

Regular Session, August 15, 2016, 7:00 p.m.
Catawba County Board of Commissioners

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The Catawba County Board of Commissioners met in regular session on Monday, August 15, 2016, at 7:00 p.m. in the 2nd Floor Meeting Room of the Catawba County Government Center, Newton, North Carolina. The change in location from the Board’s regular meeting location was due to the Soldiers Reunion in Newton.

Present were Chair Randy Isenhower, Vice-Chair Barbara G. Beatty and Commissioners Katherine W. Barnes, Sherry E. Butler and Dan A. Hunsucker.

Also present were Assistant County Managers Dewey Harris and Mary Furtado, County Attorney Debra Bechtel and County Clerk Barbara Morris. County Manager Mick Berry was absent.

1. Chair Randy Isenhower called the meeting to order at 7:00 p.m., noting a quorum was present.
2. Chair Isenhower led the Pledge of Allegiance to the Flag.
3. Commissioner Dan Hunsucker offered the invocation.

4. Commissioner Hunsucker made a motion to approve the minutes from the Board's Regular Meeting and Closed Session of August 1, 2016. The motion carried unanimously.
5. Recognition of Special Guests: Chair Isenhower welcomed everyone present, specifically acknowledging the press. He noted that at the recent North Carolina Association of County Commissioners Annual Conference Commissioner Barnes was inducted into the NCACC Hall of Fame and Vice-Chair Beatty was recognized for her 20 years as a commissioner.
6. Public Comments. None.
7. Public Hearings:
 - a. Scott Millar, President of Catawba County Economic Development Corporation, presented a request for the Board to hold a public hearing to receive citizen comments and consider approval of an Economic Development Agreement between the County and Peoples Bank, adoption of a related resolution, and authorizing the Chair to execute any other needed documents. Peoples Bank has been in its headquarters (HQ) location at US Hwy 321 Business for 20 years. Peoples Bank is considering the demolition of the rental spaces on the south end and complete renovation of the building, with estimates totaling \$4.0 million (\$2.6M construction, \$1.1M new equipment, \$275,000 contingency). It would retain 75 current employees and add 25 new professionals with salaries averaging \$50,000/year. The jobs would range from bankers to IT/technical staff to various administrative staff, but the average wage of the new jobs is significantly higher than the County average wage.

Peoples Bank considers it fairly unlikely to move a significant distance from Newton, but noted the strong tug of Charlotte for the high level of bank support staff opportunities. The EDC completed economic modeling specific to the project, finding the impact of the new project to be 107 jobs and \$21 million and the retained HQ to have the impact of 209 additional jobs and \$48 million in impacts.

The proposed economic development agreement is based on a contract with obligations requiring satisfactory performance by Peoples Bank under NC General Statutes. The contract requires a minimum investment of \$3,500,000, the creation of 25 new positions and the maintenance of 75 current positions at the headquarters. The proposed incentive would be an amount equal to 50% of the new ad valorem tax receipts generated as a result of the project after Peoples submits an annual proof of performance. Subject to County contractual commitments, the grant amount would be a maximum of \$50,313, payable in annual maximum amounts of \$10,063 for five years. Clawbacks are included in the agreement should the investment and job requirements not be met or sustained. The City of Newton approved a similar agreement in Open Session on August 2, 2016.

Commissioners clarified that the 25 additional jobs would be created by December 2017 and all jobs would be maintained for eight years to qualify for the incentives, as well as the construction start date would be almost immediately. Chair Isenhower noted it was very satisfying to do this type of incentive agreement with an existing business in Catawba County.

Chair Isenhower opened the public hearing; no one came forward to speak and Chair Isenhower closed the public hearing. Commissioner Hunsucker made a motion to approve the economic development agreement, adopt the necessary resolution and authorize the Chair to execute the documents. Chair Isenhower asked the resolution be revised to include reference to the maintenance of 75 jobs and creation of 25 jobs. The motion carried unanimously. The following resolution and agreement apply:

Resolution No. 2016-

Resolution Authorizing Economic Development Incentives for Peoples Bank

WHEREAS, Peoples Bank (herein referred to as "the Company") requested incentives to cause a minimum investment of \$3,500,000 including construction, upfit, and equipping of a facility at 510 West C Street in Newton, Catawba County by December 31, 2017, and the creation and maintenance of a minimum of 25 new jobs by December 31, 2017, along with maintaining the 75 existing jobs, all of which

must be maintained for a minimum of three years following the payment of the final incentive, with a requirement to not hire anyone 25 years of age or below without a minimum of a high school diploma, and that all jobs will pay in excess of the Catawba County average wage.

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

The Board of Commissioners approves a performance based grant, based on the minimum investment of \$3,500,000, the maintenance of 75 existing jobs and the creation and maintenance of 25 new jobs, with a maximum payment of \$10,063 per year for five years, with a maximum total incentive of \$50,313. This grant will be used to reimburse the Companies' expenditures as eligible under North Carolina General Statute 158-7.1. The Board of Commissioners also directs the County to execute a contract and any necessary resolutions or addenda between the Company and the County under these terms and conditions and authorizes the Chair to execute these documents.

This the ____ day of _____, 2016.

STATE OF NORTH CAROLINACATAWBA COUNTY AND PEOPLES BANK
COUNTY OF CATAWBAECONOMIC DEVELOPMENT AGREEMENT

This **JOINT ECONOMIC DEVELOPMENT AGREEMENT** (this "Agreement") is made and entered into this ____day of _____, 2016, by and between **Catawba County** ("County"), a North Carolina Body Politic Corporate in Nature, having a mailing address of **Post Office Box 389, Newton, NC, 28658**, and **PEOPLES BANK** ("Peoples Bank" or "Company"), a North Carolina corporation qualified to do business in the State of North Carolina, having a mailing address of 510 West C Street, Newton, North Carolina, 28658.

WITNESSETH:

WHEREAS, North Carolina General Statute (NCGS) 158-7.1 authorizes County to make appropriations for the purpose of aiding and encouraging the location of business enterprises and industrial and commercial plants in or near its boundaries and PEOPLES BANK is engaged in business enterprise within the meaning of NCGS 158-7.1; and

WHEREAS, PEOPLES BANK intends to equip and up-fit a headquarters facility ("Improvements") at 510 West C Street, Newton, North Carolina, 28658, Parcel ID # 373016728618 (the "Property"), at a cost of not less than Three Million Five Hundred Thousand Dollars (**\$3,500,000**) and intends to create a minimum of twenty-five (25) new jobs at the facility and retain seventy-five (75) permanent jobs, with the improvements to be made and new jobs to be created between May 1, 2016 and December 31, 2017 (the "Improvement Period"); and

WHEREAS, in an effort to encourage and maintain the highest educational attainment, Company agrees to require a minimum of a high school diploma or its equivalent (GED, Adult HS Diploma, etc.) for any permanent full-time employee 25 years of age or below; and

WHEREAS, PEOPLES BANK expects to be a community-oriented company and intends to participate in philanthropy, community events and programs intended to increase the health and happiness of its employees and the greater community as a whole; and to consider participation in the Catawba EDC's corporate Committee of 100 501(c)(3) non-profit sponsorship; and

WHEREAS, PEOPLES BANK is encouraged, to the reasonable extent possible, to purchase local services and supplies, such as, but not limited to, locally produced products, local hotel, motel and hospitality services, local building and construction services, and other products and services;

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION I – PEOPLES BANK, INC.

1. On or before September 30, 2016, PEOPLES BANK shall:

1.1 Deliver to County a certificate confirming that PEOPLES BANK owns the real Property on which it intends to install the Improvements that will result in the creation, maintenance and future availability of a minimum of 25 new jobs prior to December 31, 2017, and that the overall average weekly wage will equal or exceed 100% of the Average Weekly Wage established for Catawba County by the North Carolina Department of Commerce's Wage Standards for each year that County pays PEOPLES BANK the economic development incentive provided for herein. PEOPLES BANK affirms understanding of, and agrees to comply with, the Calendar of Responsibilities as outlined in Exhibit "A". Such certificate shall be in the form or substantially in the form of the certificate attached to this Agreement as Exhibit "A". It is understood and agreed the 25 new jobs referred to above means additional new jobs over and above the 75 existing jobs employed by PEOPLES BANK on May 1, 2016.

1.2 Provide an Opinion of Counsel for PEOPLES BANK, in form and substance reasonably satisfactory to County, that this Agreement has been duly authorized, executed and delivered by PEOPLES BANK; and

1.3 Provide an Opinion of Counsel for PEOPLES BANK, in form and substance reasonably satisfactory to County, stating that this Agreement is binding upon and enforceable against PEOPLES BANK, in North Carolina, in accordance with its terms.

2. In order to induce County to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, PEOPLES BANK represents and warrants that, as of the execution date hereof:

2.1 PEOPLES BANK is a North Carolina corporation qualified to do business in the State of North Carolina, has a place of business within the State of North Carolina, and is in good standing and authorized to do business in the State of North Carolina;

2.2 PEOPLES BANK has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted and has the corporate power and authority to execute and perform this Agreement;

2.3 The undersigned representative of PEOPLES BANK has the right, authority and duty to execute this Agreement in the name and on behalf of PEOPLES BANK;

2.4 This Agreement (i) is the valid and binding instrument and agreement of PEOPLES BANK, enforceable against PEOPLES BANK in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on PEOPLES BANK, the charter documents or operating agreement of PEOPLES BANK or any provision of any indenture, agreement or other instrument to which PEOPLES BANK is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which PEOPLES BANK is a party;

2.5 There is no suit, claim, action or litigation pending, or to the knowledge of PEOPLES BANK threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein;

2.6 There is no impediment to the use of the Property for the purposes contemplated by this Agreement.

2.7 PEOPLES BANK is not engaged in a business that would be exempt from property taxes.

3. PEOPLES BANK shall make or cause to be made investments to the Property and Improvements during the Improvement Period. Cumulative expenditures will meet or exceed Three Million Five Hundred Thousand Dollars (**\$3,500,000**) by December 31, 2017, all of which will qualify and result in additional value for ad valorem tax purposes as determined by the Catawba County Tax Office, and PEOPLES BANK further agrees to maintain in place, in good condition (ordinary wear and tear excepted), said Improvements for three years after the final incentive payment.

4. In addition to the 75 existing jobs employed by PEOPLES BANK on May 1, 2016, PEOPLES BANK shall create a minimum of 25 new jobs at the Property in Newton by December 31, 2017 and maintain or make available all jobs in place until three years after the final incentive payment. For the 25 new jobs, no jobs that are existing as of May 1, 2016 and are transferred from another Peoples Bank facility shall be included in the calculation. A job is defined as employment that provides 1600 hours or more of work in any 12 month period.

SECTION II – COUNTY

5. On or before September 30, 2016 County shall deliver to PEOPLES BANK an Opinion of Counsel for County, in form and substance reasonably satisfactory to PEOPLES BANK, that this Agreement has been duly authorized, executed and delivered by County; and stating that this Agreement complies with the terms and requirements of NCGS 158-7.1(a) and is binding upon and enforceable against County with its terms; and evidence in the form of a Resolution or Resolutions, or official minutes, which County duly adopted authorizing the economic development incentives set forth in this Agreement.

6. In order to induce PEOPLES BANK to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, County represents and warrants that, to the best of County's knowledge that, as of the execution date hereof:

- a. County is a North Carolina Body Politic Corporate in Nature existing under North Carolina law;
- b. County has the power and authority to carry on its business as now being conducted and has the power and authority to execute and perform this Agreement;
- c. The undersigned authorized representative of County has the right, authority and duty to execute this Agreement in the name and on behalf of County;
- d. This Agreement (i) is the valid and binding instrument and agreement of County, enforceable against County in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on County, the charter documents of County or any provision of any indenture, agreement or other instrument to which County is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which County is a party; and
- e. There is no suit, claim, action or litigation pending, or to the knowledge of County threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein.

7. Payment of Economic Development Incentives for Real and Personal Investments and for Job Creation in accordance with this Agreement shall be made as follows:

- a. County will provide annual payments equal to fifty percent (50%) of the ad valorem taxes associated with the additional value (exclusive of rolling stock) as paid to County for a five (5) year period, commencing with the taxes payable for the tax values on January 1, 2017, and January 1 of the

succeeding four (4) years for investments made pursuant to paragraph 3 above with maximum payments as reflected in the chart below.

b. In no event will the payments by County exceed Ten Thousand and Sixty Three Dollars (\$10,063) per year, or the cumulative amount of Fifty Thousand Three Hundred Thirteen Dollars (\$50,313).

Grant Year	Maximum Payment By County by Year
1	\$ 10,063
2	\$ 10,063
3	\$ 10,063
4	\$ 10,063
5	\$ 10,063
Total	\$ 50,313

c. Said amounts shall be payable annually, beginning in 2018 (Grant Year 1) payable through 2022.

Upon payment of ad valorem taxes by Company to County for each of 2017 through 2021 and certification by Company in the form or substantially in the form of the certificate attached hereto as Exhibit B, of Improvements made, proof of payment of taxes, verification that Company has created and maintained jobs as agreed herein, County will, within sixty (60) days, pay to Company an Economic Development Incentive payment the amount of which is calculated by multiplying by fifty percent (.50) times the total ad valorem tax revenue received by County attributable to the value of the Improvements made by Company pursuant to this Agreement in excess of the assessed tax value on the site and PEOPLES BANK's personal property values as of January 1, 2017.

d. Company shall furnish to County on or before March 5th of each calendar year, following and corresponding to the previous July 1st when taxes are billed, the certifications required by this Section 7 and proof of payment of all applicable taxes. If requested, Company shall provide County, at County's expense, independent certification as to such expenditures and number of existing jobs.

SECTION III - OTHER

8. Force Majeure. Notwithstanding the provisions of Paragraph 9, in the event PEOPLES BANK is unable to meet the requirements of this agreement as a result of (i) an event of force majeure, including but not limited to fires, explosions, acts of God, acts of public enemy, insurrections, riots, terrorism, embargoes, labor disputes, including strikes, lockouts and job actions, or boycotts; (ii) the inability to obtain the governmental permits or approvals (including zoning) necessary for the acquisition of the land or undertaking and operating the Improvements after a good faith effort to obtain same has been made; (iii) shortages of materials or energy; (iv) changes in laws; or (v) other causes beyond the control of and arising without the fault or negligence of PEOPLES BANK; then, in such event, the Improvement Period shall be extended for a period equal to the delay caused by any of the foregoing events so long as PEOPLES BANK shall (a) have furnished County on a timely basis, upon the occurrence of such event, a notice thereof, and (b) take all commercially reasonable steps necessary to relieve the effect of such event and to resume completion of the Improvements. In accord with the foregoing, should the PEOPLES BANK be unable to meet the requirements as described above as a result of a force majeure, the obligation of the County to pay as provided in Section II above, shall be suspended until such time as the PEOPLES BANK is relieved from the effect of an event of force majeure and resumes completion of the improvements.

9. It shall be an Event of Default if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

a. If PEOPLES BANK, except in the event of force majeure, shall commit a material breach of a material obligation hereunder (including without limitation, the obligation to meet the investment goals, maintain a minimum of 75 permanent jobs as of May 1, 2016 and, in addition, the creation and

maintenance of an additional minimum of 25 jobs as set forth herein) and such breach shall continue for a period of sixty (60) or more days following receipt of written notice from County;

b. If PEOPLES BANK fails to timely file Exhibit A, or Exhibit B on or before March 5 of each year, following and corresponding to the previous July 1st when taxes are billed, and any qualifying incentive would be due to PEOPLES BANK, this shall be deemed a breach of the Agreement and notwithstanding paragraph 10 below, the sole remedy will be that County will not owe PEOPLES BANK any incentive that may have otherwise been due had those filings properly been made when due.

c. If any material representation, warranty or other statement of fact contained in this Agreement or in any final writing, certificate, report or statement furnished by PEOPLES BANK to County in connection with the transaction described in this Agreement, shall, to PEOPLES BANK's knowledge, to be false or misleading in any material respect at the time given;

d. If PEOPLES BANK shall be unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator or conservator of themselves or of the whole or any substantial part of their property; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state;

e. If County, except in the event of force majeure, fails to pay PEOPLES BANK when such payment is due or is otherwise unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of an emergency manager, receiver, trustee, liquidator or conservator or any similar entity; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or North Carolina;

f. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of PEOPLES BANK or of the whole or any substantial part of their properties, or approves a petition filed against PEOPLES BANK seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of PEOPLES BANK or of the whole or any substantial part of their properties;

g. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing an emergency manager, custodian, receiver, trustee, liquidator, or conservator or any similar entity for County, or approves a petition filed against County seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of County; or

h. If PEOPLES BANK shall allow its taxable assets, employment and average wage amounts to fall below the minimum values agreed upon in this Agreement, as each of the same pertain to the facility contemplated by this Agreement.

10. County Remedy: If PEOPLES BANK fails to cure an Event of Default for which it receives written notice from County, the obligation of County as set out herein shall terminate, and PEOPLES BANK shall immediately refund to County all economic development incentive payments paid to PEOPLES BANK prior to the date of the Event of Default plus interest at the rate of prime plus one percent (1%). The date the prime interest rate shall be determined shall be the date the PEOPLES BANK receives the notice of the Event of Default and prime will be the prime rate as published in the *Wall Street Journal (WSJ)*. PEOPLES BANK shall, as it relates to an Event of Default, have sixty (60) days after receipt of the notice required above, or such longer period to which the parties agree in writing to cure the Event of Default.

11. PEOPLES BANK Remedy: If County fails to cure an Event of Default for which it receives written notice from PEOPLES BANK, the obligations of PEOPLES BANK as set out herein shall terminate. County shall, as it relates to an Event of Default, have sixty (60) days after receipt of the notice required above, or such longer period to which the parties agree in writing to cure the Event of Default.

12. PEOPLES BANK and County acknowledge that any monies appropriated and expended by County for economic development incentives, as provided in this Agreement, are for a bona fide public purpose and are expended in good faith reliance on NCGS 158-7.1. In the event a Court of competent jurisdiction rules to which either PEOPLES BANK or County is a party, that all monies expended by County pursuant to this Agreement were not offered and accepted in good faith and in compliance with NCGS 158-7.1 and, further, that such monies must be repaid, PEOPLES BANK will make such repayment to County. In the event one or more lawsuits are brought against County or any County elected official, officer, agent or employee, or PEOPLES BANK, challenging the legality of this Agreement, then County and PEOPLES BANK shall exercise their best efforts to defend against any and all such lawsuits, at their own cost and expense. In any event, if PEOPLES BANK is required to repay funds to County pursuant to this paragraph 12, the benefit of this Agreement to PEOPLES BANK will have been lost and all further obligations of PEOPLES BANK hereunder shall terminate.

13. All notices, certificates or other communications required or permitted to be given or served hereunder shall be deemed given or served in accordance with the provisions of this Agreement if the notice is (i) mailed in a sealed wrapper and is deposited in the United States mail, certified mail, return receipt requested, postage prepaid, or (ii) deposited with a national overnight courier service that retains receipts for its deliveries, properly addressed as follows:

County of Catawba: Catawba County
Attn: County Manager
PO Box 389
Newton, NC 28658

Copy to: County Attorney
Attn: Debra Bechtel, County Attorney
PO Box 389
Newton, NC 28658

Company: PEOPLES BANK, INC.
Attn: Lance Sellers, _____(Title)

Newton, NC 28658

County or PEOPLES BANK may, by notice given to the other, designate any further or different addresses to which notices, certificates, requests or other communications shall be sent.

14. This Agreement shall inure to the benefit of, and is binding upon, County and PEOPLES BANK and their respective successors and assigns. However, neither this Agreement, nor any rights, privileges, nor claims created by this Agreement may be transferred by PEOPLES BANK without the prior, written approval of County, which approval will not be unreasonably withheld.

15. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified or altered except by written agreement of the parties.

16. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of this Agreement.

17. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.

18. Controlling Law and Venue. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina; venue of any action shall be in the general courts of justice in Catawba County, or if in Federal court in the Western District of North Carolina.

19. The term of this Agreement shall commence on the date of execution and expire upon payment by County of all payments due to PEOPLES BANK and PEOPLES BANK fulfilling all of its requirements including real and personal property investments and the creation and maintenance of jobs, unless earlier terminated as provided herein.

20. Both PEOPLES BANK and County acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and that it has been drafted by Counsel for both PEOPLES BANK and County. As such, the doctrine of construction against the drafter shall have no application to this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

b. Social Services Director John Eller presented a request for the Board to hold a public hearing to receive citizen comments and approve the submission of a Federal 5310 Urban grant application, to the Greater Hickory Metropolitan Planning Organization, for the Enhanced Mobility of Seniors and Individuals with Disabilities Program. The Section 5310 program requires two grant applications, one for trips originating in urban areas, and one for trips originating in rural areas.

Social Services has applied for, and received funds for this grant the past three years. The request for urban funds will be submitted to the Greater Hickory Metropolitan Planning Organization, and is due no later than August 26, 2016. Staff will apply for the rural funds, as soon as they are made available by the Department of Transportation, which is expected to be within the next two - three months.

For both FY 15/16 and 16/17, Social Services received \$150,000 in urban funds (including 20% match) and \$125,000 (including 10% local match) for rural funds. Staff will be requesting the same amounts for next fiscal year. Catawba County will continue to contract with Western Piedmont Regional Transit Authority (WPRTA), dba Greenway, to provide transportation funded by Section 5310. The funds will allow seniors and individuals with disabilities, to primarily attend the congregate nutrition program, have access to essential shopping, medical appointments, pharmacy, banking, and other essential services. Additionally, as funds allow, transportation will be provided for individuals to access education and employment opportunities, volunteer activities, senior centers, and Adult Day Care/Day Health programs when no other transportation is available.

A total of \$300,000 will be requested for trips originating in urban areas in FY July 1, 2017-June 30, 2019, a two year grant period. The grant requires a 20% local match. There is no state match available for the 5310 urban grant. Social Services will provide the match utilizing current local funding allocated for senior transportation. There will be no increased cost to the County. Approximately 100-180 individuals will receive transportation for the period of the grant (July 1, 2017-June 30, 2019). Many of the seniors will utilize transportation for multiple purposes and a large percentage of the target population will utilize transportation daily. Providing transportation will allow older adults the opportunity and the choice to remain active and involved in the community.

Commissioners confirmed that 100-180 unduplicated individuals would be assisted by this grant. Mr. Eller stated Social Services would continue to seek other grant opportunities for this purpose and he thanked Tami Hefner for her work on this grant.

Chair Isenhower opened the public hearing; no one came forward to speak and Chair Isenhower closed the public hearing. Commissioner Sherry Butler made a motion to approve the submission of this grant application. The motion carried unanimously.

c. Chief Financial Officer Bob Miracle presented a request for the Board to hold a public hearing to receive citizen comments and approve a resolution authorizing the installment financing contract with TD Bank of up to \$55,000,000, related documents for various construction projects at CVCC and the three school districts, and the refunding of debt.

CVCC and the three school districts have various capital needs that require financing. Those projects total \$38,000,000 and include constructing, equipping and furnishing the Workforce Solutions Complex (to support business and industry) and renovating certain facilities and acquiring and installing equipment at Catawba Valley Community College; constructing a fieldhouse at Fred T. Foard High School; acquiring and installing technology improvements for the Hickory City School System, constructing bleachers at Newton-Conover High School, replacing the roof at North Newton Elementary School, and renovating Conover School.

The County also has the opportunity to refinance prior financing obligations of up to \$17,000,000 that will result in a Net Present Value (PV) Savings on the Series 2009 bonds of \$571,759 or 6.40% of refunded bonds and a Net PV Savings on the Series 2010 bonds of \$176,195 or 3.37% of refunded bonds. The County hired First Tryon Advisors for its financial advisor for this transaction and issued a Request for Proposals for financing. After negotiations, the County received the best offer from TD Bank which provided a fixed interest rate of 1.76% over 15 years. This is the lowest fixed interest rate the County has ever received for this term.

All local governments in North Carolina that borrow funds greater than \$500,000 or 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 notice for this public hearing was advertised at least ten days in advance of the meeting, per state law. The LGC will consider this financing at its September 6th meeting in Raleigh. The closing with TD Bank will take place on September 27th.

Commissioners clarified that TD Bank was based in Canada but also has a presence in Asheville. After Mr. Miracle indicated there was a provision in the contract that if the County's bond rating went down, the loan interest rate would increase, Chair Isenhower asked that Mr. Miracle clarify that should the County's bond rating then return to the higher rating that the interest rate would again be reduced. Mr. Miracle indicated that efforts to improve the Standard and Poors bond rating for the County, based on current indicators, were forthcoming.

Chair Isenhower opened the public hearing; no one came forward to speak and Chair Isenhower closed the public hearing. Commissioner Katherine W. Barnes made a motion to approve the resolution authorizing the subject financing and approve related documents. The motion carried unanimously. The following resolution apply:

Resolution No. 2016-15

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

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

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

WHEREAS, the Board of Commissioners of the County (the "*Board*") has previously determined that it is in the best interest of the County to (1) finance all or a portion of the costs of (i) constructing, equipping and furnishing a workforce solutions complex (the "*Workforce Solutions Complex*") at Catawba Valley Community College ("*CVCC*") and renovating certain facilities and acquiring and installing equipment at Catawba Valley Community College, (ii) constructing a fieldhouse at Fred T. Foard High School, (iii) acquiring and installing technology improvements for the Hickory City School System and (iv) constructing bleachers at Newton-Conover High School, replacing the roof at North Newton Elementary School and renovating Conover School ((i) through (iv) are collectively referred to as the "*2016 Projects*") and (2) refinance prior installment financing obligations of the County, the proceeds of which financed capital projects of the County (the "*Prior Projects*" and collectively with the 2016 Projects, the "*Projects*"), that would result in debt service savings;

WHEREAS, the Board hereby determines that it is in the best interest of the County to enter into an Installment Financing Contract dated as of September 1, 2016 (the "*Contract*") between the County and TD Bank, N.A. (the "*Bank*") in order to (1) finance all or a portion of the costs of the 2016 Projects, refinance the Prior Projects and (3) pay certain costs incurred in connection with the execution and delivery of the Contract;

WHEREAS, the Board hereby further determines that it is in the best interest of the County to execute and deliver a Deed of Trust, Security Agreement and Fixture Filing dated as of September 1, 2016 (the "*Deed of Trust*") to the deed of trust trustee named therein for the benefit of the Bank, granting a lien on the County's fee simple interest in the real property on which the Workforce Solutions Complex will be located and on which Fred T. Foard High School is located, as more particularly described in the Deed of Trust, and the improvements thereon (collectively, the "*Mortgaged Property*"), in order to secure the County's obligations under the Contract;

WHEREAS, the Board adopted a resolution on June 20, 2016 making certain findings with respect to the Contract, the Deed of Trust and the financing and refinancing of the Projects;

WHEREAS, the Board conducted a public hearing on August 15, 2016 to receive public comments on the Contract, the Deed of Trust and the financing and refinancing of the Projects and on the acquisition of the property related to the Workforce Solutions Complex from CVCC;

WHEREAS, the County has filed an application with the LGC for approval of the LGC with respect to the County entering into the Contract in an aggregate principal amount of not to exceed \$55,000,000, and the County hereby determines that all findings, conclusions and determinations of the County in this Resolution are subject to such approval by the LGC;

WHEREAS, there have been described to the Board the forms of the following documents (collectively, the "*Instruments*"), copies of which have been made available to the Board, which the Board proposes to approve, enter into and deliver, as applicable, to effectuate the proposed installment financing:

- (1) the Contract;
- (2) the Deed of Trust;
- (3) a Lease dated as of September 1, 2016 (the "*Lease*") between the County and CVCC; and
- (4) a Construction and Acquisition Agreement dated as of September 1, 2016 (together with the Lease, the "*College Documents*") between the County and CVCC; and

WHEREAS, it appears that each of the Instruments is in appropriate form and is an appropriate instrument for the purposes intended;

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

Section 1. ***Ratification of Prior Actions.*** All actions of the County, the County Manager, the Chief Financial Officer and the Clerk to the Board and their respective designees (the "*Authorized Officers*") in effectuating the proposed financing and refinancing of the Projects and the acquisition of the property related to the Workforce Solutions Complex from CVCC are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. ***Approval, Authorization and Execution of Contract.*** The County hereby approves the financing and refinancing of the Projects in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The County hereby approves the amount advanced by the Bank to the County pursuant to the Contract in an aggregate principal amount not to exceed \$55,000,000, such amount to be repaid by the County to the Bank as provided in the Contract. The form, terms and content of the Contract are in all respects authorized, approved and confirmed, and the Authorized Officers are authorized, empowered and directed, individually and collectively, to execute and deliver the Contract for and on behalf of the County, including necessary counterparts, in substantially the form presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Contract, the Authorized Officers are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

Section 3. ***Acquisition of Property and Approval, Authorization of Deed of Trust.*** The Authorized Officers are authorized, empowered and directed, individually and collectively, to take all actions and execute and deliver the documentation necessary to acquire the property related to the Workforce Solutions Complex from CVCC. The form, terms and content of the Deed of Trust are in all respects authorized, approved and confirmed, and the Authorized Officers are authorized, empowered and directed, individually and collectively, to execute and deliver the Deed of Trust for and on behalf of the County, including necessary counterparts, in substantially the form presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Deed of Trust, the Authorized Officers are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

Section 4. ***Approval, Authorization of College Documents.*** The form, terms and content of each of the College Documents are in all respects authorized, approved and confirmed, and the Authorized Officers are authorized, empowered and directed, individually and collectively, to execute and deliver each College Document for and on behalf of the County, including necessary counterparts, in substantially the form presented to the Board, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of each College Document, the Authorized Officers are hereby authorized, empowered and directed, individually and collectively, to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such College Document as executed.

Section 5. ***Further Actions.*** The Authorized Officers are each hereby designated as the County's representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments. The Authorized Officers are authorized and directed, individually and collectively, to proceed with the financing and refinancing of the Projects in accordance with the terms of the Instruments and to seek opinions on matters of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all

documents contemplated hereby as required by law. The Authorized Officers are hereby authorized to designate one or more employees of the County to take all actions which the Authorized Officers are authorized to perform under this Resolution, and are in all respects authorized on behalf of the County to supply all information pertaining to the transactions contemplated by the Instruments. The Authorized Officers are authorized, individually and collectively, to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments or as they may deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution and for the on-going administration of the Instruments.

Section 6. **Repealer.** All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

Section 7. **Severability.** If any section, phrase or provision of this Resolution is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Resolution.

Section 8. **Effective Date.** This Resolution is effective on the date of its adoption

8. Appointments.

Chair Isenhower recommended the reappointment of Jeffrey Bronnenberg for a fifth term on the Alcohol Beverage Control Board. Chair Isenhower also recommended Mr. Bronnenberg be reappointed as Chair of this Board. This term will expire August 31, 2019. This recommendation came in the form of a motion, which carried unanimously.

9. Departmental Reports.

Technology.

Purchasing Manager Debbie Anderson and Chief Information Officer Rick Pilato presented a request for the Board to award the bid for audio visual needs for the Justice /Public Safety Center expansion to Technical Innovations, Charlotte, in the amount of \$1,340,970.18. Sufficient funds are available within the project.

The expansion of the Justice Center currently underway includes the build-out of five additional courtrooms, judges' chambers, jury deliberation rooms, attorney and witness conference rooms, Clerk of Court and Community Corrections office space, District Attorney's office space, and meeting room space. The Public Safety expansion includes an updated Emergency Operations Center (EOC), E-911 Call Center, Veterans Services office, and space for Public Safety Administration. There are significant audio visual needs throughout all of these areas.

Major elements of audio/video equipment and functionality planned for the new space include: Technology to accommodate information display and sharing. One system will link the E-911 Call Center, the EOC, and Emergency Services Administration. This same software will be leveraged on a separate system for the courtrooms and various meeting rooms; integrated audio systems for each of the five courtrooms as well as the Commissioners' meeting room. This system will have the flexibility to be controlled by designated personnel and will include integrated wireless assisted hearing devices, and microphones; building-wide Internet Protocol-based (IP) intercom system that enables partitioning of messages throughout the building; podiums / lecterns wired to support the installation of DVD/Blue Ray players, document cameras, and document annotators (which allow real-time viewing of changes, comments, highlighting, etc. to documents); digital signage in central lobbies to share information (such as court rosters) and direct building patrons as needed; integrated touch panel control systems for all video, audio, and lighting system components, and building-wide upgraded wireless connection points to ensure reliable connection speeds, enabling staff and visitors to work effectively.

Audio visual drawings and specifications were prepared by the County's technology consultant (Federal IT) and issued as a Request for Proposal for technology goods and services. Proposals were received on July 14, 2016 from three vendors:

AVI-SPL, Greensboro (\$1,033,004.60 – note: AVI-SPL missed pricing some components in its original submittal, which added \$141,962.12 to their proposal); Seedcomm, Winston-Salem (\$1,080,665.35), and Technical Innovations, Charlotte (\$1,717,658.59). All three vendors made presentations and were interviewed by the evaluation committee. The evaluation committee consisted of IT staff, purchasing staff and the technology consultant. Each independently reviewed and ranked the proposals.

AVI- SPL:

AVI's proposal was similar in scope to Technical Innovations and met the minimum requirements of the RFP. However, this company did not submit all the documents requested in the bid package, nor did they provide per-room pricing as requested. Further, the bid documents asked for references for projects completed with similar scopes of work. AVI-SPL did not provide references for an Emergency Operations Center or any E-911 projects. The bid documents also requested a resume from the project manager; AVI-SPL provided several staff resumes (with varying degrees of comparable project experience), stating that a specific project manager would not be assigned until the bid is awarded. The evaluation committee seriously considered AVI-SPL and asked them to come for a second interview. This interview provided a comfort level that they understood and were capable of completing the scope of work, but resulted in them providing more information that should have been provided with the original bid package. This firm also omitted some components in the proposal, as noted above.

Seedcomm:

Seedcomm submitted a completely different technology solution than what was specified. The solution was intriguing; however, the evaluation committee did not feel comfortable using a product unproven in critical emergency response functions like the EOC and E-911 Center. Further, the bid required the vendor and proposed project manager to have experience with similar scopes of work. Seedcomm did not have this experience, which makes them a non-responsive bidder and disqualifies them from consideration.

Technical Innovations:

Technical Innovations submitted the most thorough proposal to the County, and they were well-prepared for the presentation and interview process. The County has positive past experience with Technical Innovations. Technical Innovations has supported the County in various A/V implementations including the 1924 Courthouse meeting room up-fit, the recent Agricultural Resources Center up-fit project, and upgrading the audio equipment in the current Justice Center Courtrooms. Additionally, the technology consultant recently worked with the firm on a large audio visual project for the City of Raleigh. Technical Innovations has experience in all areas of this project (i.e., audio visual for the courtrooms and the Emergency Operations Center/E-911 Center), with good references. The review committee rated all three vendors, and Technical Innovations scored the highest. Since the proposal from Technical Innovations was higher than the other responsive bid, County staff negotiated with the firm and came to agreement on a contract price of \$1,340,970.18, a reduction of \$391,288.41.

Commissioners questioned whether a longer maintenance warranty could be negotiated and staff indicated that there would be a dedicated staff member for this system which would keep maintenance needs low; the system would work with the CISCO system and will not be outdated in the near future; there would be a dedicated backup system for the data center/911/Emergency services with full redundancy; generators would support 911 and there were three levels of redundancy and generators are tested on a weekly basis; generators are diesel and the diesel fuel is checked every six month but would be increased to quarterly; a partitioned audio system would be used – announcements can be made to specific rooms or the whole building; and the project manager who is assigned to this project has worked on projects of this size.

Commissioner Butler made a motion to award the bid as staff recommended. The motion carried unanimously.

10. Other Items of Business:

Vice-Chair Barbara G. Beatty congratulated Public Health on its Carolina Star Award.

11. Attorneys Report.
County Attorney Debra Bechtel reported U.S. District Court Middle District Case 1:14CV-701, Ann Bowman and Amy Gosnell, plaintiffs, vs. Catawba County, et. al., defendants, was dismissed by the Court based on defendants' arguments.
12. Manager's Report: None.
13. Adjournment.
Commissioner Hunsucker made a motion to adjourn at 7:55 p.m. The motion carried unanimously.

Randy Isenhower, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk