

COLUMBUS COUNTY BOARD OF COMMISSIONERS**Monday, June 15, 2009****6:30 P.M.**

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Dempsey B. Herring Courthouse Annex Building, located at 112 West Smith Street, Whiteville, North Carolina, for the purpose of holding a Public Hearing and the scheduled Regular Session on the third Monday.

COMMISSIONERS PRESENT:

James E. Prevatte **Chairman**
 Amon E. McKenzie
 Giles E. Byrd
 Edwin Russ
 Lynwood Norris
 Ronald Gore

APPOINTEES PRESENT:

William S. Clark, **County Manager**
 Terri L. Martin, **Interim County Attorney**
 June B. Hall, **Clerk to Board**
 Bobbie Faircloth, **Finance Officer**

COMMISSIONER ABSENT:

Ricky Bullard, **Vice Chairman**

6:30 P.M.

PUBLIC HEARING: Use of Community Development Block Grant (CDBG) Funds - the purpose of this Public Hearing is to receive oral and written comments on the use of the CDBG funds.

PUBLIC HEARING CALLED to ORDER:

At 6:30 P.M., Chairman Prevatte called the Public Hearing to order and requested William S. Clark, County Manager, to read the information pertaining to this Public Hearing.

Mr. Clark stated the following:

1. The purpose of this Public Hearing is to receive citizens' comments regarding the use of Community Development Block Grant (CDBG) funds from the North Carolina Department of Commerce and the U.S. Department of Housing and Urban Development;
2. To notify the public of the county's intent to apply for these funds;
3. CDBG funds were designed to benefit low and moderate income residents that was established by the 2009 HUD income levels;
4. CDBG categories of grant funding include: 1) Community Revitalization Projects, which could include housing rehabilitation, clearance, relocation, water, sewer, drainage, and street improvements; 2) Infrastructure Improvement Projects, which could include water and/or sewer improvements; 3) Housing Development Projects, which could provide funding for the development of new low-to-moderate income housing; 4) Infrastructure Improvement Projects, which could promote Economic Development; or 5) Scattered Site Housing Projects;
5. CDBG applications require two (2) public hearings;
6. In the past, we have had two (2) public hearings for every CDBG application submitted annually;
7. This first public hearing satisfies the requirement for the first public hearing for any application submitted in 2009;
8. On the second public hearing, we will discuss the proposed project;
9. This public hearing will be a blanket public hearing for the rest of the year, then we will only have to hold one (1) public hearing for each project.

COMMENTS:

No comments were received either orally or written.

PUBLIC HEARING CLOSED:

At 6:33 P.M., Commissioner Norris made a motion to close the Public Hearing, seconded by Commissioner Byrd. The motion unanimously passed.

REGULAR SESSION:

Agenda Item #1, #2 and #3: MEETING CALLED to ORDER, INVOCATION and PLEDGE of ALLEGIANCE:

At 6:33 P.M., Chairman James E. Prevatte called the June 15, 2009 Columbus County Board of Commissioners Regular Session Meeting to order. The invocation was delivered by Commissioner Ronald Gore. Everyone in attendance stood and pledged Allegiance to the Flag of the United States of America, which was led by Commissioner Amon E. McKenzie.

Agenda Item #4: BOARD MINUTES APPROVAL:

Commissioner Norris made a motion to approve the June 01, 2009 Regular Session Board Meeting Minutes, as recorded, seconded by Commissioner Gore. The motion unanimously passed.

Agenda Item #5: PUBLIC INPUT:

Chairman Prevatte opened the floor for public input. The following spoke.

1. **Frank M. Foronda (private citizen-Veteran):** stated the following:
 - A. I am adamantly opposed to Item #15;
 - B. There are five (5) branches of the military, and they are the Army, Navy, Air Force, Coast Guard and the Marines;
 - C. The Coast Guard is part of the Department of Treasury and has always participated at a combat level;
 - D. I am a recipient of two (2) Purple Hearts, and one (1) of these Purple Hearts caused me to be in a military hospital for eight (8) months;
 - E. I did not receive an automatic compensation for disability, and, in fact, I could not apply for disability until I retired;
 - F. I did not receive the disability compensation until a year after I filed for it, and it was by no means \$1,000; **and**
 - G. If any of you have family members that served in the Merchant Marines, I suggest that you withdraw from this vote because that is not a perception of a conflict of interest, it is a conflict of interest.

2. **Lloyd Gore (private citizen-Veteran):** stated the following:
 - A. I agree with Comrad Foronda;
 - B. I did not see any Merchant Marines;
 - C. It is my understanding the Merchant Marines were a civilian organization, and they signed a contract each time they went overseas;
 - D. I realize they got some of the action during the early part of World War II; **and**
 - E. I strongly disapprove of the resolution that is being presented to you tonight.

3. **Michael Clemmons (private citizen - Veteran):** stated the following:
 - A. Thank you for the opportunity to speak, and it is one of the freedoms in this country that we may do so;
 - B. I come from a family of a long list of veterans, as follows:

Father	Korean War and World War II	22 ½ Years
Myself	Vietnam War Conflict-1966	3 Years
(Purple Heart-shot in both legs)		
Brother (Johnny)	Sergeant Major	29 Years
(Two (2) tours Vietnam, Purple Heart recipient, died at age 55 from Agent Orange)		
Brother (Steven)	Retired Colonel, Military Intelligence, the first two (2) Gulf Wars)	
 - C. I have several friends who were Merchant Marines;
 - D. As a Merchant Marine, you can quit at any time, and as a soldier, you can not;
 - E. If I had quit as a soldier, I would have been shot in the back;
 - F. I will be sixty-three (63) years old in July, and a pipefitter by trade at International Paper for 23 ½ years;
 - G. I would still be working if I could have found a desk job or gone back to work under a GI bill situation, but I did not even get that;
 - H. Now I am one hundred (100%) percent disabled;
 - I. I fought over twenty (20) years to get that, and it came in increments;

- J. I have had twelve (12) operations on my right knee, no knee cap, total joint replacement, two (2) on my left, and now I find out that I got neuropathy, nerve damage from Agent Orange, Type II Diabetes; **and**
- K. I respectfully ask you to not vote for this resolution, it is not right, and as an American, if you do vote for it, you are spitting in my face.
4. **Rasheed A. Rahman (private citizen-Veteran):** stated the following:
- A. I would like to say Amen to what Mr. Cllemmons has stated;
- B. I am a frost bite victim;
- C. I got out in 1990, and I am still fighting, and I am not one hundred (100%) percent;
- D. My father was a World War II Veteran, and is receiving three hundred and 00/100 (\$300.00) dollars per month, and he served valiantly;
- E. I stand with the representatives that represent me;
- F. If you support this Resolution and allow the Merchant Marines to receive an automatic one thousand and 00/100 (\$1,000.00) dollars per month, then every veteran should receive this same amount; **and**
- G. I am representing the people from Post 233 in Whiteville as a Service Officer.
5. **Curtis Andrews (private citizen-Veteran):** stated the following:
- A. I served in Vietnam during 1967 and 1968;
- B. As hard as we have fought for our benefits and they tell us that they don't have any money, and they will take one thousand and 00/100 (\$1,000.00) dollars and throw it around like that, that is hard for me to believe;
- C. Even if you are injured, you have a hard time getting one thousand and 00/100 (\$1,000.00) dollars;
- D. This does not set very well with me;
- E. I had to crawl around on the ground during my tenure in the service and they called me snake;
- F. As a young man in 1967, I wanted to join the Merchant Marines, and they told me I could not, because I wanted to make some of that big money, too;
- G. The Merchant Marines made more money during their tenure than I have ever received from the VA;
- H. Now, you are telling me, during this budget crunch, that you are going to just give them one thousand and 00/100 (\$1,000.00) dollars, with no injury, just give it to them;
- I. Our two (2) Veteran Service Officers are to be highly respected because they have represented the Veterans of Columbus County well, and I hope that I have represented this country well;
- J. I put my life on the line, I cried, I prayed, I crawled, and I did everything I could to stay alive;
- K. I can not believe anyone could support such a thing; **and**
- L. This causes a division in this country and we do not need a division.

Agenda Item #6: BUDGET - ADOPTION of the PROPOSED 2009 - 2010 COLUMBUS COUNTY OPERATING BUDGET:

William S. Clark, County Manager, requested Board approval and adoption of the Proposed 2009 - 2010 Columbus County Operating Budget. Mr. Clark presented the following Budget Message and Budget Ordinance.

B U D G E T M E S S A G E

TO: Mr. James Prevatte, Chairman
Columbus County Board of Commissioners

FROM: William S. Clark
Columbus County Manager

DATE: June 15, 2009

RE: Columbus County Fiscal Year 2009-2010 Budget Message

Overview

The Proposed Budget for fiscal year 2009-2010 is presented in accordance with the North Carolina

Budget and Fiscal Control Act, North Carolina General Statute 153A-82. North Carolina law states that a balanced budget must be publicly presented by June 1 and a balanced budget adopted by June 30. We are pleased to present a budget that is balanced without a property tax increase.

The Medicaid swap was an important factor in balancing our budget. The county's net Medicaid appropriation was reduced by approximately \$4 million dollars. By bidding our employee health care insurance, premiums were kept to a slight increase of only 4% which is a savings over a proposed 16% increase from Blue Cross/Blue Shield of \$466,348.

Special district taxes for Water Districts II and II are again proposed. An increase of \$10.00 in trash can user fees to \$210.00 for county residents and \$123.00 for municipal residents is recommended to cover the increasing cost of operating the Solid Waste Department.

Below you will find a general overview of some of the highlights of this proposed budget:

2009-2010 General Fund	2008-2009 General Fund	Decreased Dollars	%
\$48,305,307	\$53,975,572	\$5,670,265	11%
2008-2009 Total Budget	2007-2008 Total Budget	Decreased Dollars	%
\$68,168,369	\$75,307,823	\$7,139,454	9%)

Expense and Capital Increases

Additional Emergency Service Cost (General Fund)	\$ 94,907
Public Buildings - Library repair and paving-parking lot	\$ 11,500
Social Service-Computers	\$ 30,000
Sheriff's Office - Lease for 4 new vehicles	\$ 32,800
Lumber River Council of Government	\$ 2,101
Recreation -Chadbourn Parks and Recreation Subsidy	\$ 23,225
Elections - Repair and Paving of Parking Lot / Ramp	\$ 15,000
Public Building - Replace Air Conditioner Lobby and Registration	\$ 15,500
Livingston Creek Match	\$ 40,000
Juvenile Justice- Heat Pump	\$ 12,000
Contingency	\$100,000
Airport Projects	\$ 96,860
Transportation - Van purchases	\$217,850
Health Department - Computers/Software	\$ 62,308
Parks and Recreation - Fencing and Light Fixtures	\$ 20,000
Department of Aging - Van Purchase	\$ 10,000
TOTAL:	\$566,201

Employee COLA Adjustments, 401K, and Insurance Premiums

A 401-K contribution of 1% has been budgeted this year. Health care insurance was bid this year, and effective July 1, Cigna will become the County's health care insurance provider. Insurance premiums will increase by 4%. Hospital deductibles, physician and prescription co-pays will change.

Personnel Increases

There are no new positions remains in this budget.

Enterprise Funds

Solid Waste – Solid Waste fees are proposed as follows:

	2009/2010	2008/2009
Regular Tipping Fees	56.76/ton*	55.45/ton
LCID Tipping Fees	39.93/ton	38.96/ton

Trash Can User Fees:	A) County Residents	\$210.00/year (Increase of \$10.00)
	B) Municipal Residents	\$123.00/year (Increase of \$10.00)

Tipping fee increases are necessary to offset a proposed CPI increase by Waste Management effective January 1, 2010. *Also included in the tipping fees increase is a \$2.93 per ton solid waste disposal tax. \$2.00 of this tax was mandated by the Solid Waste Management Act of 2007 for cleanup of old landfills sites and to strengthen environmental standards for new landfills. The additional 0.93 cents is for administrative fees charged by the county's garbage recipient in Sampson

County.

Water District I –No rate change. Water District I’s revenues are sufficient to pay its expenditures. The minimum charge for the first 2,000 gallons is \$21.00 and \$4.00 per thousand gallons for all usage over the first 2,000 gallons will remain the same as the previous year.

Water District II – No rate change. The special district tax of 7 cents (projected at \$244,000) is proposed to help pay the projected debt service of approximately \$425,552 for fiscal year 2009-2010. A flat rate fee of \$25.00 for the first 2,000 gallons and \$4.00 per thousand gallons over the first 2,000 gallons is again recommended for the 2009-2010 fiscal year.

Water District III – No rate change. The special district tax rate of 11 cents (approximately \$217,000) is again proposed to fund the projected debt service of \$318,000. A flat rate of \$25.00 for the first 2,000 gallons and \$4.00 per thousand gallons is again calculated for the 2009-2010 fiscal year..

Water District IV – No rate change. Rates in Water District IV are again proposed at the current rate of a \$24 minimum fee, and \$4.00 per thousand for all usage over the first 2,000 gallons.

Water District V – No rate change. Rates in Water District V are again proposed at the current \$21 minimum fee and \$4.00 per thousand for usage over the first 2000 gallons.

Additional Sources of Revenue

Ad-valorem Property Tax Collections – Tax collections are calculated based on a collection rate of 96%, at the current rate of 81.5 cents per \$100.

Transfers from Other Departments to the General Fund – Total transfers to the General Fund from other departments are as follows:

\$ 79,642 - Health Department	\$ 16,095 - WD I	\$ 104,777 - WD II
\$ 91,250 - WD III	\$ 3,737 - WD IV	\$ 4,482 - WD V
\$ 33,916 - Solid Waste	\$ 23,482 - HUD	\$ 13,705 - Transportation

The transferred amount of \$371,086 is the equivalent of approximately one and one half cents of property tax that is not required in this fiscal year budget.

Education

Total allocations for city and county schools, and Southeastern Community College are funded with the same three (3%) percent increase over the funding levels of fiscal year 2007-2008 as originally approved in our fiscal year 2008-2009 budget.

Conclusion

Staff has worked hard to provide you with a balanced budget for fiscal year 2009-2010 without a tax increase. I would like to thank Finance Officer Bobbie Faircloth and our department managers for their efforts in the development of this budget.

Thank you for your consideration of this proposal.

Respectfully submitted,
/s/ William S. Clark
Columbus County Manager

**COLUMBUS COUNTY BUDGET ORDINANCE
FISCAL YEAR 2009 - 2010**

BE IT ORDAINED by the Board of Commissioners of Columbus County, North Carolina

Section 1: The following amounts are hereby appropriated in the General Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Governing Body	237,197
Administration	274,635
Personnel	125,626

Purchasing & Safety	159,316
Finance	317,772
Tax Administration	1,011,694
County Attorney	236,995
Court Facilities	190,007
Judges Chambers	4,500
District Court	7,800
Elections	429,340
Register of Deeds	400,203
Non - Departmental	1,238,085
Management Information Systems	333,364
Professional Services	93,525
Central Garage	11,000
Public Buildings - DSS	65,580
Public Buildings - Administration	31,900
Public Buildings - Senior Center	30,280
Public Buildings - Miller	302,472
Public Buildings - All Other	391,289
Public Buildings - Farm Services	160,401
Public Buildings - POTW	41,005
Sheriff	4,146,690
NC CJPP Grant	
Law Enforcement Center	3,628,008
EMS Medical Director	16,250
Emergency Management Services	1,172,153
Fire Marshal	160,550
School Electrical Inspector	-
Corner/Medical Examiner	44,888
Animal Control	197,870
Airport	713,788
Planning Department	72,525
Building Inspection Department	255,187
Economic Development	148,368
Cooperative Extension	494,909
Soil Conservation	206,776
Health Department	7,083,639
Social Services	7,357,667
Public Assistance	4,239,849
Veterans Services	106,508
Education	8,963,669
Library	1,224,974
Parks & Rec	452,384
Special Appropriations	1,174,009
Transfers to Other Funds	220,572
Contingency	104,191
Total Appropriations	48,279,410

Section 2: It is estimated that the following revenues will be available in the General Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Ad Valorem Taxes	24,786,208
Court Facilities Revenues	125,000
Sales Tax Revenues	5,084,330
Privilege License Revenue	1,500
State Reimbursement Revenues	18,790
NC AOC Civil License Revenue	4,000
Community Development Revenues	-
Miscellaneous Revenues	1,235,601
Proceeds from Loans	166,067
Transferred from Revenues	13,705
Fund Balance Appropriated	-
Tax Administration Revenues	9,500
County Attorney Revenues	85,592
NC JCPC Revenues	-

Elections Revenues	68,897
Register of Deeds Revenues	379,600
Sheriff Revenues	848,677
Management Information System Revenues	-
Public Building - POTW Revenues	-
NC CCJP Revenues	-
Jail Revenues	110,000
Emergency Management Revenues	26,384
Fire Marshal Revenues	16,000
School Electrical Inspector Reim	-
Animal Control Revenues	30,000
Airport Revenues	501,648
Planning Department Revenues	1,500
Building Inspection Department Revenues	190,000
Cooperative Extension Revenues	9,344
Soil Conservation Revenues	32,025
Health Department Revenues	5,922,025
Social Services Revenues	8,124,931
Veterans Services Revenues	2,000
Education Revenues	262,000
Library Revenues	183,000
Recreation Revenues	41,086
Total Estimated Revenues	48,279,410

Section 3: The following amounts are hereby appropriated in the Aging Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Aging	4,737,973
Total Appropriations	4,737,973

Section 4: It is estimated that the following revenues will be available in the Aging Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Aging Revenues	4,737,973
Total Estimated Revenues	4,737,973

Section 5: The following amounts are hereby appropriated in the Travel & Tourism Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Travel & Tourism	85,000
Total Appropriations	85,000

Section 6: It is estimated that the following revenues will be available in the Travel & Tourism Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Occupancy Tax	85,000
Total Estimated Revenues	85,000

Section 7: The following amounts are hereby appropriated in the Tax Revaluation Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Tax Revaluation	40,000
Total Appropriations	40,000

Section 8: It is estimated that the following revenues will be available in the Tax revaluation Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Transferred From General Fund	40,000
Total Estimated Revenues	40,000

Section 9: The following amounts are hereby appropriated in the Ambulance & Rescue Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Ambulance & Rescue	478,421
Total Appropriations	478,421

Section 10: It is estimated that the following revenues will be available in the Ambulance & rescue Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Ambulance & Rescue Tax	478,421
Total Estimated Revenues	478,421

Section 11: The following amounts are hereby appropriated in the Fire Districts Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Evergreen Fire District	32,498
St James Fire District	16,331
North Whiteville Fire District	69,150
Nakina Fire District	55,971
Old Dock Fire District	35,595
Hallsboro Fire District	53,049
Roseland Fire District	50,042
Yam City Fire District	99,341
Acme Delco Fire District	204,615
Klondyke Fire District	92,316
Coles Service Fire District	48,710
Cerro Gordo Fire District	66,789
Williams Township Fire District	72,642
White Marsh-Welch Fire District	35,804
Brunswick Fire District	109,146
Bolton Fire District	36,018
Buckhead Fire District	14,237
Total Appropriations	1,092,254

Section 12: It is estimated that the following revenues will be available in the Fire Districts Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Special Fire Tax	1,092,254
Total Estimated Revenues	1,092,254

Section 13: The following amounts are hereby appropriated in the Debt Service Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Debt Service	1,640,455
Total Appropriations	1,640,455

Section 14: It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Sales Tax	144,947
School Building Capital Fund	324,113
Lottery Funds	188,333
Contribution Hospital	983,062
Transferred From General Fund	-
Total Estimated Revenues	1,640,455

Section 15: The following amounts are hereby appropriated in the E - 911 Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and

ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

EMERGENCY TELEPHONE SYSTEM	399,000
Total Appropriations	399,000

Section 16: It is estimated that the following revenues will be available in the E - 911 Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

NC 911 BOARD REVENUES	399,000
Total Estimated Revenues	399,000

Section 17: The following amounts are hereby appropriated in the HUD Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

HUD	1,845,047
Total Appropriations	1,845,047

Section 18: It is estimated that the following revenues will be available in the HUD Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

HUD Revenues	1,845,047
Total Estimated Revenues	1,845,047

Section 19: The following amounts are hereby appropriated in the Water District I Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Water District I	397,539
Total Appropriations	397,539

Section 20: It is estimated that the following revenues will be available in the Water District I Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Revenues From Operations	397,539
Total Estimated Revenues	397,539

Section 21: The following amounts are hereby appropriated in the Water District II Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Water District II	730,696
Total Appropriations	730,696

Section 22: It is estimated that the following revenues will be available in the Water District II Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Water District Tax	244,000
Revenues From Operations	486,696
Total Estimated Revenues	730,696

Section 23: The following amounts are hereby appropriated in the Water District III Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Water District III	578,163
Total Appropriations	578,163

Section 24: It is estimated that the following revenues will be available in the Water District III Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Water District Tax	217,000
Revenues From Operations	361,163
Total Estimated Revenues	578,163

Section 25: The following amounts are hereby appropriated in the Water District IV Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Water District IV	141,375
Total Appropriations	141,375

Section 26: It is estimated that the following revenues will be available in the Water District IV Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Revenues From Operations	141,375
Total Estimated Revenues	141,375

Section 27: The following amounts are hereby appropriated in the Water District V Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Water District V	394,815
Total Appropriations	394,815

Section 28: It is estimated that the following revenues will be available in the Water District V Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Revenues From Operations	394,815
Total Estimated Revenues	394,815

Section 29: The following amounts are hereby appropriated in the Transportation Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Transportation	573,476
Total Appropriations	573,476

Section 30: It is estimated that the following revenues will be available in the Transportation Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Revenues From Operations	573,476
Total Estimated Revenues	573,476

Section 31: The following amounts are hereby appropriated in the Solid Waste Fund for the operation of county government and its activities for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the chart of accounts heretofore established for the County.

Solid Waste	6,728,484
Total Appropriations	6,728,484

Section 32: It is estimated that the following revenues will be available in the Solid Waste Fund for the fiscal year July 1, 2009 and ending June 30, 2010.

Landfill User Fees	4,361,046
Tipping Fees	2,260,860
Tire Disposal	61,400
Miscellaneous	45,542
Total Estimated Revenues	6,728,848

Section 33: There is hereby levied a tax rate of eighty one and one-half cent (\$.815) per one hundred dollars (\$100) valuation of property listed as of January 2, 2009 for the purpose

of raising revenue included in "Ad Valorem Taxes" in the General Fund in section 2 of this ordinance.

Section 34: The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions.

- A. He/she may transfer amounts between line items expenditures within a department without report being required. These changes should not result in increases in recurring obligations such as salaries.
- B. He/she may transfer amounts between departments without a report being required.
- C. He/she may not transfer any amounts between funds, except as approved by the Board of Commissioners in the Budget Ordinance as amended.

Section 35: The Finance Officer may make cash advances between funds for a period not to exceed ninety (90) days without reporting to the Board of Commissioners. Any advances that extend beyond ninety(90) days must be approved by the Board. All advances that will be outstanding at the end of any fiscal year must be approved by the Board.

Section 36: Copies of this Budget Ordinance shall be furnished to the Clerk to the Board and to the Finance Officer to be kept on file for review. Direction from the Board of Commissioners will be given to the Finance Officer in the disbursement of funds.

Adopted this 15th day of June, 2009

/s/ James Prevatte, Chairman
Columbus County Board of Commissioners

ATTESTED BY:

/s/ June B. Hall
Clerk to the Board

Commissioner McKenzie made a motion to approve the Proposed 2009 - 2010 Columbus County Operating Budget, seconded by Commissioner Norris.

Chairman Prevatte stated that for the past two (2) years, the Board members have taken a one thousand, five hundred and 00/100 (\$1,500.00) dollars cut from their salary, and I am recommending that this motion should reflect this cut again this year.

SUBSTITUTE MOTION:

Commissioner Byrd made a **substitute motion** to approve the Proposed 2009 - 2010 Columbus County Operating Budget, with a one thousand, five hundred, and 00/100 (\$1,500.00) dollars cut to each County Commissioner's annual salary, seconded by Commissioner Russ.

Commissioner Gore stated that he wishes to abstain from the vote on the Proposed 2009 - 2010 Columbus County Operating Budget.

MOTION:

Commissioner McKenzie made a motion to allow Commissioner Ronald Gore to abstain from the vote on the Proposed 2009 - 2010 Columbus County Operating Budget, seconded by Commissioner Byrd. The motion unanimously passed.

The **substitute motion** passes on the following vote:

AYES: Chairman Prevatte, Commissioners McKenzie, Russ, Norris and Byrd;
ABSTAIN: Commissioner Gore; **and**
ABSENT: Vice Chairman Bullard.

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Agenda Item #7: SOUTHEASTERN COMMUNITY COLLEGE - APPROVAL to TRANSFER CAPITAL OUTLAY APPROPRIATION to CURRENT EXPENSE:

Kathy Matlock, Ph.D, requested approval to transfer \$87,600, by the following resolution, from the capital Outlay appropriation to the current expense. **(This matter was tabled at the June 01, 2009 Meeting.)**

**RESOLUTION
May 19, 2009**

WHEREAS, Southeastern Community College prepared and submitted its original 2008-2009 budget request based on information provided by federal, state, and local agencies/entities; and

WHEREAS, Southeastern Community College's operating budget was planned with the appropriation as approved by the Columbus County Commissioners, effective July 1, 2008; and

WHEREAS, the Board of Commissioners was unable to increase the original 2008-2009 appropriation to Southeastern Community College as requested, and

WHEREAS, expenditure encumbrances and personnel contracts were issued based on the July 1, 2008, appropriations by the Board of Commissioners; and

WHEREAS, in spite of conservation efforts and shifting expenses to other finds where possible, the increased costs of contracted services, insurance, electricity, fuel and maintenance is projected to deplete all excess funds; and

WHEREAS, GS 115D-58(b) states that "if the local tax-levying authority allocates part or all of an appropriation pursuant to G.S. 115D-55, the board of trustees must obtain approval of the local tax-levying authority for an amendment to the budget which increases or decreases the amount of that appropriation allocated to a purpose, function, or project by twenty-five percent (25%) or more from the amount contained in the budget ordinance adopted by the local tax-levying authority or such lesser percentage as specified by the local tax-levying authority in the original budget ordinance, so long as such percentage is not less than ten percent (10%)."; and

WHEREAS, these financial and budgetary issues were "unforeseeable" to both the Columbus County Board of Commissioners and the Southeastern Community College Board of Trustees; therefore be it

RESOLVED that the Southeastern Community College Board of Trustees respectfully requests permission to transfer an amount of \$87,006 from our capital outlay fund to our current expense fund for FY 2008-2009 and to carry forward the unspent balance in the Capital Outlay Fund to FY 2009-2010.

/s/ Spruell R. Britt
Chairman

/s/ Robert Leder
Secretary

Mr. Britt stated the following:

1. We are again asking permission to transfer funds from the Capital Outlay Appropriation to the Current Expense Fund, and to carry forward the unspent balance in the Capital Outlay Fund to FY 2009-2010, which we have to do by law; **and**
2. We realized we had to hold back on some things and make an adjustment to continue to cover operating expenses, and the number is \$87,006.00.

Commissioner McKenzie made a motion to approve Southeastern Community College to transfer \$87,006, by resolution, from the Capital Outlay appropriation to the Current Expense Fund, and to carry forward the unspent balance in the Capital Outlay Fund to FY 2009-2010, seconded by Commissioner Gore.

Commissioner Byrd asked why the Capital Outlay appropriation was not being allowed to remain as such, and having the annual appropriations added to it, and then, at some point in time, there would be enough monies to do some of these repairs that is being discussed. Mr. Britt replied stating the Current Expense allocation of \$1,103,000.00 would not cover all of the operating costs.

Additional discussion was conducted relative to the frequency of this request to transfer

funds from Capital Outlay to Current Expense Fund, the seriousness of the cut in the budget when requested to do so, and the perception that had been presented to the public about the Board not providing the necessary funding.

CALL for VOTE:

Commissioner Byrd made a motion to call for a vote, seconded by Commissioner Russ. The motion unanimously passed.

A roll-call vote was taken on the motion by Commissioner McKenzie with the following results:

AYES: Commissioners McKenzie and Gore;
NAYS: Chairman Prevatte, Commissioners Russ, Norris and Byrd; **and**
ABSENT: Vice Chairman Bullard.

The motion fails on a four (4) to two (2) vote.

Agenda Item #8: JUVENILE CRIME PREVENTION COUNCIL - APPROVAL of the FOLLOWING:

- A. ANNUAL MEMBERSHIP ROSTER for JUVENILE CRIME PREVENTION COUNCIL; and**
- B. APPLICATION for COMMUNITY-BASED YOUTH GANG VIOLENCE PREVENTION GRANT PROJECT.**

Greg Worthington, Chairman of the Columbus County Juvenile Crime Prevention Council, requested approval of the following Membership Roster, and approval to apply for a Community-Based Youth Gang Violence Prevention Grant Project.

SPECIFIED MEMBERS	NAME	TITLE
School Superintendent or designee	Keith Jefferys	Assoc. Superintendent
Chief of Police	Steven Shaw	Chief
Local Sheriff or designee	David Heller	Chaplin
District Attorney or designee	Rex Gore	District Attorney
Chief Court Counselor or designee	Olaf Thorsen / Greg Worthington	Chief Court Counselor/ Court Counselor Superv
Director, AMH/DD,SA, or designee	Janine Britt	LME Rep.
Director DSS or designee	Melinda Lane	Social Work Supervisor
County Manager or designee	Bill Clark	Manager
Substance Abuse Professional	Ricki Rouse	Substance Abuse Professional
Member of Faith Community	Patrina Wright	Reverend
County Commissioner	Giles E. "Buddy" Byrd	County Commissioner
Two Person under age 18	Blank	Blank
Juvenile Defense Attorney	Randy Cartrette	Attorney
Chief District Judge or designee	William Fairley	District Court Judge
Member of Business Community	Janice Young	Chamber President
Local Health Director or designee	Kim Smith	Director
Rep. United Way/other non-profit	Greta Sellers	Families First
Representative/Parks and Recreation	Julie Strickland	Director
County Commissioner Appointee	Willis Nealy	Ricky Bullard

County Commissioner Appointee	Marie Tutwiler	James Prevatte
County Commissioner Appointee	Faith Beking	Ronald Gore
County Commissioner Appointee	Patrick Milligan	Lynwood Norris
County Commissioner Appointee	Sandra Lewis	Buddy Byrd
County Commissioner Appointee	Samuel Pollard	Amon E. McKenzie
County Commissioner Appointee	Nancy Sigmon	Edwin Russ

Commissioner Byrd made a motion to approve the 2009/2010 Membership Roster for the Juvenile Crime Prevention Council and approval to apply for a Community-Based Youth Gang Violence Prevention Grant Project, seconded by Commissioner Norris. The motion unanimously passed. A copy of the Community-Based Youth Gang Violence Prevention Grant Project Application will be marked as "Exhibit A" in Minute Book Attachments, Book Number 3, for review.

Agenda Item#9: COLUMBUS REGIONAL HEALTHCARE SYSTEM - ESTABLISH PUBLIC HEARING:

Carl Biber, Chief Financial Officer, requested the Board to establish a public hearing for July 06, 2009, at 7:00 P.M. for the refinancing of the Columbus Regional Healthcare System debt.

Commissioner Norris made a motion to establish a public hearing for July 06, 2009, at 7:00 P.M., for the refinancing of the Columbus Regional Healthcare System debt, seconded by Commissioner Byrd. The motion unanimously passed.

Agenda Item #10: BOLTON VOLUNTEER FIRE DEPARTMENT - ESTABLISH PUBLIC HEARING for JULY 06, 2009: Bryant Smith, Chief of Bolton Volunteer Fire Department, is requesting the Board to establish July 06, 2009, as the date for a public hearing. (A time needs to be set for this hearing.)

DELETED

Agenda Item #11: EMERGENCY SERVICES - APPROVAL of EMS / FIRE / RESCUE CONTRACTS:

Jeremy Jernigan, Emergency Services Director, requested Board approval of the following EMS / Fire / Rescue contracts, presented the following status report on the contracts, and stated the following:

1. Eight (8) of the contracts have been signed and are in my possession;
2. We have actually received eight (8) signed contracts as of this date;
3. There are eleven (11) contracts that have outstanding issues; **and**
4. The contract with the Town of Lake Waccamaw needs additional work.

**Status of County Fire and Rescue Contracts
as of 15 June 2009**

<u>Department</u>	<u>Sign</u>	<u>Status</u>
ADR	Yes	Contract has been signed but lacks departmental seal to make the document legal.
Bolton	Yes	We have received the contract.
Brunswick	Yes	Needs seal and notary.
Buckhead	Yes	Expect the contract next week, their secretary is not available until then.
Cerro Gordo	Yes	Department will sign upon approval of the contract by the County Commissioners.
Chadbourn	Yes	We have received the contract, but there is an issue with the corporate seal.
Evergreen	Yes	Expect the contract next week, department does not have a seal.
Fair Bluff	Yes	We have received the contract.

Hallsboro	Yes	We have received the contract.
Lake Waccamaw	See Note	Due to the fire department being run by the Town of Lake Waccamaw and Rescue/EMS being Run by Lake Waccamaw Fire and Rescue Auxillary it appears that we will need two contracts. The first will be with the Town for Fire and the second with Lake Waccamaw Fire and Rescue Auxillary for EMS. Due to these changes Lake Waccamaw will look at the contract in their July meeting.
Nakina	Yes	Department will sign upon approval of the contract by the County Commissioners.
North Whiteville	Yes	We have received the contract.
Old Dock	Yes	We have received the contract.
Roseland	Yes	We have received the contract.
St. James	Yes	Department has to order a seal for the contract to be legal.
Tabor City Emergency Services	Yes	We have received the contract. Needs new seal for the department.
Tabor City Fire	Yes	We have received the contract.
White Marsh	Yes	We have received the contract but there is an issue with the department's seal and need a determination from Legal.
Whiteville Rescue	Yes	Needs an issue related to mutual aid addressed. The issue will be addressed at the next peer review meeting scheduled for June 22nd, 2009.
Williams Township	Yes	We have received the contract.

Chairman Prevatte stated the following:

1. Several committees have worked on these contracts;
2. Actually, there are five (5) different contracts;
3. The purpose was to make sure everyone has the same contract;
4. These contracts have been made available to the chiefs;
5. These contracts have been signed, but the Board has not approved them;
6. These contracts will be effective July 01, 2009;
7. This contract is actually four (4) contracts, which is as follows: EMS only, Fire Department only, Combination of EMS and Fire, and Rescue;
8. Each contract has been customized for the appropriate department;
9. This means that we have a Peer Review Committee for EMS, with two (2) County Commissioners serving on it;
10. We will need to appoint a Peer Review Committee for Fire, which will consists of fire chiefs and two (2) County Commissioners, and that will be done on a yearly basis the first of December; **and**
11. We will be developing the bylaws as we progress.

Commissioner Byrd made a motion to approve these contracts, seconded by Commissioner Gore. The motion unanimously passed. A duly executed copy of these contracts will be kept on file in the Office of the Clerk to the Board, the Office of the Columbus County Attorney, and the Office of the Emergency Services Director for review.

Agenda Item #12: TAX - DEPARTMENTAL UPDATE:

Richard Gore, Tax Administrator, delivered the following departmental update to the Board.

REAL and PERSONAL PROPERTY

TAX YEAR	BILLED	PAID	OUTSTANDING LEVY	PERCENT COLLECTED
1999	14,745,011.15	14,663,227.70	81,783.45	.9945
2000	15,422,385.70	15,321,010.89	101,374.81	.9934
2001	16,885,123.35	16,758,034.41	127,088.94	.9925
2002	16,912,632.23	16,758,099.72	154,532.51	.9909

2003	16,914,945.88	16,751,580.81	163,365.07	.9903
2004	17,150,574.63	17,001,662.20	148,912.43	.9913
2005	20,224,589.86	20,050,881.97	173,707.89	.9914
2006	21,442,713.86	21,210,309.37	232,404.49	.9892
2007	23,216,757.38	22,914,352.73	302,404.65	.9870
2008	24,043,776.09	23,058,698.33	985,077.76	.9590

VEHICLES

TAX YEAR	BILLED	PAID	OUTSTANDING LEVY	PERCENT COLLECTED
2005	2,678,677.52	2,509,347.81	169,329.71	.9368
2006	2,786,095.50	2,562,802.39	223,293.11	.9199
2007	3,215,317.09	2,964,379.40	250,937.69	.9220
2008	3,524,129.53	2,389,915.16	1,134,214.37	.6782

LAND RECORDS:

Real Estate Transaction History:

YEAR	AMOUNT	YEAR	AMOUNT	YEAR	AMOUNT
1998	1556	2002	2280	2006	2838
1999	1650	2003	2530	2007	2868
2000	1878	2004	2460	2008	2429
2001	2204	2005	2640	2009	N/A

Parcel County History:

YEAR	AMOUNT	YEAR	AMOUNT	YEAR	AMOUNT
1998	36,315	2002	39,704	2006	41,364
1999	36,990	2003	40,137	2007	42,039
2000	37,719	2004	40,689	2008	43,254
2001	38,502	2005	41,370	2009	N/A

Mr. Gore stated the following:

1. The average percentage of collection on real and personal property from 1999 to 2007, is over 99%;
2. As of today, right at 96%, and by the end of June, we will have 97%;
3. On the motor vehicles, the years 1999 - 2004 were declared as insolvents;
4. Overall, we are collecting in excess of 90% on Motor vehicles;
5. Real Estate Transactions are down from 2007; **and**
6. Parcel Count is up from 2007.

Agenda Item #13: ECONOMIC DEVELOPMENT - APPROVAL of BRUNSWICK-COLUMBUS INTERNATIONAL PARK INTERLOCAL AGREEMENT:

Justin Smith, Economic Development Director, requested Board approval of the following **new** Brunswick-Columbus International Park Interlocal Agreement which supercedes all previous agreements.

**INTERLOCAL DEVELOPMENT AGREEMENT
for BRUNSWICK-COLUMBUS BUSINESS PARKS**

THIS INTERLOCAL DEVELOPMENT AGREEMENT FOR BRUNSWICK-COLUMBUS BUSINESS PARKS (the "Agreement") is dated as of February 16, 2009, and is by and among **BRUNSWICK COUNTY, NORTH CAROLINA ("Brunswick"), COLUMBUS COUNTY, NORTH CAROLINA ("Columbus"), and BRUNSWICK-COLUMBUS INTERNATIONAL PARK, INC.**, a North Carolina nonprofit corporation (the "Nonprofit"), with all of the above being jointly referred to as the "Parties" to this Agreement.

WHEREAS --

The Counties that are Parties to this Agreement have engaged in a long process to produce a joint effort toward enhanced economic development in their region. This instrument sets forth their agreement to work together and with the Nonprofit, toward the development of multiple business parks in the region, and to share the burdens and benefits of this joint undertaking.

Unless the context clearly requires otherwise, capitalized terms used in this Agreement and not otherwise defined will have the meanings set forth in Exhibit A.

THEREFORE, based upon the foregoing and the mutual covenants herein contained, the Parties, both jointly and severally, agree as follows:

ARTICLE I

BUSINESS PARK ACQUISITION AND DEVELOPMENT

1. **Parties To Cooperate.** The Parties will cooperate in the acquisition and development of an Initial Business Park at the Initial Site in accordance with the terms and conditions of this Agreement. The Initial Site is as described in Exhibit B. Additionally, the Parties may cooperate to jointly acquire and develop Subsequent Sites and Business Parks, also to be governed by this Agreement. Should the parties determine and agree to acquire one or more Subsequent Site(s) and develop such Site(s) into one or more Subsequent Business Park(s), description(s) of such Subsequent Site(s) shall be included in Exhibit B.

2. **Initial Development; Developer.** Development duties and obligations, as to any Business Park project such as contracting for and developing a Master Plan or the management and maintenance of the Business Park, may be the duty of and carried out by either the: Nonprofit and the Counties in cooperation with each other; the Nonprofit only; or by one or more private developers pursuant to a development agreement between and among the private developer(s), and the Nonprofit and/or the Counties. It is the intention of the Parties and the Parties agree that the Initial Business Park is to be primarily developed by one or more private developers.

3. **Subsequent Development - Nonprofit To Provide for Park Development; Master Plans.** Notwithstanding the development of the Initial or Subsequent Business Parks by one or more private developers, should Subsequent Business Parks be developed by the Parties, then the Nonprofit will work in good faith, with due diligence and consistent with financial limitations of the Parties, to provide for the development of each Business Park in accordance with this Agreement and in continuing consultations with the Counties.

The Nonprofit will, in its sole discretion, contract for a Master Plan concerning each Business Park and for any other parcels of real property that the Parties agree to include. Each Master Plan will include detailed development plans, estimated budgets for development, information on proposed sources of funding and proposals for the timing of development.

The Nonprofit may pursue any approach to the acquisition and development of a Site and Business Park that it deems advantageous, in its sole and absolute discretion. The approach to acquisition and development may differ from project to project, and may vary as between different parcels within a single Business Park. It is the overriding intent and desire of the Counties that all Business Parks be controlled, preserved and developed for business and industrial development for the mutual benefit of the Counties' citizens. No preference shall be given to either County and there shall be no particular order for organizing and carrying out the development.

By way of illustration (and not limitation), among the approaches to property acquisition and site development that the Nonprofit may consider are the following:

(a) The outright acquisition of property for subsequent development, sale or lease to private

- interests;
- (b) Obtaining long-term options or rights of first refusal on property;
 - (c) Joint development agreements between the Nonprofit, any County, an existing property owner or one or more private developers, or any combination of such parties;
 - (d) Deferred payment acquisition arrangements, whereby the Nonprofit would acquire title to property, with the former owner retaining some interest in future appreciation of the property;
 - (e) Cooperating with a County involved in this project for the County to acquire and/or develop a site or for that County to share in these efforts; and
 - (f) Working with one or more private developers to acquire and/or develop one or more Business Parks through a development agreement with such private developers.

4. **Subsequent Development – Minimum size of project.** Any Subsequent Sites and Business Parks that are developed jointly by the parties pursuant to this agreement must be comprised of at least one hundred (100) acres suitable for development.

5. **Nonprofit's Obligations.**

- (a) The Nonprofit shall cooperate fully with any private developer and with the Counties to obtain grants to secure water and sanitary sewer utilities to and within any Sites.
- (b) As to any Subsequent Business Parks, should it be determined that the Nonprofit will develop those Business Parks, it will have on-going responsibility for the development, management, maintenance and operation of each Subsequent Business Park project.
- (c) In carrying out its obligations to develop any additional Business Parks, and without intending to limit the Nonprofit's authority as provided in this section, the Nonprofit is expressly authorized to carry out the following activities in its sole and absolute discretion:
 - (i) Enter into contracts for options on real property for purchase or to obtain any interest in real property whatsoever.
 - (ii) Conduct all reasonably necessary soil and/or environmental tests, soil compaction and suitability tests, land surveys, title examinations and all other due diligence activities reasonably necessary or desired for the purpose of determining the feasibility for development or to establish the best development plan for a Business Park.
 - (iii) Acquire title to Sites, and sell or otherwise transfer ownership of parcels within Sites.
 - (iv) Survey, layout and plan Sites for development as Business Parks.
 - (v) Issue contracts for or otherwise secure the construction and development of the Business Parks, including, among other things, providing for the extension of water, sanitary sewer, gas, electricity, telephone, internet service, all other utilities and public services reasonably necessary to insure the success of all Business Parks.
 - (vi) Subject Business Parks to reasonable restrictions, covenants and other limitations governing the use of property and/or establishing a property owner's association to manage the affairs of the Business Parks, or otherwise provide for a system of assessments to provide for future maintenance of the common areas and amenities within the Business Parks.
 - (vii) Execute and issue all sales contracts, deeds, deeds of trust, mortgages, financing instruments, installment sales and purchase agreements, and all other legal instruments necessary in order to accomplish the purposes of this Agreement, specifically including the pledge or assignment of any revenues payable to or for the benefit of the Nonprofit under this Agreement.
 - (viii) Enter into agreements with private entities for the cooperative development of any Site or any portion of any Site.
 - (ix) Perform any act or take any action reasonably necessary in order to carry out the purposes of this Agreement.
- (d) The then current Economic Developer for each County will retain primary responsibility to market the Business Parks located within each respective County; provided however, the Economic Developers shall communicate regularly and cooperate fully in the marketing of all Business Parks, for the mutual benefit of the citizens of both Counties. The Nonprofit will work to encourage the Parties in joint marketing of the Business Parks and may, within its budgeted resources, engage in marketing activities that promote the Business Parks and any Subsequent Sites on a collective basis, such marketing to be conducted through and in cooperation with the Counties' economic development programs.

**ARTICLE II
COLLECTION AND DISBURSEMENT OF REVENUES**

1. **Initial Site.** The Parties do not anticipate the Nonprofit collecting or distributing funds with respect to the development of the Initial Business Park, and may agree that the Nonprofit will not collect or distribute funds with respect to the development of Subsequent Business Parks. In this event, the Counties shall reconcile amounts due and make payments as necessary to each other in accordance with this Article II, Section 4 below. Any such payments shall be made by the owing County to the other County on or before January 15 of the year following the date upon which Incremental Tax Receipts are due and payable. Each County shall provide notice to the other County of any delinquent taxes due for real and personal property located within the Business Park(s) as soon as reasonably practicable, which shall be accompanied by an accounting and reconciliation. The Counties shall have thirty (30) days from the receipt of delinquent taxes on real and personal property located within the Business Park(s) to submit a reconciliation and payment under this Article.

Only tax receipts actually received and collected, reduced by any specific collection costs (but not reduced by any general expenses of tax collection), shall be considered to be Incremental Tax Receipts upon which the amounts of such contractually obligated payments shall be based. The parties acknowledge that neither the Nonprofit nor any County makes any guarantee or representation concerning the actual collection of taxes attributable to property listed in the Business Park(s), or as to the timeliness of such collection.

2. **Creation and Maintenance of Revenue Fund; Other Funds.** Should the Parties deem it necessary as to any Subsequent Business Park project, in accordance with the provisions of Section 158-7.4 of the General Statutes, the Nonprofit may establish and maintain a bank account, separate and apart from all other Nonprofit funds, to be known as the "Revenue Fund." In addition, the Nonprofit may establish other accounts, including but not limited to investment accounts, as it may determine in its sole discretion.

If the Parties determine, as to a Subsequent Business Park project, that funds will be paid into, managed by and disbursed from the Nonprofit, the Nonprofit must deposit into the Revenue Fund:

- (a) net land sale proceeds, as provided for in Section 3 below;
- (b) contractually obligated payments based on Incremental Tax Receipts, as provided for in Section 4 below; and
- (c) all other funds that come into the possession of the Nonprofit, except as follows:
 - (i) the Nonprofit shall not deposit into the Revenue Fund any amounts received as appropriations from the General Assembly of the State of North Carolina;
 - (ii) the Nonprofit shall not deposit into the Revenue Fund any amounts received as grants, governmental appropriations (in each case, other than from the Counties) or other third-party payments which by the terms of the transfer restrict the use of funds to capital costs or direct expenses of the Nonprofit;
 - (iii) the Nonprofit shall not deposit into the Revenue Fund any amounts received as County payments toward Debt Service or the annual Capital Budgets and O&M Budgets, as provided for in Article III; and
 - (iv) the Nonprofit shall not deposit into the Revenue Fund any other amount so excluded by Supermajority Approval.

The Nonprofit shall use amounts on deposit from time to time in the Revenue Fund only for the purposes described in this Agreement. Amounts on deposit from time to time in the Revenue Fund will be invested in the Nonprofit's sole discretion.

The Parties acknowledge that the Nonprofit may grant a security interest in amounts on deposit in the Revenue Fund from time to time to secure its obligations under Loan Agreements.

The Nonprofit will provide for a report of all deposits to and disbursements from the Revenue Fund to be provided to each of the Counties not less frequently than annually. Any County may at any time request an interim report of such deposits and disbursements, but the County making the request must pay any cost related to providing the requested report.

3. **Net land sale proceeds into the Revenue Fund.** The Nonprofit must deposit the Net Sales Proceeds from any sale of any portion of any Subsequent Business Park into the Revenue Fund. For purposes of this Agreement, "Net Sales Proceeds" shall mean the sales price of any particular lot or parcel of real property less: (a) the actual direct costs of selling the property to a buyer; and (b) any amounts required to pay off and remove any deed of trust, lien or any other encumbrance in order

to obtain clear title to the property sold.

The Nonprofit may determine the sales price, the sales terms and may select the purchaser of all or any portion of any Subsequent Business Park. The Nonprofit may make these determinations in its sole and absolute discretion, but will in good faith consult with the Counties prior to any such disposition of property.

4. **Contractual payments based on Incremental Tax Receipts.** Each County shall be contractually obligated to make payments, as provided for in this Section, in amounts equal to the Incremental Tax and Receipts on real and personal property located in the Initial or Subsequent Business Parks. Payments related to the Initial Business Park shall be based upon the amounts of Incremental Tax Receipts for the Initial Business Park, and reconciled and paid from one County to the other County directly, without such funds being paid into and out of the Revenue Fund of the Nonprofit.

As to Subsequent Business Parks, such contractual payments based upon the amounts of Incremental Tax Receipts may be paid directly from one County to the other County, or may be paid into and disbursed from the Revenue Fund of the Nonprofit, as described in this Agreement. The parties shall elect the method of payment at the time of acquisition of any Subsequent Business Parks. Such contractually obligated payments may be paid by either County from any fund or any source the County Board may choose, provided however, the amounts of such contractually obligated payments shall be determined based upon the amounts of Incremental Tax Receipts. Any such payments pursuant to this Section shall be made no later than January 15 of the year following the date upon which such Incremental Tax Receipts are due and payable. Each County shall provide notice to the other County of any delinquent taxes due for real and personal property located within the Business Park(s) as soon as reasonably practicable, which shall be accompanied by an accounting and reconciliation. The County from which payment is requested shall have thirty (30) days from the receipt of delinquent taxes on real and personal property located within the Business Park(s) to submit a reconciliation and payment under this section of Article II. This Section shall not apply to any business or industrial properties owned or developed by either of the Counties, which are not a part of the Business Park(s) covered by this Agreement.

In this Agreement, "Incremental Tax Receipts," for any County means all ad valorem tax receipts (excluding any motor vehicle taxes) attributable to real and personal property listed for taxes and located on or in any Business Park, in excess of the amount of ad valorem tax receipts as of the Control Date, the Base tax Receipts. Exhibit C sets forth an illustration of this definition of Incremental Tax Receipts. Exhibit D sets forth an illustration of the establishment of the Control Date, in addition to the definition set out in Exhibit A.

Only tax receipts actually received and collected, reduced by any specific collection costs (but not reduced by any general expenses of tax collection), shall be considered to be Incremental Tax Receipts upon which the amounts of such contractually obligated payments shall be based. The Parties acknowledge that neither the Nonprofit nor any County makes any guarantee or representation concerning the actual collection of taxes attributable to property listed in the Business Park(s), or as to the timeliness of such collection.

The Parties intend that Incremental Tax Receipts attributable to any business located in the Business Park(s), whenever contact may have first been made with the business entity or its representatives, will be subject to the provisions of this Section.

Unless a County and the Nonprofit make a separate written agreement providing otherwise, a County's obligation to remit contractually obligated payments based on Incremental Tax Receipts may be reduced by the amount of cash incentives paid by a host County to a third party to locate at a Site. The Incremental Tax Receipts may be reduced by the amount of cash incentives paid during the year in which the obligation to pay the Incremental Tax Receipts arose. In the event incentives are paid in a lump sum up front to a third party, then the incentive payment shall be amortized over a period of ten (10) years and for each year during that ten (10) year period, the Incremental Tax Receipts would be reduced by the yearly amortized amount of the incentive grant paid. If the amount of the reduction due to incentive payments exceeds the Incremental Tax Receipts, then no payment would be due for that year. Notwithstanding the foregoing, the amount of incentive payments or amortized amounts in excess of the Incremental Tax Receipts for that year shall not be carried forward to future years, but instead shall be the sole responsibility of the County responsible for such incentive payments. Local incentive payments may only be applied to the tax receipts for

the year made or amortized and do not carry over into subsequent years. Once incentive payments stop or are fully amortized, no reduction shall be taken from the Incremental Tax Receipts other than the original Base Tax Value. Illustrations setting forth the practical application of this Section 4 are provided on Exhibit E attached hereto.

5. **Disbursements from the Revenue Fund.** If a Revenue Fund is created, not less frequently than every six (6) months, the Nonprofit Board will consider disbursements from the Revenue Fund. The amount, timing and purpose of disbursements will be in the Nonprofit Board's sole and absolute discretion. The Parties express their intent and preference, however, that funds available for distribution from the Revenue Fund should be disbursed from time to time as appropriate for the following purposes and in the following order of priority:

- (a) First, to pay current amounts due as Debt Service; and
- (b) Second, to pay expenses arising under the approved O&M Budget or Capital Budget (as hereinafter defined) for the then current fiscal year.

Excluding a minimum amount of funds that may be necessary to hold a bank account open without penalty or accrual of bank fees, all remaining funds in the Revenue Fund shall be disbursed to the Counties. The Counties will receive funds on the basis of Revenue Percentages (other than for payment or reimbursement of expenses previously approved by the Nonprofit). The Nonprofit Board will give the highest priority possible to assure that at the earliest date possible, disbursements are made to the Counties, consistent with the Nonprofit meeting its financial obligations. Only with Supermajority Approval will the Revenue Percentage payments not be disbursed.

The Parties acknowledge that the Nonprofit Board may also choose to retain reasonable operating reserves in the Revenue Fund, and may choose to spend money available in the Revenue Fund for additional costs not included in the annual O&M Budget or Capital Budget for the current fiscal year (but as noted above, only with Supermajority Approval).

No County is entitled to any disbursement from the Revenue Fund if the County is in default under this Agreement and shall not be entitled to its proportionate share of funds paid into the Revenue Fund for any period of time within which such County is in default under this Agreement. In either event, the defaulting County's proportionate share of Revenue Funds shall be paid to the Non-defaulting County.

None of the terms of this Section 5 shall apply to any development in the Initial Business Park. Further, any funds due to either County shall be paid directly one to the other as provided for in Sections 1 and 4 of this Article.

ARTICLE III NONPROFIT AND PROJECT FUNDING

1. **Debt Service Payments.** If debt is incurred by the Nonprofit, the Counties will share payment of all Debt Service based on percentages, which shall be equal to the Revenue Percentages, unless the Parties agree on different proportions for payments of any specified Debt Service. Provisions for borrowing by the Nonprofit appear in Article VI, Section 5 of this Agreement.

Any other term of this Agreement notwithstanding, a County shall in no way be responsible for payments required by any debt agreed to or incurred by the Nonprofit, unless that County shall have agreed to assume such debt payment responsibility by a vote of that County's Board, and after compliance with all measures statutorily required for a County government to incur such obligation (which shall be hereinafter referred to as "County Approved Debt"). It is also understood that nothing contained herein limits the authority of the Nonprofit to incur debt without any obligations for repayment being borne by one or more of the Counties.

Not later than thirty (30) days prior to the date a Debt Service payment is due, for County Approved Debt, the Nonprofit will inform the Counties of the total amount due, and specify the proportionate amount due from each County. Each County shall pay its share to the Nonprofit in immediately available funds at least ten (10) business days prior to the date the payment for County Approved Debt is due. The Nonprofit must use the funds so paid only for Debt Service payments, or to reimburse itself for Debt Service payments it made prior to receiving the payments from the Counties.

With the exception of County Approved Debt, this Agreement shall not be construed or interpreted

to impose the debt of the Nonprofit onto the Counties or imply that the Counties guaranty the debt of the Nonprofit. The obligations of a County under this Agreement shall not constitute an illegal debt or lending of credit by any County.

2. **Budgeted Payments.** To the extent the Nonprofit is funded and has a budget, the Parties will share payment of the Capital Costs and the costs provided for under the O&M Budget, as defined below, on the basis of percentages which are the same as the Revenue Percentages, unless the Parties agree on different proportions for any specified costs.

3. **Budget Process.** To the extent that the Nonprofit has a budget, not later than March 1 of each year, the Nonprofit will provide to each County both

- (a) a proposed budget for the upcoming fiscal year for Capital Costs (the “Capital Budget”); and
- (b) a proposed budget which shall include the costs of on-going operations and maintenance of the Sites and the Business Parks and the customary business operating expenses of the Nonprofit (collectively the “O&M Budget”).

As part of this annual budget process, the Nonprofit will conduct an annual review of each Master Plan, and consider and adopt changes to each Master Plan as the Nonprofit may determine is appropriate in its discretion. The Nonprofit will solicit input from each County regarding the proposed Capital Budget and O&M Budget. At the request of any County, the Nonprofit will cause a responsible officer to appear at a meeting of the County Board to discuss such proposed budgets. Notwithstanding the foregoing, the Nonprofit shall have full authority to determine the final O&M Budget and the final Capital Budget for each fiscal year in its sole and absolute discretion and shall provide the Counties with each of the budgets no later than April 1 of each year. On or before July 15 of each fiscal year, each County will determine its respective contributions to the Capital Budget and the O&M Budget.

4. **Timing of Payments.** Each County will appropriate and pay to the Nonprofit its respective share of the final O&M Budget and the final Capital Budget for the fiscal year, subject to the provisions above.

- (a) **O&M Budget.** Each County will make the payments required under the O&M Budget in equal installments within each fiscal year on the first business day of each August, October, January and April, unless the Nonprofit shall otherwise agree with a County. All payments made by the Counties that are required under the O&M Budget shall be in cash.
- (b) **Capital Budget.** The Nonprofit will provide reasonable notice to each County of the amount and due date of any required payment for Capital Costs. Each County will pay its required amount within thirty (30) calendar days from the date it receives notice of a required payment. The Parties agree that, in the absence of unusual circumstances, the Nonprofit will not request payments from Counties toward Capital Costs more than sixty (60) days prior to the date the Nonprofit expects to make a corresponding disbursement. In the event of Supermajority Approval by the Nonprofit Board, a County may pay for some or all of its share of the Capital Budget by providing in-kind goods or services. No County can require the acceptance by the Nonprofit of either financial or in-kind contribution.

The Nonprofit may, in its discretion, accept in-kind contributions or cash payments from any County in excess of that County’s budgeted contributions for Capital Costs for the fiscal year. The Parties acknowledge that such a contribution or payment could cause such County’s Revenue Percentage to exceed their percentage share of the costs. The Nonprofit may enter into an agreement with a County concerning such excess contribution or payment as the Nonprofit deems appropriate, which may include:

- (a) allowing the excess contribution or payment to increase the County’s Revenue Percentage;
- (b) crediting the excess to requirements for future fiscal years, with or without interest; or
- (cc) treating all or any portion of the excess contribution or payment as a loan to be repaid.

The determination of the Nonprofit as to how to accept such in-kind contributions or cash payments in excess of the required amounts shall be subject to Supermajority Approval.

5. **Budget Transfers.** To the extent that it has a Capital Budget and O&M Budget, the Nonprofit will administer both the Capital Budget and the O&M Budget. The Nonprofit may direct

line-item transfers within the Capital Budget and the O&M Budget that do not result in a net increase of budgeted expenditures for the fiscal year, however, it may not approve transfers between the Capital Budget and the O&M Budget. The Nonprofit may change either budget to increase total budgeted expenditures within a single fiscal year only by Supermajority Approval.

6. **Reimbursed Costs.** The Nonprofit may reimburse itself from County payments for any costs contemplated under this Agreement if such costs were paid by the Nonprofit prior to its receipt of required payments from any County. Nothing in this Article or in this Agreement imposes any obligation on the Nonprofit to advance funds for payments of Debt Service or Capital Costs for the benefit of any County and the Nonprofit will, under no circumstances, be in any default under this Agreement for any failure or refusal so to advance funds.

ARTICLE IV CAPITAL COSTS

Capital Costs are the appropriate capital costs of acquiring Sites and developing the Sites into the Business Parks, as may be identified in the Master Plans. Capital Costs may include:

- (a) costs associated with improvements made outside the property boundaries described in the relevant Master Plan as appropriate expenditures to support the intended development of a Business Park on the Site (“Off Site Improvements”). Off Site Improvements may include but are not limited to road improvements (including road widening, installing signals and constructing turn or deceleration lanes) and utility improvements (including costs of extending water, sewer or gas lines to a Site, or capital contributions for expanding the availability of utility services);
- (b) costs of improvements whether or not such improvements are owned by the Nonprofit or whether such improvements are owned by the Nonprofit but are located on real property the Nonprofit does not own;
- (c) professional fees and other “soft” costs that are part of the Capital Costs of developing the Park;
- (d) reimbursement to the Nonprofit or a Host County for capital expenditures made prior to the effective date of this Agreement; and
- (e) debt service payments (including interest) related to Loan Agreements for capital expenditures.

As provided in Articles I and III, if a Business Park is not developed by a private developer, the Nonprofit shall have the responsibility and the final authority to determine from time to time the development plan for any Business Park and to determine which Capital Costs will be included in any annual Capital Budget. The Nonprofit’s determination must be consistent with the Master Plan for a Business Park as the same exists from time to time, provided however, the Parties recognize that the Master Plans must be dynamic documents, will be subject to annual review and may be subject to frequent modification. All Business Park development will be subject to changing conditions and the availability of resources.

As referenced above, the Nonprofit may only designate as Capital Costs those costs that are reasonable and customary and are generally accepted as such pursuant to prevailing accounting principles.

ARTICLE V REVENUE PERCENTAGES

“Revenue Percentages” shall mean the percentages determined under this Agreement by which the Counties share in distributions from the Revenue Fund.

It is the intent of the Parties that payments for Project costs and distributions will be in amounts equal to fifty percent (50%) for Brunswick and fifty percent (50%) for Columbus unless the Counties otherwise agree, or as Revenue Percentages may vary in accordance with the formulations set forth in Exhibit F attached hereto. No County can require the acceptance by the Nonprofit of any financial or in-kind contribution.

Should the Nonprofit receive revenue under this Agreement, it is authorized and directed to determine the Revenue Percentages in accordance with the provisions of Exhibit F attached hereto.

**ARTICLE VI
RELATIONSHIP OF NONPROFIT AND THE COUNTIES**

The Parties acknowledge and agree that it is in their mutual best interest to promote an on-going cooperative relationship among the Parties in connection with the development of the Business Parks and in connection with the Nonprofit's other on-going economic development activities. The provisions of this Article are intended to foster the desired relationship.

1. **Written Report Annually.** By January 1 of each year during the term of this Agreement, the Nonprofit shall provide a written report to each County describing in reasonable detail the Nonprofit's activities for the most recently completed calendar year. At the request of any County, the Nonprofit shall cause a responsible officer to appear at a meeting of the County Board no later than April 1 (at a time mutually agreeable to the County and the Nonprofit) to provide such information about the report as the County Board may reasonably request. This appearance may coincide with any appearance made to address the Capital Budget and the O&M Budget as contemplated by Article III, Section 3 herein.

2. **Audit Report.** Promptly at the end of each of its fiscal years, the Nonprofit, at its own cost, shall procure an annual audit of its books and records by a qualified, independent and otherwise unrelated accounting firm, if it has any funds on deposit at any time during the fiscal year in question. The Nonprofit shall send a copy of each such audit to each County promptly upon the Nonprofit's acceptance of the audit. In addition, the Nonprofit shall furnish to either County, at such times as the County shall request, all other financial information as the County may reasonably request. The Nonprofit shall permit each County, its agents and representatives to inspect the Nonprofit's books and records and make copies and extracts. The Nonprofit will operate on the basis of a fiscal year ending June 30 unless otherwise required by law or governmental regulation. The terms of this Section shall not be applicable in any fiscal year in which the Nonprofit does not have on deposit any funds for all of the fiscal year.

3. **Notification of Meeting.**

- (a) The Nonprofit shall notify each County of all meetings of the Nonprofit Board (and of any meetings of any committee that may be formed by the Nonprofit Board). Such notices shall be delivered to each Local Economic Developer in the same way as delivered to other members of the Nonprofit Board or such committee.
- (b) Notwithstanding the foregoing, the Nonprofit Board (or any committee) may at any time in its discretion, by a two-thirds majority vote, determine to conduct a meeting (or a portion of a meeting) in a session that includes only Nonprofit Board (or Executive Committee) members and officers, Nonprofit staff and other designated agents of the Nonprofit.

4. **Separate County Development Projects.** Nothing in this Agreement limits the authority or discretion of either County to proceed unilaterally on other development projects within its own jurisdiction. Each of the Parties retains the right to acquire, develop and manage separate business parks outside the scope of this Agreement or to enter into separate agreements with other private or local government entities (whether or not Parties to this Agreement) to develop business parks that are not subject to the terms and conditions of this Agreement.

5. **Supermajority Approval.** The Nonprofit will not undertake any of the following activities without a Supermajority Approval:

- (a) Withholding a disbursement of funds to the Counties from the Revenue Fund in accordance with Article II, Section 5 of this Agreement;
- (b) Borrowing in any amount;
- (c) Determining whether to accept a proposed in-kind contribution from a County, the value to be assigned to the contribution and the manner and terms of the conveyance of the contribution. In addition, determining whether the contribution should be accepted as an equity contribution to a Project or as a loan by the contributing County to the Nonprofit;
- (d) Terminating or discontinuing a Project; or
- (e) Any decision which negatively impacts the Nonprofit's status as a 501(c)(3) organization.

6. **Restrictive Covenants.** The Parties will work together in good faith and with due diligence to devise a set of restrictive covenants to govern development of any Subsequent Business Park. Nothing in this agreement, however, shall be interpreted in any way as to limit any Host County's authority to apply its own land use, appearance and other development regulations to the

development of any Business Parks within its jurisdiction.

7. **Zoning.** The Parties will work together in good faith and with due diligence to develop uniform zoning, development and similar ordinances and regulations to guide the development of the Business Parks.

8. **Validity of Documents.**

- (a) Each party may rely on the accuracy, truthfulness and validity of any certificate, instrument or agreement executed on a County's behalf by the respective County Board Chairman or on behalf of the Nonprofit by its Board Chairman, so long as such party actually and in good faith believes such item to be genuine and to have been executed by the indicated person.
- (b) To the extent permitted by law, any document so signed by the County Board Chairman or Board Chairman of the Nonprofit will constitute the act of the respective County or of the Nonprofit for all purposes of this Agreement.
- (c) In events wherein this Agreement provides for consultation by the Nonprofit with the Counties, this consultation may take any form, specifically including informal oral communication between an officer or agent of the Nonprofit and either the County Manager or such County's Local Economic Developer. Any formal notices or communications required by this Agreement or the bylaws of the Nonprofit shall be given in the form and manner required by each respectively.

9. **Consideration of Other Party's Requests.** Each party to this Agreement will give prompt and reasonable consideration to the requests of the other Parties so long as such requests relate to the terms and the spirit of this Agreement.

10. **Dissolution.** In the event of dissolution of the Nonprofit while it is the owner of any portion of any Site, its assets shall be distributed as follows:

- (a) Any portion of a Site owned by the Nonprofit shall be first offered for sale to the Host County in which that Site is located for cash at the fair market value of such property, as determined by the Nonprofit Board by Supermajority Approval. In the event the Host County declines to purchase the subject site, it may be offered for sale at the same price to the other County. If neither County purchases the Property at the price set by the Nonprofit Board, it shall be sold to a third party for fair market value as determined by the Supermajority of the Nonprofit Board and net proceeds of the sale will be distributed to the Counties in accordance with Section 10(b) of this Article.
- (b) Any cash or investment securities owned by the Nonprofit shall be distributed in accordance with the Revenue Percentages.

A Host County purchasing a portion of a Site as provided in (a) above may make settlement of all or a portion of the purchase price by crediting against that purchase price amounts otherwise payable to that County pursuant to (b) above.

The foregoing provisions for distributions are subject to applicable provisions of law and the Nonprofit's articles of incorporation and bylaws. Any provisions of the articles of incorporation or bylaws not consistent with this Agreement shall take precedence over this Agreement. The provisions of this Section 10 apply notwithstanding the provision of Section 5(e) above.

11. **Statutory Amendments.** The Parties will exercise their best efforts and use due diligence in cooperation with one another to support and procure passage of any amendments to the North Carolina General Statutes that may be appropriate to achieve the sharing of advantageous economic "tier" status among the Counties, as applicable to additional land in the Initial Business Park and as applicable to Subsequent Business Parks.

12. **Status of Nonprofit.** The Parties intend that nothing in this Agreement shall be construed to constitute the Nonprofit as an entity that is a "joint agency" of the counties within the meaning of Section 160A-462 of the North Carolina General Statutes, or to constitute the Nonprofit as an entity subject to the North Carolina Open Meetings Law, the North Carolina Public Records Law, or the provisions of law requiring multiple prime and competitive bidding by local governments, if such treatment is not otherwise required by law.

**ARTICLE VII
RESPONSIBILITIES OF NONPROFIT BOARD MEMBERS**

In addition to the responsibilities undertaken by members of the Nonprofit Board pursuant to the Nonprofit's own conflict of interest policy for Board members, the Parties make the following covenants regarding their own conduct and the conduct of their Board members:

- (a) No member of the Nonprofit Board may derive a direct benefit from any contract with a County or with a current owner of any Site or portion thereof concerning the general subject matter of this Agreement or the activities of the Nonprofit.
- (b) No County will enter into any contract with any member of the Nonprofit Board concerning the general subject matter of this Agreement or the activities of the Nonprofit.
- (c) No member of the Nonprofit Board shall attempt to influence any other member of the Nonprofit Board or any member of any County Board to make a contract concerning the general subject matter of this Agreement. At all times, the Members of the Nonprofit Board shall conduct themselves in such a way as to not be in violation of Section 14-234 of the General Statutes.
- (d) No member of the Nonprofit Board shall (with respect to confidential information obtained through a member's position on the Nonprofit Board including information as to decisions by the Board or any County):
 - (i) acquire a financial interest in any property, contract, transaction or enterprise which may be affected by such information; or
 - (ii) intentionally aid another person, firm or other organization to do so.
- (e) No County or member of the Nonprofit Board will take any affirmative action to direct a business opportunity related to the general subject matter of this Agreement from one County to another County without the unanimous approval of the Nonprofit Board.
- (f) If any member of the Nonprofit Board considers himself to have a direct material financial interest in a matter before the Nonprofit Board, such member shall identify that interest to the Nonprofit Board. The Nonprofit Board may then determine by a majority of votes to recuse such member from voting on the matter.

**ARTICLE VIII
TERM AND TERMINATION OF AGREEMENT; WITHDRAWAL**

1. **Effective Date.** This Agreement and the obligations created hereunder take effect and become binding immediately upon the execution of this Agreement by all the Parties. It will not take effect as among less than all the Parties, although any combination of the Parties may thereafter enter into one or more separate agreements regarding the subject matter of this agreement.

2. **Termination.** This Agreement expires at noon, local time for Raleigh, North Carolina, on February 16, 2029; however, the Parties may agree in writing to extend the Agreement for twenty (20) additional years, until February 16, 2049. If payments to one or both Counties are still outstanding, the agreement may be extended until such time, as determined by the Nonprofit, as each County has received total payments pursuant to Article II, Section 4, equal to:

- (a) the total of all amounts advanced by such County for Debt Service and Capital Costs; and
- (b) simple interest on such contributions from their respective dates at the Contract Rate, provided however, no extensions of the Agreement under these circumstances shall be effective past noon, local time for Raleigh, North Carolina, February 16, 2049.

Notwithstanding the foregoing, the Parties may, by unanimous consent at any time before any termination date, decide to extend the term of the Agreement for an additional and consecutive twenty (20) year term.

The Parties may, at any time by unanimous consent, terminate this Agreement and the joint undertakings contemplated herein. After the expiration or termination of this Agreement, none of the Parties shall have any continuing obligations hereunder unless specifically and expressly indicated herein (such as the continuing obligations for indemnification set forth in Article X). Under no circumstances shall the obligation by the Parties to make contractually obligated payments based on Incremental Tax Receipts pursuant to this Agreement be interpreted to extend beyond the maximum term established by Section 158-7.4 of the North Carolina General Statutes or otherwise established by law.

3. **Withdrawal.** Any party may, in its sole discretion, withdraw from this Agreement by giving notice of withdrawal to each of the other Parties. Any withdrawal will be effective on the second July 1 following the last date notice is received by another party (the “Withdrawal Date”).

From and after the Withdrawal Date:

- (a) The withdrawing party remains liable for its proportionate share of payments toward Debt Service with respect to Loan Agreements in effect as of Withdrawal Date.
- (b) The withdrawing party remains obligated to:
 - (i) make annual contributions to the budget for Capital Costs which were contracted for by the Nonprofit or for which the Nonprofit was otherwise obligated as of the Withdrawal Date, but for no longer than a period of five (5) years from the Withdrawal Date; and
 - (ii) make payment of obligations pursuant to Article III of this Agreement, but for no longer than a period of five (5) years from the Withdrawal Date.
- (c) In the event the withdrawing party is the Host County, it shall continue to distribute contractually obligated payments based on Incremental Tax Receipts as provided in Article II, Section 3.
- (d) The withdrawal of a Host County does not forfeit its entitlement to retain tax revenues available at the termination of this Agreement under this Article.

In the event the Withdrawing County achieved a more advantageous Incentive Tier Ranking through its affiliation with the non-withdrawing County, it shall lose the more advantageous Incentive Tier Ranking as applied to Sites located within its boundaries. As of the Withdrawal Date, the Withdrawing County shall not be entitled to any further distributions pursuant to Article II, Section 4, and its share of contractually obligated payments based on Incremental Tax Receipts will be distributed to the non-withdrawing County. Any payments previously made to the withdrawing County, however, are not subject to any recapture or set-off. The withdrawal of one or more Parties shall not affect continuation of this Agreement between the remaining Parties.

ARTICLE IX DEFAULT AND REMEDIES

Any of the Parties shall be in default under this Agreement if they, or any of their representatives, agents or assigns violates any provision of this Agreement. Such violation may be a failure to perform a duty or obligation under this Agreement or the failure may be an overt act which is in violation of their duty or obligation under this Agreement. Upon the occurrence of any event of default which shall continue for a period of thirty (30) days after notice from any non-defaulting party, any one or more non-defaulting party may proceed to protect and enforce their respective rights under this Agreement. The enforcement of rights may include a suit, action or special proceeding at law or in equity, either for specific performance or for any legal or equitable remedy as may be deemed most effectual to protect the rights of the non defaulting party.

During the continuation of an event of default, any non-defaulting party may incur and pay reasonable expenses for the defaulting party’s account as may be necessary to cure the default. Any party making any such payment shall be entitled to reimbursement by the defaulting party with interest at the Contract Rate. A Party may cure its default of a payment obligation only by paying to or on behalf of the Nonprofit all amounts past due and unpaid, together with interest from the due date at the Contract Rate, and any other expenses of collection incurred by the Nonprofit or a County as a result of such default.

To the extent permitted by law, each County designates the Nonprofit to act as its attorney in fact to prosecute on its behalf any and all claims such party may have under this Agreement. Notwithstanding this appointment, however, any party may (by written notice to all the other Parties) revoke the appointment with regard to any particular claim or potential claim designated in the notice.

All remedies under this Agreement are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy. If any event of default shall occur and thereafter be waived, such waiver shall be limited to the particular breach so waived and shall not be deemed a waiver of any

other breach under this Agreement. If any party employs an attorney to assist in the enforcement of provisions of this Agreement, and such party prevails in its attempts at enforcement, then the defaulting party must pay the reasonable attorneys' fees and all of the other costs the non-defaulting party may have reasonably incurred (whether or not any suit or proceeding is commenced), all to the maximum extent permitted by law.

ARTICLE X INDEMNIFICATION

To the extent permitted by law, each party will indemnify, protect and save the other Parties and their respective officers and employees harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including reasonable attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the negligent or intentionally wrongful actions of the indemnifying party (or its officers, employees or other agents) related to this Agreement or to the transactions contemplated in this Agreement. The Parties acknowledge, however, that no County is a manufacturer, merchant or dealer in any property comprising any component of any of the planned Business Parks. No party makes, or will be held to have made, to any other party, any express or implied warranty or representation of any kind whatsoever with respect to any Business Parks, business building or any component part thereof, including but not limited to:

- (a) the merchantability or the fitness or suitability thereof for any particular purpose;
- (b) the design or condition thereof;
- (c) the safety, workmanship, quality or capacity thereof;
- (d) compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto;
- (e) any latent defect; or
- (f) any property's ability to perform any function.

The indemnification arising under this Article will survive the termination of this Agreement.

The Nonprofit will obtain liability coverage for officers and directors of the Nonprofit. This coverage shall be an officers and director's liability insurance policy and shall be obtained either directly or through one of the County's existing policies. If the Nonprofit has been funded and has sufficient operating funds available, it shall pay for the premiums for any such coverage. If the Nonprofit has not been funded and does not have sufficient operating funds available, the premiums for such coverage shall be paid by the Counties in equal fifty percent (50%) shares. Any and all individuals authorized to manage and direct funds and bank accounts for the Nonprofit shall be covered by a surety bond.

ARTICLE XI REPRESENTATIONS, COVENANTS AND WARRANTIES

Each of the Parties represents, covenants and warrants for the benefit of the others, as follows:

- (a) Neither the execution nor delivery of this Agreement, nor the fulfillment of or compliance with its terms and conditions, nor the consummation of the transactions contemplated herein results in a breach of or default under the terms, conditions and provisions of any agreement or instrument to which such party is now a party or by which it is bound.
- (b) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated herein, nor the fulfillment of or compliance with the terms and conditions hereof, to the best of each party's knowledge, constitutes a violation of any provision of governing law.
- (c) To the knowledge of each party, there is no litigation or other court or administrative proceeding pending or threatened against such party which affect its right to execute or deliver this Agreement or to comply with the terms hereof.
- (d) No approval of any regulatory or governing body is required by any Party to execute and deliver this Agreement or to comply with the terms hereof.
- (e) All of the Parties' representations, covenants and warranties contained herein are true, correct and complete in all material respects and are not false or misleading in any material respect.
- (f) This Agreement has been validly authorized, executed and delivered by the Parties, and constitutes the valid, legal and binding obligation of the Parties.

ARTICLE XII AUTHORITY FOR THIS AGREEMENT

Section 158-7.1 of the General Statutes provides general authority for any local government to take action designed to enhance the unit's business prospects, and in particular to provide for the acquisition and development of land for use as a business park. Section 153A-449 of the General Statutes authorizes counties to enter into contracts with private entities to carry out any authorized public purpose. Article 20, Chapter 160A of the General Statutes authorizes multiple units of local government to enter into interlocal agreements to carry out any activity that they could each carry out individually. Section 158-7.4 of the General Statutes expressly authorizes two or more units of local government to enter into contracts and agreements regarding the development of business and commercial parks and Sites, including the right to share in the proceeds from property taxes levied on parks or Sites.

The obligations of the Parties to one another, including the obligations to share in revenues and expenses under Articles II and III, are continuing contracts within the meaning of Section 153A-13 of the General Statutes and are binding upon the Counties pursuant to Section 158-7.4 of the General Statutes. Each County and the Nonprofit specifically agree that the terms of this Agreement are enforceable obligations of future County Boards as continuing contracts, and each party hereto will be estopped from contending otherwise in any action to enforce the terms of this Agreement.

ARTICLE XIII LEGAL COUNSEL

Nexsen Pruet, PLLC, by and through Ernest C. Pearson, who was previously a principal of Sanford Holshouser LLP, has to date and may in the future provide legal assistance, consultation and advice to the Parties as to the terms and structure of this Agreement. All of the Parties acknowledge and agree that in relation to this Agreement, Mr. Pearson and the aforementioned law firms do not represent either of the Counties individually or the Counties as a group, but only represents the Nonprofit. Each County has been represented by its own counsel. The Parties further acknowledge that Nexsen Pruet, PLLC, and previously Sanford Holshouser LLP, have not acted as counsel for either County in the negotiation or other consideration of this Agreement.

ARTICLE XIV MISCELLANEOUS

1. **Informalities.** Informalities observed in the administration or performance of this Agreement and the failure of any party to insist upon strict compliance with the provisions hereof on one occasion shall not be deemed to be the waiver of any provision or of the right of any party hereto to insist upon the strict performance of this Agreement at any later time.

2. **Governing Law.** This Agreement shall be governed by North Carolina law.

3. **Notices.**

(a) Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement.

(b) Any communication shall be sufficiently given and deemed given when delivered by hand or on the date shown on a delivery receipt from either the United States Postal Service or a nationally-recognized express delivery service, if addressed as follows:

If to Brunswick, to the Brunswick County Manager, Attention: Notice under 2008 Brunswick-Columbus Interlocal Agreement, Courthouse, 310 Government Center Drive Northeast, Bolivia, NC 28422.

If to Columbus, to the Columbus County Manager, Attention: Notice under 2008 Brunswick-Columbus Interlocal Agreement, 111 Washington Street, Whiteville, NC 28472.

If to the Nonprofit, to the Registered Agent, James Bradshaw, Brunswick County Economic Development Commission, Post Office Box 158, Bolivia, North Carolina 28422.

(c) Any addressee may designate additional or different addresses for communications by notice given under this Section to the other Parties.

4. **Non-Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right is not a business day, such payment may be made or act performed or right exercised on or before the next succeeding business day.

5. **Assignments.** No party may sell or assign any interest in or obligation under this Agreement without the prior express written consent of all the Parties; provided, however, that the Counties acknowledge and accept that the Nonprofit may from time to time assign rights under this Agreement to one or more entities functioning as lenders to the Nonprofit.

6. **Amendments.** This Agreement may not be changed except in writing signed by all the Parties; provided, however, that the Nonprofit must accept any amendment agreed to by all the Counties that does not increase the Nonprofit's obligations or liabilities.

7. **Binding Effect.** Subject to the specific provisions of this Agreement, this Agreement is binding upon and inures to the benefit of, and is enforceable by, the Parties and their respective successors and assigns.

8. **Time.** Time is of the essence as to each and all provisions of this Agreement.

9. **Liability of Officers and Agents.** No officer, agent or employee of any party shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

10. **Third-Party Beneficiaries.** There are no entities which are, or which are intended as, third-party beneficiaries of this Agreement, except for entities that from time to time may be functioning as lenders to the Nonprofit.

11. **Counterparts.** This Agreement may be executed in several counterparts, including separate counterparts. Each will be an original, but all of them together constitute the same instrument.

12. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the general subject matter covered hereby. The parties acknowledge that previous versions of an Interlocal Development Agreement for Brunswick-Columbus Business Parks were executed, however, this Agreement expressly supersedes any such prior versions, drafts or any other written or oral agreements pertaining to the matters set forth herein.

13. **Definitions.** All terms with initial capitals used in this Agreement and not otherwise defined will have the meanings ascribed to those terms in Exhibit A. In addition, this Agreement is to be interpreted in accordance with the rules of construction set out in Exhibit A.

14. **Exhibits.** All exhibits attached hereto are listed below and are incorporated herein by reference.

Exhibits –

- A Definitions; rules of construction
- B Site description
- C Illustration of Incremental Tax Receipts and Base Tax Receipts
- D Illustration of Establishment of Control Date
- E Illustration of Incremental Tax Receipt Distribution Calculation
- F Calculation of Revenue Percentages

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals with the intent to be bound as of the day first set out above.

[SEAL]

BRUNSWICK COUNTY, NORTH CAROLINA

ATTEST

Clerk, Board of Commissioners

Chairman, Board of Commissioners

[SEAL]

ATTEST:
/s/ **JUNE B. HALL**
Clerk, Board of Commissioners

COLUMBUS COUNTY, NORTH CAROLINA
/s/ **JAMES E. PREVATTE**
Chairman, Board of Commissioners

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

Finance Officer
Brunswick County, North Carolina

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

/s/ **BOBBIE FAIRCLOTH**
Finance Officer
Columbus County, North Carolina
[SEAL]

ATTEST:

Secretary

BRUNSWICK - COLUMBUS,
INTERNATIONAL PARK, INC.

Chairman

[INTERLOCAL AGREEMENT dated as of February 16, 2009]

EXHIBIT A -- DEFINITIONS; RULES OF CONSTRUCTION

Definitions. In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings (unless the context requires otherwise):

“Base Tax Receipts” has the meaning assigned in Article II, Section 4 and Exhibit C of this Agreement.

"Business Park" or "Park" means, individually or as a group, the Initial Business Park the Parties plan to develop on the Initial Site or Subsequent Business Parks the Parties may develop on Subsequent Sites.

“Capital Costs” has the meaning assigned in Article IV.

“Contract Rate” means an annual rate of interest equal to the greater of (i) 5% or (ii) the average interest rate then payable by the Nonprofit under its Loan Agreements, as may be applicable to the situation.

“Control Date” for any Site means the date it is acquired by the Nonprofit or placed under other Property Control (as defined herein in Exhibit A and in Exhibit D).

“Counties” means Brunswick and Columbus Counties, individually or as a group, as the context may indicate, and “County” means either of the Counties individually.

“County Board” means any County’s governing board of commissioners, as from time to time constituted.

“County Manager” means the chief administrative officer of any County, however titled, and includes any interim or acting County Manager as may exist from time to time.

“Debt Service” means all of the Nonprofit’s obligations for the payment of principal and interest under any Loan Agreement.

All references to the “General Statutes” are references to the North Carolina General Statutes, as amended; any reference to a particular Chapter, Article or Section shall be deemed to include reference to any successor provision.

“Host County” means the County within the geographical limits of which lies a particular Site.

“Incremental Tax Receipts” has the meaning assigned in Article II, Section 4 and Exhibit C of this Agreement.

“Incentive Tier Ranking” means the development tier for each County, or for any Site developed jointly by the Counties, as designated by NCGS §143B-437.08.

“Initial Site” and “Initial Business Park” means the first site to be developed in accordance with this Agreement and it is more particularly described as the Initial Site in Exhibit B of this Agreement, and the Business Park developed thereon.

“Loan Agreement” means any contract, however denominated, relating to an agreement for the repayment of money borrowed by the Nonprofit.

“Local Economic Developer” means for each County the person designated as such by the County to the Nonprofit.

“Master Plan” means a written plan for the comprehensive development of the Initial Site or any Subsequent Site into a Business Park, including such aspects as planning for infrastructure development and Site development improvements, as formulated by a professional engineering firm and approved by a private development partner and/or the Nonprofit Board, as may be applicable from time to time.

“Nonprofit Board” means the Nonprofit’s governing board of directors, as the same may be constituted from time to time.

“O&M Budget” has the meaning assigned in Article III, Section 3.

“Project” means the undertaking of developing the Sites into the Business Parks.

“Property Control” means (i) acquisition of fee simple title, or entering into a purchase contract with a stated closing date within one hundred eighty (180) days of the contract date, (ii) acquisition of an option to purchase or right of first refusal that is exercisable by either the Nonprofit or the Host County (with a requirement of not more than one hundred twenty (120) days notice of exercise to the owner and not more than ninety (90) days notice from the Host County to the Nonprofit), or (iii) such other arrangement or agreement as may be approved by the Nonprofit and the Host County.

“Revenue Fund” means the Fund of that name established pursuant to Article II, Section 1.

“Revenue Percentages” has the meaning assigned in Article V, and as described in Exhibit F.

“Sites” means, the real property previously identified for the Initial Business Park development within the jurisdiction of each County, as more particularly described in Exhibit B, and should the parties agree to acquire additional real property and to develop additional Business Parks such additional Sites shall be as more particularly described in amendments to Exhibit B.

“Subsequent Sites” means, generally any additional real property identified and developed under this agreement that is within the jurisdiction of one or both Counties.

“Suitable for Development.” To be calculated as acreage “Suitable for Development”, it must be acreage that excludes wetlands and or any other characteristic which would make it unsuitable for development, such as grade of land, environmental problems or existing easements. This list is intended for use as an example and is not meant to limit the characteristics which would make land unsuitable for development.

“Supermajority Approval” means approval by the Nonprofit Board a three-quarters majority vote of those voting on the matter, if those voting include at least two representatives from each of the

Counties which were initially appointed by the Boards of Commissioners of the County.

Rules of Construction. Unless the context otherwise indicates:

- (a) Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders as well.
- (b) All references to Articles, Sections, or Exhibits are references to Articles, Sections and Exhibits of this Agreement.
- (c) All references to the “Parties” are to the Parties to this Agreement.
- (d) All references to officers are references to officers of the Parties to this Agreement.
- (e) The headings herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meanings, construction or effect.

Exhibit B – The Initial Site

Brunswick County –

Lying in Northwest Township, Brunswick County, North Carolina, containing 409.41 acres, more or less, and being a portion of each of the following tracts:

The ACME Tract, containing a total of 578.09 acres, and the W.L. Hobbs Tract, containing a total of 462.8 acres, both as shown on the plat entitled “International Paper Realty, ACME and W.L. Hobbs Tracts,” as recorded in Plat Book 29, Page 426 of the Brunswick County Registry, a duplicate of which map is recorded in Plat Book 75, Page 86 of the Columbus County Registry (both tracts lying partially in Brunswick County and partially in Columbus County);

More specifically being the portion of the ACME tract that lies in Brunswick County, which portion contains a total of 373.69 acres, more or less, TOGETHER WITH a 35.72-acre portion of the W.L. Hobbs tract, said 35.72 acres being distributed evenly along and parallel with the common line between the two tracts, totaling 409.41 acres in Brunswick County.

The said 373.69-acre tract is identified as Brunswick County Parcel #01400008 and is highlighted in pink on the attached map, and the W.L. Hobbs tract is identified as Brunswick County Parcel #0140000801, and is highlighted in green on the attached map, for general identification.

Columbus County –

Lying in Ransom Township, Columbus County, North Carolina, containing 204.40 acres, more or less, being the portion of the following tract that lies in Columbus County (the entire tract lying partially in Columbus County and partially in Brunswick County):

The ACME Tract, containing a total of 578.09 acres, as shown on the plat entitled “International Paper Realty, ACME and W.L. Hobbs Tracts,” as recorded in Plat Book 75, Page 86 of the Columbus County Registry, a duplicate of which map is recorded in Plat Book 29, Page 426 of the Brunswick County Registry.

Said 204.40-acre tract is identified as Columbus County Property #28573 and #87263, and is highlighted in yellow on the attached map for ease of identification.

Exhibit B continued – The Initial Site (map)

(Map)

Exhibit C – Illustration of Incremental Tax Receipts

Property “A” is a Site located in County “X,” which is a party to this Agreement.

The Nonprofit purchases Property A on March 15, 2009, establishing that as the “Control Date” for Property A. On that date, the amount of ad valorem taxes payable annually on that property (but not including taxes on property listed for motor vehicle taxes) is \$100,000. \$100,000 would be the Base Tax Receipts for Property A.

In the future any ad valorem taxes payable on Property A (excluding taxes on motor vehicles) which are in excess of \$100,000 would be Incremental Tax Receipts subject to the terms of this Agreement.

Exhibit D – Illustration of Establishment of Control Date

By way of illustration and not of limitation, all of the following are examples of a Control Date being established as of June 1, 2009.

Example 1:

- On June 1, 2009, the Nonprofit purchases property in fee simple.

Example 2:

- On June 1, 2009, the Nonprofit enters into a purchase contract. The closing date is on or before one hundred eighty (180) days of the effective date of the purchase contract.

Example 3:

- On June 1, 2009, the Nonprofit or either County obtains an option to purchase or a right of first refusal that is exercisable by either party with a notice period to the owner that does not exceed one hundred twenty (120) days and contains a notice period from the Host County to the Nonprofit that does not exceed ninety (90) days.

If more than one of these scenarios applies, the earlier date will control. For example, if the Nonprofit enters into a purchase contract on May 1, 2009 with a stated closing date of October 1, 2009, and the property actually closes on October 1, 2009, the Control Date would be May 1, 2009.

Exhibit E – Illustration of Incremental Tax Receipt Calculations/Incentive Payments

A parcel of property located in the Columbus County (“Columbus”) portion of the Initial Business Park is chosen as a site for a new corporate facility. The Base Tax Receipts that Columbus received from the parcel of property as of the Control Date was in the amount of Ten Thousand and No/100 Dollars (\$10,000.00). After the development of the Business Park and the construction and equipping of the new corporate facility the parcel of property generated One Hundred Thousand and No/100 Dollars (\$100,000.00) in total tax receipts, or Ninety Thousand and No/100 Dollars (\$90,000.00) in Incremental Tax Receipts for Columbus. The following examples demonstrate the division of the total tax receipts between Columbus and Brunswick County (“Brunswick”), under further defined circumstances:

1. Example 1. Columbus was able to recruit the corporate facility without having to commit to any incentive payments. Columbus retains the Base Tax Receipts of Ten Thousand and No/100 Dollars (\$10,000.00). The remaining Incremental Tax Receipts are divided equally between Columbus and Brunswick, with Forty-Five Thousand and No/100 (\$45,000.00) being retained by Columbus, and a contractually committed payment of Forty-Five Thousand and No/100 Dollars (\$45,000.00) being paid to Brunswick.
2. Example 2. In order to successfully recruit the corporate facility, Columbus committed to paying incentive grants to the company in the amount of Forty Thousand and No/100 Dollars (\$40,000.00) per year for five (5) years. Columbus retains the Base Tax Receipts of Ten Thousand and No/100 Dollars (\$10,000.00). In each year of the term of this Incentive Agreement Columbus pays the company an incentive grant of Forty Thousand and No/100 Dollars (\$40,000.00). The remaining Incremental Tax Receipts are divided equally between Columbus and Brunswick, with Twenty-Five Thousand and No/100 Dollars (\$25,000.00) being retained by Columbus, and a contractually obligated payment of Twenty-Five Thousand and No/100 Dollars (\$25,000.00) being paid to Brunswick. After the expiration of the five (5) year term of the Incentive Agreement, the tax receipts are applied in the manner described in Example 1 above.
3. Example 3. In order to successfully recruit the corporate facility, Columbus paid an up-front incentive grant to the company in the amount of Two Hundred Thousand and No/100 Dollars (\$200,000.00). Pursuant to the terms of this Agreement, that incentive grant amount is to be amortized over a ten (10) year period. In each of those ten (10) years, the tax receipts should be applied as follows:
 - (a) Columbus retains the Base Tax Receipts of Ten Thousand and No/100 Dollars

- (\$10,000.00); and
- (b) Columbus retains an additional Twenty Thousand and No/100 Dollars (\$20,000.00) as one tenth (1/10) of the amortization of the up-front incentive grant; and
 - (cc) The remaining Incremental Tax Receipts are divided equally between Columbus and Brunswick, with Thirty-Five Thousand and No/100 Dollars (\$35,000.00) being retained by Columbus and a contractually obligated payment of Thirty-Five Thousand and No/100 Dollars (\$35,000.00) being paid to Brunswick.

After the tenth (10th) year of this calculation, the up-front incentive paid by Columbus has been fully amortized and thereafter the tax receipts are applied in the manner described in Example 1 above.

4. Example 4. In order to successfully recruit the corporate facility, Columbus committed to paying incentive grants to the company in the amount of One Hundred Ten Thousand and No/100 Dollars (\$110,000.00) per year for five (5) years. In each of the five (5) years Columbus pays the committed incentive grants to the company, it pays no Incremental Tax Receipts to Brunswick during that five (5) year period. After the expiration of the five (5) year period, the tax receipts are applied in the manner described in Example 1 above.
5. Example 5. In order to successfully recruit the corporate facility, Columbus paid an up-front incentive grant to the company in the amount of One Million One Hundred Thousand and No/100 Dollars (\$1,100,000.00). Pursuant to the terms of this Agreement, that incentive grant amount is to be amortized over a ten (10) year period. During the ten (10) year period, Columbus pays no Incremental Tax Receipts to Brunswick. After the expiration of the ten (10) year amortization period, the tax receipts are applied in the manner described in Example 1 above.

Exhibit F – Calculation of Revenue Percentages

The Nonprofit will determine the Revenue Percentages in the following manner:

1. The Revenue Percentages will initially be fifty percent (50%) for Brunswick County and fifty percent (50%) for Columbus County, subject to adjustment as provided below.
2. The Nonprofit will establish a “Contributions Account” for each County.
3. The Nonprofit will credit within each County’s respective Contributions Account, the date and amount of each payment that is received from the County as a payment of:
 - (a) Debt Service;
 - (b) Park Development Cost;
 - (c) amounts due on O&M Budgets; or
 - (d) amounts due on Capital Budgets.
4. The Nonprofit will credit within each County’s respective Contributions Account, the date and value of each in-kind contribution from the County that constitutes one of the above payments, as determined in accordance with this Agreement.
5. The Nonprofit will credit within each County’s respective Contributions Account, an amount equal to their percentage share of any funding for any of the above costs that is provided to the Nonprofit or one of the Counties by third Parties (other than as proceeds derived from a Loan Agreement). The Nonprofit may determine by Supermajority Approval that any one or more Counties deserves a greater credit (and therefore other Counties receive a lesser credit) because of the efforts or characteristics of such County in obtaining the third-party funding. In such event, the Nonprofit will accordingly, make the adjusted credits to the Contributions Account.
6. The Nonprofit will credit to each County’s Contributions Account at least semiannually, and at the time of any determination of Revenue Percentages as provided for below, interest on the balance in such account at the Contract Rate of five percent (5%).

At any time of determination, the Revenue Percentage for any County will be a fraction, the numerator of which is that County’s Contributions Account balance, and the denominator of which is the sum of the Contributions Account balances of the two Counties.

The Nonprofit shall determine the Revenue Percentages for the purpose of making any distributions to the Counties pursuant to Article II, Section 4, as of the date of determining the distributions.

Terri Martin, Columbus County Attorney, stated the following:

1. The date has been changed from February 18, 2009 to February 16, 2009;
2. A property description is included;
3. This agreement included an Exhibit B; **and**
4. This is a **new** agreement which supercedes all previous agreements.

Commissioner McKenzie made a motion to approve the **new** Interlocal Development Agreement for Brunswick-Columbus business Parks, which supercedes any and all previous Interlocal Development Agreements for Brunswick-Columbus business Parks, seconded by Commissioner Byrd. The motion unanimously passed.

Agenda Item #14: Finance - Approval of Investment Policy: Bobbie Faircloth, Finance Director, requested the first of two (2) required readings of the following Investment Policy.

COUNTY OF COLUMBUS

STANDARD POLICY/PROCEDURE

SUBJECT: Investment Policy

Effective Date:

Department: Finance

Policy No.

Prepared by: Bobbie Faircloth, Chief Finance Officer

of Pages: 14

The purpose of this investment policy is to provide investment guidance to the statutory Finance Officer in the routine investment of public funds and to ensure public funds are invested within the limitations of the North Carolina General Statutes (NCGS),

I. Scope

This policy applies only to the investment of short-term operating funds. Longer-term funds available for investment would include the proceeds from certain debt issues which are not covered by this policy.

Pooling of Funds - Except for cash in certain restricted and special funds, the County will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

II. General Objectives

The three primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. **Safety -** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. **Credit Risk** is defined as the risk of loss due to the failure of the security issuer or backer. The County will minimize this risk by:

- Limiting investments to the safest types of securities as directed by N.C.G.S. 159-30,
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the County will do business, and
- Reasonably diversifying the investment portfolio so that potential losses on individual securities will be minimized.

b. **Interest Rate Risk** is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The County will minimize this risk by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for

ongoing operations this is to avoid the need to sell securities on the open market prior to maturity, and

- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

2. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds of local government investment pools that will offer same-day liquidity for short-term funds.

3. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The cores of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal,
- A security swap would improve the equality, yield, or target duration in the portfolio, or
- Liquidity needs of the portfolio require that the security be sold.

Standards of Care

Prudence

A. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio.

B. Investment officials acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

C. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Ethics and Conflicts of Interest

A. Officials and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

B. Employees and investment officials shall disclose any material interest in financial institutions with which they conduct business.

C. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

D. Employees and officials shall refrain from undertaking personal investment transactions with the same individuals with whom business is conducted on behalf of the County.

Delegation of Authority

A. Authority to manage the investment program is outlined in NCGS §159-30 and granted to the Financial Services Director (i.e. the statutory Finance Officer), hereinafter referred to as investment officer.

B. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with establish written procedures and internal controls for the operation of the investment program consistent with this investment policy.

C. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements.

D. No person may engage in an investment transaction except as provided under the terms of

this policy and the procedures established by the investment officer.

E. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

IV. Safekeeping and Custody

Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list also will be maintained of approved security brokers/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements,
- Proof of national Association of Securities Dealers (NASD) certification,
- Proof of state registration,
- Completed broker/dealer questionnaire (Exhibit A), and
- Certification of having read and understood and agreeing to comply with the (entity's) investment policy.

An annual review of the financial condition and registration of qualified financial institution and broker/dealers will be conducted by the investment officer.

From time to time, the investment officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to the criteria described above may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the County Board of Commissioners on a consistent basis and will be consistent with state laws. These types of investments purchases should be approved by the County Board of Commissioners in advance.

Internal Controls

A. The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse.

B. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

C. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the investment officer shall establish a process for an annual review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion,
- Custodial safekeeping,
- Clear delegation of authority to subordinate staff members,
- Written confirmation of transactions for investments and wire transfers, and
- Development of a wire transfer agreement with the lead bank and third-party custodian.

Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

V. Suitable and Authorized Investments

Investment Types

Per North Carolina General Statutes (NCGS) §159-30, the County is authorized to invest in the following classes of security and no other:

- a. Moneys may be deposited at interest in any bank, savings and loan association, or trust company in the State in the form of certificates of deposit or such forms of time deposit. (Certificates of Deposit)
- b. Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States (Treasury Bills, Notes, and Bonds).
- c. Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service (Agencies).
- d. Obligations of the State of North Carolina (NC State Bonds).
- e. Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the secretary may impose (NC Municipal Bonds).
- f. Savings certificates issued by any savings and loan association organized under the laws of the State of North Carolina or by any federal savings and loan association having its principal office in North Carolina; provided that any principal amount of such certificate in excess of the amount insured by the federal government or any agency thereof, or by a mutual deposit guaranty association authorized by the Administrator of the Savings and Loan Division of the Department of Commerce of the State of North Carolina, be fully collateralized (Certificates of Deposit).
- g. Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation (Commercial Paper).
- h. Bills of exchange of time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company is either (1) incorporated in the State of North Carolina or (2) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations (Bankers Acceptances).
- i. Participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under this sub section and that said fund is certified by the Local Government Commission. The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment (North Carolina Capital Management Trust Fund – NCCMT).
- j. Evidences of ownership of, or fractional undivided interest in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian (Treasury Strips).

The County will not invest in derivatives of the above instruments.

VI. Investment Parameters

Diversification

The investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- Limiting investment in securities that have higher credit risks,
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as the North Carolina Cash Management Trust Fund (NCCMT), which is a money market mutual fund, to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Maximum Maturities

To the extent possible, the County shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the County will not directly invest in securities maturing more than five (5) years from the date of purchase. The County shall adopt

weighted average maturity limitations (which often range from 90 days to 3 years), consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the Columbus County Board of Commissioners.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in the NCCMT or similar money market fund to ensure that appropriate liquidity is maintained to meet ongoing obligations.

VII. Reporting

Methods

The investment officer shall prepare an investment report at least annually, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the County to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report should be provided to the County Manager and the County Commissioners. The report will include the following:

- a. Listing of individual securities held at the end of the reporting period,
- b. Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements),
- c. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks,
- d. Listing of investment by maturity date, and
- e. Percentage of the total portfolio that each type of investment represents.

Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

VIII. Policy Considerations

Amendments

This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer, the County Manager, and the County Commissioners, as well as the individual(s) charged with maintaining internal controls.

Approved by:

Columbus County Board of Commissioners
Chairman James Prevatte

Date

Exhibit A Broker/Dealer Request for Information

Section I: Statement of Position and General Requirements.

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Person to Contact
Telephone No.
Length of Relationship

Client Name
Address
Person to Contact
Telephone No.
Length of Relationship

Client Name
Address
Person to Contact
Telephone No.
Length of Relationship

6. Has/have the representative(s) listed in No. 4 above been authorized by the firm to be account representative(s) for the County of Pinehurst?

Yes No

If yes, by whom?

7. Please list the name of the immediate supervisor of the account representative(s) named in your response to No. 4 above.

Briefly describe any formal program of supervision of the account representative(s) named in No. 4, if your firm has established such a program.

8. Is your firm a member of NASD? Yes No

If not, why?

9. Place an "X" by each regulatory agency that your firm is examined by and/or subject to its rules and regulations.

FDIC SEC NYSE

Comptroller of Currency Federal Reserve System

Other (example: State Regulatory Agency). Multi-state firms please note: It is not necessary to include regulatory agencies that do not have jurisdiction over your firm's activities in the County of Pinehurst.

10. Have you obtained all required licenses to operate as a broker/dealer in the state of North Carolina?

Yes No

11. If you are not a Bank, please provide the following information regarding your principal banking relationship.

Bank Name

Address

Person to Contact

Telephone Number

Length of Relationship

12. Place an "X" in the block next to each of the instruments set forth below in which you make an active market (both buy and sell).

T-Bills T Notes/Bonds

BA Commercial Paper

Bank CDs S & L CDs

GNMAs FHLMCs

Other Federal Agencies (Please Specify)

Instrumentalities (Please Specify)

13. Does your firm specialize in any of the instruments listed above? If so, please specify which ones.

Section II – Part II: Request for Broker/Dealer Candidate Disclosure

14. To the best of your knowledge, has there been any “material” litigation, arbitration or regulatory proceedings, either pending, adjudicated or settled, that your firm has been subject to within the last five years that involved issues concerning the suitability of the sale or purchase of securities to institutional clients or fraudulent or unfair practices related to the sale of securities to an institutional client? If so, please describe each such matter briefly. For purposes of this section, proceedings are “material” if your independent accountant applying generally accepted accounting principles determines that such proceedings required disclosure on your financial statements.

15. Please provide certified audited financial statements for the last three years. In addition, for those dealers preparing and submitting financial statements to the following organizations, please provide publicly available financial documents filed with these agencies for the previous two years:

National Association of Securities Dealers
 Securities and Exchange Commission
 New York Stock Exchange
 Federal Deposit Insurance Corp.

16. Will the representative(s) assigned to the County account be required to read the County Investment Policy?

Yes No

Section III: Certification

I hereby certify that the above is true and correct to the best of my knowledge and that I am authorized to execute this request for information on behalf of

Name of Firm

BY

*Title

DATE:

*Note the foregoing form must be signed by a registered principal of your firm.

Ms. Faircloth stated the following:

1. I have discovered that we do not have an Investment Policy; **and**
2. This policy will give me the authority to make investments in state and out of state for the highest interest rate available.

Chairman Prevatte stated the following:

1. Within this policy, the Finance Officer cannot do business with the same institution as the County does; **and**
2. I think that would be a hindrance to your personal business dealings.

Commissioner Norris made a motion to table this matter for further information, seconded by Commissioner Gore. The motion unanimously passed.

Agenda Item #15: RESOLUTION - APPROVAL of RESOLUTION SUPPORTING ALTERNATIVE METHOD of RECOGNITION for VETERANS STATUS to MERCHANT MARINE SEAMEN of WWII:

Don Horton, retired Merchant Marine, requested Board approval and adoption of the following Resolution Supporting Alternative Method of Recognition for Veterans Status to Merchant Marine Seamen of WWII.

A RESOLUTION of the COLUMBUS COUNTY BOARD of COMMISSIONERS SUPPORTING an ALTERNATIVE METHOD of RECOGNITION for VETERANS STATUS to MERCHANT MARINE SEAMEN of WW II

WHEREAS, Public Laws 95-202 and 105-368 bestowed veteran status on United States Merchant Marine Seamen of World War II; **and**

WHEREAS, the following two (2) specific United States government actions have caused some ten thousand (10,000) merchant seamen to have been denied their due recognition:

1. The United States Coast Guard relieved Masters of tugs, towboats and seagoing barges of the responsibility submitting reports of seamen shipped and discharged; **and**
2. The National Maritime Administration ordered ships' logbooks to be destroyed because they were too costly to maintain and had removed the two (2) main criteria required by the government to issue official recognition to those seamen.; **and**

WHEREAS, the average age of the remaining seamen is above eighty-six (86) and the population of the United States veteran is shrinking at an average of eight hundred fifty (850) per year causing time to be of the essence; **and**

WHEREAS, *no costs are associated with this proposal as funds are already included in the above public law;* **and**

WHEREAS, the Columbus County Board of Commissioners therefore requests that immediate action be taken to correct this inconceivable action.

NOW, THEREFORE, BE IT RESOLVED that the Columbus County Board of Commissioners supports the attached proposal and so orders that this Resolution and attached proposal be sent to Senator R.C. Soles, Jr., Senator Elizabeth Dole, Representative Dewey L. Hill and Congressman Mike McIntyre, and this matter be placed into action to ensure expedient passage.

APPROVED and **ADOPTED** this the 15th day of June, 2009.

COLUMBUS COUNTY BOARD OF COMMISSIONERS

JAMES E. PREVATTE, Chairman
ATTESTED BY:

JUNE B. HALL, Clerk to Board

Sherri Blackmon, Veterans Services Officer, stated the following:

1. This bill was introduced in 2005 and 2007 and failed on both occasions;
2. In order for this to get this far, Mr. Horton must have flew under the radar;
3. If this bill passes, each Merchant Marine will automatically receive one thousand and 00/100 (\$1,000.00) dollars per month for life, and our veterans do not receive this amount of money;
4. The counties that did pass this resolution done so under their Consent Agenda Items and did not really check into this; **and**
5. The Merchant Marines were employed by private businesses and received sizable amounts of money for their services.

Commissioner Gore made a motion to **not** approve the Resolution Supporting Alternative

Method of Recognition for Veterans Status to Merchant Marine Seamen of WWII, seconded by Commissioner Norris. The motion unanimously passed.

DECLARATION of RECESS:

At 7:43 P.M. Chairman Prevatte declared a ten (10) minute recess.

REGULAR SESSION RESUMED:

At 8:01 P.M., Chairman Prevatte called the Regular Session back to order.

RECESS REGULAR SESSION and enter into COMBINATION MEETING of COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V BOARD MEETING:

At 8:03 P.M., Commissioner McKenzie made a motion to recess Regular Session and enter into a **Combination Meeting** of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting, seconded by Commissioner Norris. The motion unanimously passed.

Agenda Item #16: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - APPROVAL of BOARD MEETING MINUTES:

June 01, 2009 **Combination Meeting** of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting (5 sets)

This information will be recorded in Minute Book Number 1 for each Water District respectively.

Agenda Item #17: COLUMBUS COUNTY WATER and SEWER DISTRICT II - ESTABLISH PUBLIC HEARING DATE and TIME:

Kip McClary, Public Utilities Director, requested the Board to establish July 06, 2009, as the date for the second public hearing for the proposed CDBG infrastructure House Hook-ups Project.

This information will be recorded in Minute Book Number 1 for Columbus County Water and Sewer District II.

Agenda Item #18: COLUMBUS COUNTY WATER and SEWER DISTRICT IV - APPROVAL and AWARD of BIDS for CONTRACTS 1, 2 AND 3, and AUTHORIZE CHAIRMAN PREVATTE to EXECUTE ALL NECESSARY DOCUMENTS:

Leo Green, Green Engineering, requested Board approval of the award of the bids for Contracts 1, 2, and 3, contingent on USDA Rural Development's approval, and to authorize Chairman Prevatte to execute all the necessary documents.

This information will be recorded in Minute Book Number 1 for Columbus County Water and Sewer District IV.

Agenda Item #19: COLUMBUS COUNTY WATER and SEWER DISTRICT IV - DISCUSSION of EXTENSION of WATER LINE:

Dennis Worley and Kyle Cox, private developers, will deliver a discussion on the extension of the proposed water line into Brunswick County, at the developers' expense.

This information will be recorded in Minute Book Number 1 for Columbus County Water and Sewer District IV.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - UPDATE ON PURCHASE OF BACKHOE:

Kip McClary, Public Utilities Director, delivered the following update on the purchase of a backhoe.

This information will be recorded in Minute Book Number 1 for each water district respectively.

ADJOURN COMBINATION MEETING of COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III IV and V BOARD MEETING and resume REGULAR SESSION:

At 8:19 P.M., Commissioner Gore made a motion to adjourn the **Combination Meeting** of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting, and resume Regular Session, seconded by Commissioner McKenzie. The motion unanimously passed.

Agenda Item #21: APPOINTMENTS - COMMITTEES/BOARDS/COUNCILS:

June B. Hall, Clerk to the Board, requested the following appointments to be made.

COMMITTEE	ZONE/ EB	PERSON(S)	EXPIR. DATE	BOARD ACTION
Chadbourn Planning and Zoning Board	EB	Brad Walker (ETJ)	05-2009	HOLD
Department of Aging Advisory Council	I III IV VI	Leona Martin Ray Wyche Mary Graham Elaine Gore Murray Myra Godwin	06-30-2009 06-30-2009 06-30-2009 06-30-2009 06-30-2009	Re-Appoint Re-Appoint Re-Appoint HOLD HOLD
Economic Development Commission Board of Directors	I	Troy Willard Goss, Sr.	06-30-2009	Re-Appoint
Fair Bluff Planning Board	EB	Mike Hughes (ETJ)	April, 2009	HOLD
Jury Commission Motion: Commissioner Byrd Second: Commissioner McKenzie	EB	J.B. Evans	06-30-200	Re-Appoint
Juvenile Crime Prevention Council	I III	-Vacant- Sandra Lewis	06-30-2009 06-30-2009	Samuel Pollard Re-Appoint
Library Board of Trustees	I	Carol Caldwell	06-30-2009	Re-Appoint
Vehicle Review Committee Motion: Commissioner Byrd Second: Commissioner McKenzie	EB	Robert White	02-01-2009	Re-Appoint

Agenda Item #22: CONSENT AGENDA ITEMS:

A. Tax Releases:

Commissioner Norris made a motion to approve the following Tax Releases, seconded by Commissioner Gore. The motion unanimously passed.

**TAX RELEASES (as submitted to the Governing Body Office from the Tax Office):
June 15, 2009**

Release the Property Value in the name of Fowler, Roger Amount: \$178.49
 Value: \$21,900.00 Year: 2008 Account # 09-00533 Bill # 8680 Total \$396.01
 Release the property value, the Williams Fire (13.14) and Columbus Rescue (4.38). The property is double listed in the name of David and Teresa Harris.

Release the Property Value in the name of Jones, Patricia Amount: \$87.20
 Value: \$10,700.00 Year: 2008 Account # 04-09361 Bill # 7483 Total \$100.04
 Release a portion of the property value, a portion of Bolton Fire (10.70) and Columbus Rescue (2.14). The property was billed with incorrect occupancy code.

Release the Property Value in the name of McKee, Marsha Amount: \$701.00
 Value: \$7,191.00 Year: 1999-2 Account # 06-24561 Bill # 9999 Total \$2,502.58
 Release the value of a single wide home the Williams Fire (29.28) and Columbus Rescue (13.88) for 1999 thru

2008. The home was traded for a double wide and listed in the name of James McKee.

Release the Property Value in the name of Saulter, J. P. (Heirs)	Amount:	\$217.70
Value: \$8,800.00 Year: 1999-2 Account # 15-32720 Bill # 9999	Total	\$217.70

Release the property value for the years 1999 thru 2008 for the Town of Sandyfield. The property is double listed in the name of Sherman Blanks.

Release the Property Value in the name of Saulter, J.P. (Heirs)	Amount:	\$479.08
Value: \$8,800.00 Year: 1999-2 Account # 15-32720 Bill # 9999	Total	\$564.36

Release the property value, the Acme Delco Fire (74.64) and Columbus Rescue (10.64) for 1999 thru 2008. The property is double listed in the name of Sherman Blanks.

Release the Property Value in the name of Smith, Linwood W.	Amount:	\$538.42
Value: \$9,650.00 Year: 2003-2 Account # 08-17017 Bill # 9999	Total	\$1,193.46

Release the value of a single wide home and the Columbus Rescue for the years 2003 thru 2008. The home was traded for a double wide and listed in Lee's Township.

Release the User Fee in the name of Ball, Janice	Amount:	\$0.00
Value: \$0.00 Year: 2007-2 Account # 05-05954 Bill # 9999	Total	\$393.00

Release the user fee for 2007 and 2008. The mobile home is used as storage and there is no trash can here.

Release the User Fee in the name of Brown, Gertrude	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 05-00720 Bill # 9571	Total	\$200.00

Release one of two user fees. There is only one trash can here.

Release the User Fee in the name of Columbus County Hamitate for Humanity	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 01-04088 Bill # 3374	Total	\$113.00

Release the user fee. House has been moved off property.

Release the User Fee in the name of Edmund, Charles	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 12-06693 Bill # 6216	Total	\$200.00

Release the user fee on a house that is vacant and does not have a trash can.

Release the User Fee in the name of Guy, Lee	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 03-03019 Bill # 2326	Total	\$200.00

Release the user fee on a house that is vacant and does not have a trash can.

Release the User Fee in the name of Harrelson, Alan	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 16-04028 Bill # 3071	Total	\$133.00

Release a portion of the user fee. Customer did not have the trash can for a full year.

Release the User Fee in the name of Jenkins, William Jr. (Heirs)	Amount:	\$0.00
Value: \$0.00 Year: 2006-2 Account # 04-09080 Bill # 9999	Total	\$325.00

Release the user fee for 2006, 2007 and 2008. This is vacant land.

Release the User Fee in the name of Jones, Billy	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 09-15954 Bill # 7287	Total	\$200.00

Release the user fee. House is vacant and does not have a trash can.

Release the User Fee in the name of Landrum, Johnny	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 01-02277 Bill # 8485	Total	\$200.00

Release the user fee on a house that is vacant, has no power and no trash can.

Release the User Fee in the name of Nance, Cathy	Amount:	\$0.00
Value: \$0.00 Year: 2007-2 Account # 10-12801 Bill # 9999	Total	\$786.00

Release two user fees for 2007 and 2008. Both mobile home's are vacant and have no trash cans.

Release the User Fee in the name of Patterson, Peggy	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 13-32043 Bill # 6091	Total	\$200.00

Release the user fee. House vacant and trash can picked up.

Release the User Fee in the name of Powell, James. E. (Heirs)	Amount:	\$0.00
Value: \$0.00 Year: 2008 Account # 12-22140 Bill # 7120	Total	\$200.00

Release the user fee. House vacant and trash can picked up in 2007.

Release the User Fee in the name of Ray, Joseph C. Amount: \$0.00
 Value: \$0.00 Year: 2008 Account # 06-30707 Bill # 8290 Total \$200.00
 Release the user fee on a house that is vacant and does not have a trash can.

Release the User Fee in the name of Strickland, Joseph A. Amount: \$0.00
 Value: \$0.00 Year: 2008 Account # 11-26400 Bill # 4942 Total \$200.00
 Release the user fee. House is vacant and does not have a trash can.

Release the User Fee in the name of Thompson, Essie Mae Amount: \$0.00
 Value: \$0.00 Year: 2008 Account # 06-39515 Bill # 6022 Total \$200.00
 Release the user fee. House is double listed in the name of Betty Fowler.

B. Budget Amendments:

Commissioner Gore made a motion to approve the following Budget Amendments, seconded by Commissioner Norris. The motion unanimously passed.

TYPE	ACCOUNT	DETAILS	AMOUNT
Expenditure	64-7115-527100	Contract - Sewer Purchase	29,000
Revenue	64-3716-418110	Sewer Sales	29,000
Expenditure	20-4921-537000	Advertising	5,000
	20-4921-531100	Travel	2,800
Revenue	20-3492-123206	Occupancy Tax Collections	7,800
Expenditure	10-5900-559050	½ Cent TX - Schools CPTL	(13,913)
	10-5900-549995	ABC Profit Distributions	25,000
Revenue	10-3591-440021	5 Cents ABC Bottle Tax	1,087
	10-3839-440020	ABC Profit Distributions	10,000
Expenditure	10-5900-550025	Lottery Disbursement	76,144
Revenue	10-3210-432315	Lottery Funds	76,144
Expenditure	10-4911-550000	Capital Outlay	14,580
	60-7111-550000	Capital Outlay	4,472
	61-7112-550000	Capital Outlay	4,472
	62-7113-512100	Salaries & Wages Regular	4,472
	63-7114-550000	Capital Outlay	4,472
	64-7115-550000	Capital Outlay	4,472
	65-7110-512100	Salaries & Wages Regular	4,472
	10-4310-550000	Capital Outlay	128,064
Revenue	10-3910-910000	Lease Purchase Proceeds	142,644
	60-3713-491001	Lease Purchase Proceeds	4,472
	61-3714-491001	Lease Purchase Proceeds	4,472
	62-3715-491001	Lease Purchase proceeds	4,472
	63-3719-491001	Lease Purchase Proceeds	4,472
	64-3716-491001	Lease Purchase Proceeds	4,472
	65-3718-491001	Lease Purchase Proceeds	4,472

Expenditure	10-4170-519001	Contracted Servcies	19,997
Revenue	10-3417-441005	Elections Fees	19,997
Expenditure	10-4310-535300	M&R Vehicles	246
	10-4310-535300	M&R Vehicles	276
Revenue	10-3431-489000	General Fund Balance	522

Agenda Item #12: COMMENTS:

B. Board of Commissioners:

1. **Commissioner McKenzie:** This Board needs to seriously consider increasing the minimum usage of water to three thousand (3, 000) gallons to encourage more citizens to sign up for County water and feel more comfortable in using the water.
2. **Commissioner Byrd:** I concur with Commissioner McKenzie on the increase of the minimum number of gallons of water in the water districts.
3. **Commissioner Russ:** There are problems in the Purchasing Department that need to be addressed by the Board.
4. **Chairman Prevatte:** I would like to thank each and every one that had a part in doing the budget this year, for all their hard work and their understanding in these tough economic times.

C. County Manager (William S. Clark): I would like to remind the Board about the Personnel Policy Workshop that needs to have a date established.

Chairman Prevatte recommended that each Board member bring their personal calendars with them at the July 06, 2009 Board Meeting so a date could be established for this workshop.

Agenda Item #24: ADJOURNMENT:

At 8:33 P.M., Commissioner Norris made a motion to adjourn, seconded by Commissioner Byrd. The motion unanimously passed.

APPROVED:

JUNE B. HALL, Clerk to Board

JAMES E. PREVATTE, Chairman

COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V
COMBINATION BOARD MEETING

Monday, June 15, 2009

8:03 P.M.

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Dempsey B. Herring Courthouse Annex Building, located at 112 West Smith Street, Whiteville, North Carolina, to act as the Columbus County Water and Sewer Districts I, II, III, IV and V Board.

COMMISSIONERS PRESENT:

James E. Prevatte, **Chairman**
 Amon E. McKenzie
 Giles E. (Buddy) Byrd
 Edwin Russ
 Lynwood Norris
 Ronald Gore

APPOINTEES PRESENT:

William S. Clark, **County Manager**
 Terri Martin, **Interim County Attorney**
 June B. Hall, **Clerk to Board**
 Bobbie Faircloth, **Finance Officer**

COMMISSIONER ABSENT:

Ricky Bullard, **Vice Chairman**

MEETING CALLED TO ORDER:

At 8:03 P.M., Chairman Prevatte called the Columbus County Water and Sewer Districts I, II, III, IV and V **Combination** Board Meeting to order.

Agenda Item #16: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - APPROVAL of BOARD MEETING MINUTES:

June 01, 2009 **Combination Meeting** of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting Minutes (**5 sets**)

Commissioner Norris made a motion to approve the June 01, 2009 **Combination Meeting** of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting Minutes, as recorded, seconded by Commissioner McKenzie. The motion unanimously passed.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - UPDATE ON PURCHASE OF BACKHOE:

Kip McClary, Public Utilities Director, delivered the following update on the purchase of a backhoe.

1. The truck is at Hardee Equipment and is now ready;
2. The trailer is ready to go;
3. The backhoe was delivered by RSC Rentals today;
4. The Board approved the amount of \$22,000 for the purchase of the backhoe and RSC Rentals will not negotiate below \$24,256;

5. The differential was replaced under warranty;
6. The warranty on the repair of the differential is not settled as of yet, and I am waiting on an answer from Marcus on this; **and**
7. This backhoe does not have a 4-in-1 bucket, it has a standard bucket, and I have found that a 4-in-1 bucket is very beneficial.

MOTION:

After discussion was conducted, Commissioner McKenzie made a motion to allocate an additional two thousand, five hundred, and 00/100 (\$2,500.00) dollars for the purchase of a backhoe, and to give Kip McClary, Public Utilities Director, the authority to negotiate the price on a backhoe, seconded by Commissioner Byrd. The motion unanimously passed.

ADJOURNMENT:

At 8:19 P.M., Commissioner Gore made a motion to adjourn, seconded by Commissioner McKenzie. The motion unanimously passed.

APPROVED:

JUNE B. HALL, Clerk to Board

JAMES E. PREVATTE, Chairman

**COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V
COMBINATION BOARD MEETING**

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APPOINTEES PRESENT:

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June B. Hall, **Clerk to Board**
Bobbie Faircloth, **Finance Officer**

COMMISSIONER ABSENT:

Ricky Bullard, **Vice Chairman**

MEETING CALLED TO ORDER:

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Commissioner Norris made a motion to approve the June 01, 2009 **Combination Meeting** of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting Minutes, as recorded, seconded by Commissioner McKenzie. The motion unanimously passed.

Agenda Item #17: COLUMBUS COUNTY WATER and SEWER DISTRICT II - ESTABLISH PUBLIC HEARING DATE and TIME:

Kip McClary, Public Utilities Director, requested the Board to establish July 06, 2009, as the date for the second public hearing for the proposed CDBG infrastructure House Hook-ups Project.

Commissioner McKenzie made a motion to establish July 06, 2009, at 6:30 P.M., as the date and time for the second public hearing for the proposed CDBG infrastructure House Hook-ups Project, seconded by Commissioner Norris. The motion unanimously passed.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - UPDATE ON PURCHASE OF BACKHOE:

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MOTION:

After discussion was conducted, Commissioner McKenzie made a motion to allocate an additional two thousand, five hundred, and 00/100 (\$2,500.00) dollars for the purchase of a backhoe, and to give Kip McClary, Public Utilities Director, the authority to negotiate the price on a backhoe, seconded by Commissioner Byrd. The motion unanimously passed.

ADJOURNMENT:

At 8:19 P.M., Commissioner Gore made a motion to adjourn, seconded by Commissioner McKenzie. The motion unanimously passed.

APPROVED:

JUNE B. HALL, Clerk to Board

JAMES E. PREVATTE, Chairman

**COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V
COMBINATION BOARD MEETING**

Monday, June 15, 2009

8:03 P.M.

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Giles E. (Buddy) Byrd
Edwin Russ
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APPOINTEES PRESENT:

William S. Clark, **County Manager**
Terri Martin, **Interim County Attorney**
June B. Hall, **Clerk to Board**
Bobbie Faircloth, **Finance Officer**

COMMISSIONER ABSENT:

Ricky Bullard, **Vice Chairman**

MEETING CALLED TO ORDER:

At 8:03 P.M., Chairman Prevatte called the Columbus County Water and Sewer Districts I, II, III, IV and V **Combination** Board Meeting to order.

Agenda Item #16: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - APPROVAL of BOARD MEETING MINUTES:

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At 8:19 P.M., Commissioner Gore made a motion to adjourn, seconded by Commissioner McKenzie. The motion unanimously passed.

APPROVED:

JUNE B. HALL, Clerk to Board

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**COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V
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Agenda Item #18: COLUMBUS COUNTY WATER and SEWER DISTRICT IV - APPROVAL and AWARD of BIDS for CONTRACTS 1, 2 AND 3, and AUTHORIZE CHAIRMAN PREVATTE to EXECUTE ALL NECESSARY DOCUMENTS:

Leo Green, Green Engineering, requested Board approval of the award of the bids for Contracts 1, 2, and 3, to the low bidder, from the following bidders' list, contingent on USDA Rural Development's approval, and to authorize Chairman Prevatte to execute all the necessary documents.

CONTRACT 1 - Water Mains, Booster Pump Station, Deep Well House and Electrical Construction:

T.A. Loving Company	\$3,709,136.85
McArthur Construction	\$3,846,247.37
Triangle Grading & Paving	\$3,847,607.00
Sanford Grading	\$3,861,245.06
Frank Horne Construction	\$4,130,921.55
Callahan Grading	\$4,242,675.36
Hendrix-Barnhill	\$4,715,570.25
Herring-Rivenbark	\$4,806,649.83
East Coast Contracting	\$5,180,869.70
Malpass Construction	\$5,283,011.58
Seaside Utilities	\$5,760,897.21

CONTRACT 2 - Elevated Water Storage Tank:

Caldwell Tanks	\$976,000
Phoenix Fabricators	\$979,356.00

CONTRACT 3 - Supervisory Control and Data Acquisition System (SCADA):

Ashley Electric	\$47,536
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Commissioner McKenzie made a motion to approve the award of Contracts 1, 2, and 3 to the low bidder, as recommended by Leo Green, and to authorize Chairman Prevatte to execute all the necessary documents, seconded by Commissioner Byrd. The motion unanimously passed.

Agenda Item #19: COLUMBUS COUNTY WATER and SEWER DISTRICT IV - DISCUSSION of EXTENSION of WATER LINE:

Dennis Worley and Kyle Cox, private developers, will deliver a discussion on the extension of the proposed water line into Brunswick County, at the developers' expense.

DELETED

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - UPDATE ON PURCHASE OF BACKHOE:

Kip McClary, Public Utilities Director, delivered the following update on the purchase of a backhoe.

1. The truck is at Hardee Equipment and is now ready;
2. The trailer is ready to go;
3. The backhoe was delivered by RSC Rentals today;
4. The Board approved the amount of \$22,000 for the purchase of the backhoe and RSC Rentals will not negotiate below \$24,256;
5. The differential was replaced under warranty;

6. The warranty on the repair of the differential is not settled as of yet, and I am waiting on an answer from Marcus on this; **and**
7. This backhoe does not have a 4-in-1 bucket, it has a standard bucket, and I have found that a 4-in-1 bucket is very beneficial.

MOTION:

After discussion was conducted, Commissioner McKenzie made a motion to allocate an additional two thousand, five hundred, and 00/100 (\$2,500.00) dollars for the purchase of a backhoe, and to give Kip McClary, Public Utilities Director, the authority to negotiate the price on a backhoe, seconded by Commissioner Byrd. The motion unanimously passed.

ADJOURNMENT:

At 8:19 P.M., Commissioner Gore made a motion to adjourn, seconded by Commissioner McKenzie. The motion unanimously passed.

APPROVED:

JUNE B. HALL, Clerk to Board

JAMES E. PREVATTE, Chairman

**COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V
COMBINATION BOARD MEETING**

Monday, June 15, 2009

8:03 P.M.

The Honorable Columbus County Commissioners met on the above stated date and at the above stated time in the Dempsey B. Herring Courthouse Annex Building, located at 112 West Smith Street, Whiteville, North Carolina, to act as the Columbus County Water and Sewer Districts I, II, III, IV and V Board.

COMMISSIONERS PRESENT:

James E. Prevatte, **Chairman**
Amon E. McKenzie
Giles E. (Buddy) Byrd
Edwin Russ
Lynwood Norris
Ronald Gore

APPOINTEES PRESENT:

William S. Clark, **County Manager**
Terri Martin, **Interim County Attorney**
June B. Hall, **Clerk to Board**
Bobbie Faircloth, **Finance Officer**

COMMISSIONER ABSENT:

Ricky Bullard, **Vice Chairman**

MEETING CALLED TO ORDER:

At 8:03 P.M., Chairman Prevatte called the Columbus County Water and Sewer Districts I, II, III, IV and V **Combination** Board Meeting to order.

Agenda Item #16: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - APPROVAL of BOARD MEETING MINUTES:

June 01, 2009 **Combination Meeting** of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting Minutes (**5 sets**)

Commissioner Norris made a motion to approve the June 01, 2009 **Combination Meeting** of Columbus County Water and Sewer Districts I, II, III, IV and V Board Meeting Minutes, as recorded, seconded by Commissioner McKenzie. The motion unanimously passed.

Agenda Item #20: COLUMBUS COUNTY WATER and SEWER DISTRICTS I, II, III, IV and V - UPDATE ON PURCHASE OF BACKHOE:

Kip McClary, Public Utilities Director, delivered the following update on the purchase of a backhoe.

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MOTION:

After discussion was conducted, Commissioner McKenzie made a motion to allocate an additional two thousand, five hundred, and 00/100 (\$2,500.00) dollars for the purchase of a backhoe, and to give Kip McClary, Public Utilities Director, the authority to negotiate the price on a backhoe, seconded by Commissioner Byrd. The motion unanimously passed.

ADJOURNMENT:

At 8:19 P.M., Commissioner Gore made a motion to adjourn, seconded by Commissioner McKenzie. The motion unanimously passed.

APPROVED:

JUNE B. HALL, Clerk to Board

JAMES E. PREVATTE, Chairman