directors may take action without a meeting when there is a compelling need, in the reasonable judgment of the Chair or Vice Chair, to act prior to the next regularly scheduled meeting. The Board may take action taken under such circumstances by written consent to the action in question, describing the action taken, signed by all the directors and filed with the minutes of the proceedings of the Board or filed with the corporate records, whether done before or after the action taken. Such action shall be effective when signed by all of the Directors, unless the consent specifies a different effective date, which may be retroactive.

Section 4.10. Vacancies. Subject to the provisions of Section 4.15 below, any vacancy occurring in the Board of Directors shall be filled by the Governmental Unit that made the original appointment. A Director selected to fill a vacancy shall be deemed selected for the unexpired term of his or her predecessor in office.

Section 4.11. Compensation. Directors shall not receive any compensation for their services as Directors; however, the Board of Directors may authorize a fee of \$25.00 for each Director attending a regular or annual meeting of the Board of Directors, provided, that Director's fees shall not be paid to any one Director for more than 12 meetings per fiscal year.

Section 4.12. Required Attendance at Meetings. Any Director who is absent from three consecutive meetings or from five meetings within any twelve-month period without excuse satisfactory to the Board of Directors shall be deemed to have surrendered his or her office as Director. A Director may attend no more than two (2) meetings by remote means within any twelve-month period without excuse satisfactory to the Board of Directors and shall be deemed to be absent for all purposes from meetings in excess of the two per twelve-month period unless such attendance is approved by the Board of Directors.

Section 4.13. Residuary Powers. The Board of Directors shall have the powers and duties necessary or appropriate for the administration of the affairs of the Corporation. All powers of the Corporation shall be vested in the Board of Directors.

Section 4.14. Removal from Office for Cause. A Director may be removed from office, for cause, by the vote of not less than three-fourths of the Directors present at a meeting of the Directors, provided notice of such proposed action shall have been duly given in the notice of the meeting and provided the Director has been informed in writing of the charges against him at least 10 days before such meeting. The Director involved shall be given an opportunity to be heard at such meeting. Any vacancy created by the removal of a Director shall be filled in the same manner as that provided for the filling of any other vacancies which may occur in the Board of Directors.

Section 4.15. Forfeiture by Governmental Unit of Appointive Powers and Directorships. Any Governmental Unit that fails to appropriate, in any given year, sufficient funds to the Corporation to fulfill any contractual obligations such Governmental Unit owes to the Corporation for such year, shall immediately be deemed to have surrendered its appointive powers under section 3.02 and 3.11 above, and the Director or Directors appointed by such Governmental Unit and presently holding office shall immediately be deemed to have surrendered his or her or their offices. The Catawba County Board of Commissioners shall be entitled to fill the resulting vacancies on the Board of Directors, and the number of directorships that the Catawba County Board of Commissioners shall be entitled to fill by appointment under Section 3.02 above shall be increased by the number of directorships so forfeited. The Board of Directors in its sole discretion shall determine whether a Governmental Unit has failed to fulfill any contractual obligations such Governmental Unit owes to the Corporation.

Section 4.16. Chair of the Board of Directors. There shall be a Chair of the Board of Directors elected by the Directors from their number at any meeting of the Board of Directors. The Chair shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board of Directors.

Section 4.17. Vice-Chair of the Board of Directors. There shall be a Vice-Chair of the Board of Directors elected by the Directors from their number at any meeting of the Board of Directors. In the absence of the Chair of the Board of Directors or in the event of his or her inability or refusal to act, the Vice-Chair shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice-Chair shall perform such other duties as from time to time may be assigned to him by the Chair or the Board of Directors.

Section 4.18. Committees of the Board of Directors. The Board of Directors may create an Executive Committee and other committees of the board and appoint members of the Board of Directors to serve on them. The creation of a committee of the Board of Directors and appointment of members to it must be approved by the greater of (a) a majority of the number of Directors in office when the action is taken or (b) the number of Directors required to take action pursuant to Section 3.08 hereof. Each committee of the Board of Directors must have two or more members and, to the extent authorized by law and specified by the Board of Directors, shall have and may exercise all of the authority of the Board of Directors in the management of the Corporation. Each committee member serves at the pleasure of the Board of Directors. The provisions in these Bylaws governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors apply to committees of the Board of Directors established under this section.

**ARTICLE V**  
**Officers**

Section 5.01. Officers of the Corporation. The officers of the Corporation shall consist of a President, a Secretary, a Treasurer, and such vice-presidents and other officers as may from time to time be appointed by or under the authority of the Board of Directors or the President. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

Section 5.02. Election and Term of Office. The officers of the Corporation shall be appointed by the Board of Directors or by a duly appointed officer authorized by the Board of Directors to appoint one or more officers or assistant officers. Each officer shall hold office until his or her death, resignation, retirement, removal, disqualification, or his or her successor shall have been appointed.

Section 5.03. Compensation of Officers. The compensation of all officers of the Corporation shall be fixed by or under the authority of the Board of Directors.

Section 5.04. Removal. The President, the Secretary and the Treasurer may be removed by the Board of Directors at any time with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Any other officer may be removed by the President at any time with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 5.05. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the persons authorized to elect or appoint such office.

Section 5.06. President. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He shall sign, with the attestation of the Secretary or any other proper officer of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or these Bylaws or statute to some other officer or agent of the Corporation, and in general, he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall also serve as the Executive Director and Secretary to the Catawba County Industrial Facilities and Pollution Control Financing Authority.

Section 5.07. Vice Presidents. The President shall appoint any number of Vice-Presidents. In the absence of the President or in the event of his or her inability or refusal to act, the Vice-Presidents in the order of their length of service as such, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President.

Section 5.08. Treasurer. The Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever; deposit all such monies in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article IV of these Bylaws; maintain correct and complete books and records of account; prepare, or cause to be prepared, annual financial statements of the Corporation that include a balance sheet as of the end of the fiscal year and an income and cash flow statement for that year, which statements, or a written notice of their availability, shall be mailed to each Governmental Unit within 120 days after the end of such fiscal year; and in general perform all duties

incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chair or by the Board of Directors.

Section 5.09. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors and of all committees thereof in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; attest the signature or certify the incumbency or signature of any officer of the Corporation; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

**ARTICLE VI**  
**Contracts, Checks, Deposits, and Funds**

Section 6.01. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 6.02. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 6.03. Checks, Drafts, Etc. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers, agent or agents of the Corporation, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the Chair of the Board of Directors.

Section 6.04. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, and other depositories as may be selected by or under the authority of the Board of Directors.

Section 6.05. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purpose or for any special purposes of the Corporation.

**ARTICLE VII**  
**Dissolution**

Upon the dissolution of the Corporation, the assets of the Corporation, after paying or making provision for the payment of all debts and obligations of the Corporation, shall be distributed pursuant to the following entities to be used solely for public purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, as amended:

<u>Governmental Unit</u>	<u>Allocation of Assets</u>
Catawba County Board of Commissioners	55.25%
City of Hickory, North Carolina	22.25%
City of Newton, North Carolina	11.25%
City of Conover, North Carolina	11.25%

Any such assets not so disposed shall be disposed of by the Superior Court of Catawba County, North Carolina exclusively to such organization or organizations as said court shall determine, which are

organized and operated for such purposes pursuant to Section 501(c)(3) of the Internal Revenue Code, as amended, or to such governments for such purposes.

**ARTICLE VIII**  
**Indemnification**

Section 8.01. Permissive Indemnification. Any person who at any time serves or has served as a director, officer, employee or agent of the Corporation, or who, while serving as a director, officer, employee or agent of the Corporation, shall have a right to be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him or her in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitratative action, suit, or proceeding (and any appeal therein), whether or not brought by or on behalf of the Corporation, seeking to hold him or her liable by reason of the fact that he or she is or was acting in such capacity, and (b) reasonable payments made by him or her in satisfaction of any judgment, money decree, fine, penalty, or settlement for which such person may have become liable in any such action, suit, or proceeding.

The Board of Directors of the Corporation shall take all such action as may be necessary and appropriate to authorize the Corporation to pay the indemnification required by this bylaw, including, without limitation, making a determination that indemnification is permissible in the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due. The Board of Directors may appoint a committee or special counsel to make such determination and evaluation.

Any person who at any time after the adoption of this bylaw serves or has served in the aforesaid capacity for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

Section 8.02. Mandatory Indemnification. Unless limited by the Corporation's Articles of Incorporation, the Corporation shall indemnify a director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceedings to which the director was a party because he or she is or was a director of the Corporation against reasonable expenses actually incurred by the director in connection with the proceeding.

Section 8.03. Determination and Authorization of Indemnification. The Corporation shall not indemnify a director, officer, employee or agent of the Corporation under this Article VIII unless authorized in the specific case after a determination has been made that the indemnification is permissible in the circumstances because the director, officer, employee or agent of the Corporation has met the standard of conduct set forth in Section 8.01. The determination shall be made (i) by the Board of Directors by majority vote of a quorum consisting of Directors not at the time parties to the proceeding; (ii) if such a quorum cannot be obtained, by a majority vote of a committee duly designated by the Board of Directors consisting solely of two or more Directors not at the time parties to the proceeding (Directors who are parties to the proceeding may participate in the designation of the committee); or (iii) by special legal counsel selected by the Board of Directors or its committee in the manner prescribed in Section 8.03(i) or (ii), except that if a quorum of the Board of Directors consisting of disinterested Directors cannot be obtained under Section 8.03(i) and a committee cannot be designated under Section 8.03(ii), then the special legal counsel may be selected by a majority vote of the full Board of Directors (in which selection Directors who are parties may participate). Authorization of indemnification and evaluation as to the reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to the reasonableness of expenses shall be made by those entitled under this Section 8.03 to select such counsel.

Section 8.04. Advance for Expenses. Expenses incurred by a director, officer, employee or agent in defending a proceeding may be paid by the Corporation in advance of the final disposition of such proceeding as authorized by the Board of Directors in the specific case or as authorized or required under any provision in the Articles of Incorporation or bylaws or by any applicable resolution or contract upon receipt of an undertaking by or on behalf of the director, officer, employee or agent repay such amount unless it shall ultimately be determined that the director, officer, employee or agent is entitled to be indemnified by the Corporation against such expenses.

Section 8.05. Insurance. The Corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the Corporation, or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against liability asserted against or incurred by him or her in that capacity or arising from his status as a director, officer, employee or agent, whether or not the Corporation would have power to indemnify him or her against the same liability under any provision of this Article or the North Carolina Nonprofit Corporation Act.

### **ARTICLE IX** **General Provisions**

Section 9.01. Fiscal Years. The fiscal year of the Corporation shall begin on the 1st day of July and end on the last day of June in each year.

Section 9.02. Seal. The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and in the center of which is inscribed SEAL.

Section 9.03. Waiver of Notices. Whenever any notice is required to be given under the provisions of the statutes of the State of North Carolina or the Articles of Incorporation or the Bylaws of this Corporation, a waiver thereof in writing signed by the person or persons entitled thereto, whether before or after the time states therein, shall be deemed equivalent to the giving of such notice.

Section 9.04. Exempt Activities. Notwithstanding any other provision of these bylaws, no director, officer, employee or representative of this Nonprofit shall take any action or carry any activity by or on behalf of the Nonprofit not permitted to be taken or carried on by an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and its Regulations as they now exist, or as they may hereafter be amended, or by an organization, contributions to which are deductible under Section 170(c)(2) of such Code and Regulations as they now exist or as they may hereafter be amended.

Section 9.05. No Personal Liability. No board director or officer of the Corporation shall be liable or responsible for the debts or obligations of the Corporation.

Section 9.06. Amendment or Repeal of Bylaws. The Bylaws of this Corporation may be repealed or amended by a majority vote of the Directors present at any annual or regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose, at which a quorum is present, subject to the approval of the Catawba County Board of Commissioners; provided, however, that no such action shall change the purposes of this Corporation so as to impair its rights and powers under the laws of the State of North Carolina, or to waive any requirement of bond or any provision for the safety and security of the property and funds of the Corporation. Notice of any amendment to be offered at any meeting shall be given not less than seven nor more than thirty days before such meeting and shall set forth such proposed amendment.

These Bylaws of this Corporation shall not be altered, amended, repealed, or rescinded without the prior approval of the Catawba County Board of Commissioners.

**ARTICLE X**  
**Conflicts of Interest**

Section 10.01. Definition. "Conflict of interest transaction" means any transaction in which a Director has a direct interest or an indirect interest. A Director has a direct interest in a transaction if the Director or a member of the Director's immediate family has either a material financial interest in the transaction or a relationship with the other parties to the transaction that might reasonably be expected to affect his or her judgment. A Director has an indirect interest in a transaction if either (i) another entity in which the Director has a material financial interest or in which the Director is a general partner is a party to the transaction, or (ii) another entity of which the Director is also a Director or is an officer or trustee is a party to the transaction and the transaction is of sufficient importance that it should be considered by the Board of Directors of the Corporation.

Section 10.02. Special Requirements. A conflict of interest transaction is not voidable by the Corporation solely because of a Director's interest in the transaction if (1) the material facts of the transaction and the Director's interest were disclosed or known to the Board of Directors or a committee of the Board and the Board or Committee authorized, approved or ratified the transaction, or (2) the transaction was fair to the Corporation.

Section 10.03. Disclosure. A Director who has a direct or indirect interest in any transaction presented to the Board of Directors or any committee of the Board shall disclose his or her interest.

Section 10.04. Approval. A conflict of interest transaction must be authorized, approved or ratified by the affirmative vote of a majority of the Directors, but in no event not less than two on the Board of Directors (or the appropriate committee) who have no direct or indirect interest in the transaction and to whom the material facts of the transaction and of any Director's interest in the transaction were disclosed or known. If a majority of the Directors who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking such action. The presence of, or a vote cast by, a Director with a direct or indirect interest in the transaction does not affect the validity of any action taken in accordance with this paragraph.

**ARTICLE XI**  
**Emergency Bylaws**

Section 11.01. In accordance with N.C.G.S. § 55A-2-07(d), the bylaws set forth in this section shall be effective only in the event that a quorum of the Board of Directors cannot be assembled because of some catastrophic event.

Section 11.02. In the event of an emergency described in Section 11.01 above and in N.C.G.S. § 55A-2-07(d), a meeting of the Board of Directors may be called by giving notice only to those Directors whom it is practicable to reach and may be given by any practicable manner, including by publication or by radio. One or more of the officers present at the meeting of the Board of Directors may be deemed to be a Director for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum.

Section 11.03. During the emergency, the Board of Directors may modify lines of succession to accommodate the incapacity of any Director, officer, employee or agent, and relocate the principal office, designate alternate principal offices or regional offices or authorize the officers of the Corporation to do any of the foregoing.

Section 11.04. All other provisions of these bylaws consistent with this section shall remain effective during the emergency described in (a) above.

Section 11.05. Corporate action taken in good faith in an emergency pursuant to these bylaws and N.C.G.S. § 55A-3-03 to further the ordinary business affairs of the Corporation shall be binding upon the Corporation.

B. Emergency Services/Utilities and Engineering.

Emergency Services Director Bryan Blanton presented a request for the Board to waive the solid waste, building permit, zoning and flood plain development permit fees associated with affected Catawba County property owners due to serious flooding which occurred on May 6, 2013. (The building permit, zoning and flood plain development permit fees were added to this request by County Manager J. Thomas Lundy at this meeting). Emergency Services will be required to certify any and all storm damage to property and predict the certified quantity of damage to be waived prior to permitting, storm debris disposal or the issuance of a waiver. Emergency Services certification is required to receive a waiver of any building, zoning and flood plain development permit fees associated with property severely affected as a result of the serious flooding. Due to the two week delay between the date of the disaster and the first Board of Commissioners meeting when the Board could act on this request, the waivers will be retroactive for those individuals who had already incurred some of these fees (this retroactivity was requested by County Manager Lundy at this meeting).

The Board's Chair, Katherine W. Barnes, declared a State of Emergency for Catawba County late on the afternoon of Monday, May 6, 2013, in response to serious flooding in several areas of the county. Catawba County experienced flooding that damaged more than 50 homes in the northern and eastern parts of the county. Extensive rain at the headwaters of the Catawba River caused the river and lakes to rise rapidly on the morning of May 6, 2013. Catawba County Emergency Management teams worked in the flooded areas to assist affected citizens, provide information and perform damage assessment at affected homes.

County Manager Lundy requested that the Board consider revising the County Code, Chapter 2 Administration, Article III Officers and Employees, Division 2 County Manager, Section 2-113 Powers and duties, to include the delegation of authority to waive solid waste, building permit, zoning, and flood plain development permit fees associated with sustained damage as a result of a natural disaster and subsequent declared state of emergency. This requested delegation of authority to the County Manager is to avoid the delay referenced above.

The Board indicated that they would not act on the delegation of authority and asked that this request be brought to the next Policy and Public Works Subcommittee.

Commissioner Beatty made a motion to waive the solid waste, building permit, zoning and flood plain development permit fees associated with affected Catawba County property owners due to serious flooding which occurred on May 6, 2013. Emergency Services will be required to certify any and all storm damage to property and predict the certified quantity of damage to be waived prior to permitting, storm debris disposal or the issuance of a waiver. Emergency Services certification is required to receive a waiver of any building, zoning and flood plain development permit fees associated with property severely affected as a result of the serious flooding. Due to the two week delay between the date of the disaster and the first Board of Commissioners meeting when the Board could act on this request, the waivers will be retroactive for those individuals who had already incurred some of these fees. This motion carried unanimously.

C. Social Services.

Social Services Director John Eller presented an informational update on Social Services programs. There are many changes taking place at the state and national level that have impacted many program areas within Social Services. A data review was provided to inform the Board regarding volume increases within Social Services. Some examples include that there are almost 26,000 Medicaid recipients and 29,000 Food Assistance recipients in the county receiving services. In addition, Foster Care numbers and the need for Adult Services continue to rise.

Social Services' mission remains unchanged: to strengthen, with dignity and respect, the quality of life for all citizens through supportive services and advocacy. These efforts are strengthened through Social Services strategic planning process which includes a focus on the following Board goals: vulnerable children are in safe, nurturing, financially stable environments; citizens will become or remain economically independent; vulnerable seniors and disabled adults are safe and have opportunities to

remain in their own homes; citizens will be knowledgeable of and satisfied with Social Services; Social Services will operate with the highest standards of effectiveness and efficiency, and children and families will have access to nurturing, education, support and treatment services to maximize family functioning.

This report was for information only – no Board action was required.

11. Other Items of Business: None.
12. Attorney's Report: None.
13. Manager's Report:  
Assistant County Manager Mary Furtado introduced Jenifer Della Valle who is a ICMA Intern with the County Manager's Office for the next 10 weeks.
14. Adjournment. Commissioner Hunsucker made a motion to adjourn. The meeting adjourned at 8:10 p.m. with a unanimous vote.

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Katherine W. Barnes, Chair  
Catawba County Board of Commissioners

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Barbara E. Morris  
County Clerk