

MINUTES
Scotland County Board of Commissioners
Regular Meeting, July 6, 2010
Scotland County Complex, 1405 West Boulevard, Laurinburg NC

At 7 p.m. Chairman J. D. Willis called the meeting to order. Commissioners in attendance: Chairman Willis, Vice Chair Betty Blue Gholston and Commissioners John Alford, Bob Davis, and Joyce McDow. Commissioners not in attendance: Commissioners Guy McCook and Clarence McPhatter. Staff in attendance: County Manager Kevin Patterson, County Attorney Edward Johnston and Clerk to the Board Ann W. Kurtzman. Chairman Willis delivered the opening prayer. The Pledge of Allegiance was recited.

Public Forum

Chairman Willis presented retiring DSS Director Joe Knott with a plaque thanking Mr. Knott for 21 years of service with the agency. Chairman Willis and Commissioner Alford, who serves as DSS Board Chairman, both praised Mr. Knott for all he has done in support of the agency and the mission of the County.

Ms. Nancy Shelley thanked the Commissioners for their support of the County's firefighters, EMS and the Sheriff's Department. Ms. Shelley related how quickly firefighters responded when a fire broke out in one of her chicken houses. She also praised EMS and Sheriff's deputies for taking control of the incident. Ms. Shelley said that as a former Commissioner she knows the challenges the governing body faces. She thanked everyone for their professionalism.

Item 1. Public Hearing: Community Development Block Grant funding application

Economic Developer Greg Icard said the public hearing is the first of two regarding intent by the County to make a funding application for a Community Development Block Grant. Mr. Icard said more details would be made available at the second public hearing.

Chairman Willis called the Public Hearing and asked if anyone wished to speak for or against the CDBG application. No one came forward, and the Public Hearing was closed.

Motion was made by Commissioner Davis and duly seconded by Commissioner Alford to apply for funding through the NC Department of Commerce Community Development Block Grant Program. Vote: Motion unanimously approved.

Item 2. Southeastern Regional Mental Health quarterly report and update

SRMH Director Sharen Prevatte summarized budgetary challenges and how mental health services continued despite some funding worries.

Ms. Prevatte discussed in detail the development of Critical Access Behavioral Health Agencies (CABHA) throughout the region. She said the CABHAS — small mental health centers or

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private providers — will be required to staff specific clinical positions in order to provide services. Ms. Prevatte said the CABHA process will ensure more security and stability.

Ms. Prevatte also discussed a Kate B. Reynolds grant, which will provide for the placement of a psychiatrist in Scotland Memorial Hospital clinics. If a psychiatrist is not on site, it will allow for telepsychometry equipment, which will be helpful in involuntary commitments when a psychiatrist is not on site.

Item 3. Consent Agenda:

a) Approval of minutes of the Board of Commissioners May 26, 2010 joint meeting, June 7, 2010 regular meeting and June 21, 2010 reconvened meeting.

b) Authorize the Tax Collector to collect the taxes set forth in the tax records filed in the office of the Scotland County Tax Department.

c) Approve Tax Department request to release funds in the amount of \$1,162.22 and to make refunds in the amount of \$96.28 and in the amount of \$2,527.12.

d) Approve Health Board proposed fee increases for Laboratory and Environmental Health.

e) Budget Amendments:

- 1) Health: Approve receipt of funding in the amount of \$17,058, and authorize the Finance Officer to make the necessary arrangements to receive and expend the money.**

Motion was made by Commissioner McDow and duly seconded by Commissioner Alford to approve the Consent Agenda. Vote: Motion unanimously approved.

Item 4. Appointments to Boards and Committees

Motion was made by Commissioner McDow and duly seconded by Commissioner Davis to appoint Mr. Vance Pearson to a three-year term on the Parks and Recreation Advisory Board and to reappoint Mr. Page Pratt to a second three-year term on the Parks and Recreation Advisory Board. Vote: Motion unanimously approved.

Commissioner McDow said Mr. John Alford was inadvertently appointed to the social services seat on the Lumber River Workforce Development Board when he should have been appointed as the community-based representative.

Motion was made by Commissioner McDow and duly seconded by Vice Chair Betty Blue Gholston to appoint Mr. John Alford to a two-year term as the community-based representative on the Lumber River Workforce Development Board. Vote: Motion unanimously approved.

Motion was made by Commissioner McDow and duly seconded by Commissioner Alford to reappoint Mr. Ron Riggins to a fourth three year term and to reappoint Mr. David McLamb to a second three-year term as hotel/motel representatives on the Tourism Development Authority. Vote: Motion unanimously approved.

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Commissioner McDow said three applications were received for two seats on the TDA, that of Mr. Dan Smith, who wishes to serve a second term, and from Mr. Kenton Spencer and Mr. Philip McRae. Commissioner McDow said a letter from the TDA is attached.

Motion was made by Commissioner Davis and duly seconded by Commissioner McDow to reappoint Mr. Dan Smith to a second three-year term on the Tourism Development Authority and to appoint Mr. Philip McRae to a three-year term on the Tourism Development Authority. Vote: Motion unanimously approved.

Motion was made by Commissioner McDow and duly seconded by Commissioner Alford to appoint Laurinburg City Council Member Joy Ellison as municipal alternate to the BRAC-RTF. Vote: Motion unanimously approved.

Item 5. Update from the County Manager

Mr. Patterson said the State ratified the Appropriations Act of 2010 on June 30. The biggest change that will impact the County budget is the withholding of \$62,797,068 from the lottery.

The State also is eliminating the low wealth allocation funding for this year. This reduces the County's estimated lottery receipts from \$955,091 to \$509,859.

Mr. Patterson said the County did not budget for growth in the lottery and budgeted \$825,000 instead. Mr. Patterson said a budget amendment for revenues and lottery proceeds to the School should reflect a \$315,141 reduction.

Motion was made by Vice Chair Gholston and duly seconded by Commissioner Alford to approve a budget amendment reducing lottery proceeds and lottery distribution by \$315,141. Vote: Motion unanimously approved.

Mr. Patterson said the attached final resolution providing approval of terms and documents for the Wagram School expansion is updated from a similar one passed earlier in the year. Mr. Patterson said the resolution accepts the terms of the loan with BB&T and authorizes the manager and/or the chairman to execute necessary paperwork. The LGC Board will meet and make a decision on the financing July 6.

Motion was made by Commissioner Alford and duly seconded by Commissioner Davis to approve the resolution providing final approval of terms and documents for QSCB school improvement financing. Vote: Motion unanimously approved.

Resolution Providing Final Approval of Terms and Documents for QSCB School Improvements Financing

WHEREAS:

Scotland County has previously determined to carry out various public school improvements, and more specifically a classroom addition and other renovations to Wagram Primary School (the "Project"). The County has also stated an intent to finance project costs by the use of an installment contract, as

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authorized under Section 160A-20 of the North Carolina General Statutes, that qualifies as a “qualified school construction bond” (a “QSCB”). The QSCB program is a federal program for local government financing that provides for very low cost financing for qualified school projects.

In connection with the proposed financing plan, the Scotland County Board of Education (the “Board of Education”) will convey to the County the site of the Wagram Primary School (the “Site”), including the location of the Project. To assure that the Project proceeds in the manner required by the constitution and laws of the State of North Carolina, the County will enter into a Construction and Acquisition Agreement with the Board of Education. Under this agreement, the Board of Education will agree to carry out the Project in accordance with the terms of the agreement and for and on behalf of the County. The County will lease the Site to the Board of Education pursuant to a Lease Agreement between the County and the Board of Education, which Lease Agreement will be subordinate to the lien created by the Financing Contract (as defined in Exhibit A).

The County Manager has obtained for the County a proposal from Branch Banking and Trust Company (“BB&T) to provide the QSCB installment financing to the County.

The County Manager has made available to the Board the draft agreements listed on Exhibit A (the "Agreements"), which relate to the County's carrying out the financing plan, including the transfer and lease of the Site and the undertaking of the Project.

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

1. *Determination To Proceed with Financing* – The County confirms its plans to undertake and finance the Project. The County confirms its acceptance of a proposal from BB&T dated June 7, 2010, to provide Project financing.

Under the financing plan, BB&T will make funds available to the County for use on Project costs. The County will repay the amount advanced over time. As described above, as part of the financing plan, the Board of Education will convey the Site to the County, so that the Site can provide collateral for the financing. The County will grant to BB&T a mortgage-type interest in the Site and the school (including the planned improvements) to secure the County’s repayment obligation.

2. *Approval of Agreements; Direction To Execute Documents* -- The Board approves the forms of the Agreements submitted to this meeting. The Board authorizes and directs the Board’s Chairman and the County Manager, or either of them, to execute and deliver the Agreements in their final forms. The Agreements in their respective final forms must be in substantially the forms presented, with such changes as the Chairman or the County Manager may approve. The Agreements in final form, however, must be consistent with the financing plan described in this resolution and must provide (a) for the amount financed by the County not to exceed \$3,000,000, (b) for an annual interest rate not to exceed 5.42% (in the absence of a default or a change in tax status), and (c) for a financing term not to extend beyond December 31, 2020.

In addition, the Board’s Chairman and the County Manager, or either of them, are authorized and directed to approve, execute and deliver any further documents and agreements they deem desirable for carrying out the purposes and intents of this resolution.

The execution and delivery of any document by an authorized officer will be conclusive evidence of his approval of the final form of such document.

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3. ***Authorization to County Manager To Complete Closing*** – The County Manager and all other County officers and employees are authorized and directed to take all proper steps to complete the financing in cooperation with BB&T and in accordance with the terms of this resolution.

The Board authorizes and directs the County Manager to hold executed copies of all financing documents authorized or permitted by this resolution in escrow on the County's behalf until the conditions for their delivery have been completed to such officer's satisfaction, and thereupon to release the executed copies of such documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, the Board specifically authorizes the County Manager to approve changes to any documents, agreements or certifications previously signed by County officers or employees, provided that such changes do not conflict with this resolution or substantially alter the intent from that expressed in the form originally signed. The County Manager's authorization of the release of any such document for delivery will constitute conclusive evidence of such officer's approval of any such changes.

4. ***Resolutions As To Tax Matters*** -- The County will not take or omit to take any action the taking or omission of which will cause its obligations to pay principal and interest (the "Obligations") to be "arbitrage bonds," within the meaning of Section 148 of the United States Internal Revenue Code of 1986, as amended, including the applicable Treasury regulations (the "Code"), or "private activity bonds" within the meaning of Code Section 141.

5. ***Designation as a QSCB*** – The County designates the Obligations as a "qualified school construction bond" for the purposes of, and within the meaning of, Code Section 54F and related Code provisions. The County and BB&T intend that the financing will qualify as a QSCB.

6. ***Miscellaneous Provisions*** -- All County officers and employees are authorized and directed to take all such further action as they may consider necessary or desirable in furtherance of the purposes of this resolution. All such prior actions of County officers and employees are ratified, approved and confirmed. Upon the absence, unavailability or refusal to act of the County Manager, the Board's Chairman or the Finance Officer, any other of such officers may assume any responsibility or carry out any function assigned in this resolution. In addition, upon the unavailability of the Chairman or the Clerk, respectively, any of the rights or responsibilities directed to such officers may be carried out or exercised by the Vice Chairman or any Deputy or Assistant Clerk. All other Board proceedings, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

Chairman Willis asked that a Memorandum of Agreement with the Town of Wagram defining responsibilities of the Town and of the County for the Wagram Recreation Center be brought to the Commissioners at the next meeting for review and action.

Returning to Wagram school expansion, County Manager Patterson said there is a construction and acquisition contract, which must be signed by the Chairman.

Motion was made by Commissioner McDow and duly seconded by Commissioner Davis authorizing the Chairman to sign the Construction and Acquisition contract. Vote: Motion unanimously approved.

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County Manager Patterson said the NCACC Annual Conference August 26 to 29 in Pitt County. Registration fee is waived for Commissioners and Managers if registered before July 26.

US Census 2010 demographic information for Scotland County will be presented 8:30 a.m. Friday, July 9, at 507 West Covington Street.

Mr. Patterson said a draft ethics policy is attached for review. An ethics policy must be approved by January 1, 2011.

Chairman Willis asked the Commissioners to review the policy for action at the next meeting.

Resolutions received: Granville County opposing Senate Bill 460 Commercial Dog Breeder Regulation; Rutherford County opposing current law allowing “forced” annexation; Carteret County supporting the transfer of additional air squadrons to Cherry Point.

The County Manager explained the method for collections for landfill aging accounts.

Motion was made by Commissioner Alford and duly seconded by Commissioner Davis to go into Closed Session in accordance with N.C. General Statute §143-318.11(a)(4) to discuss matters relating to the location or expansion of business in the area served by this body and Closed Session held in accordance with N.C. General Statute §143-318.11(a)(6) to consider qualifications, competence, performance, character, fitness, conditions of appointments, or conditions of initial employment of a present or prospective public officer or employee. Vote: Motion unanimously approved.

OPEN SESSION RESUMED

Mr. Patterson said the County closed on Mobile Home Estates. He said there is one trailer on the property where rent was paid. He said the trailer owner will be contacted and informed that it is not in the County’s interest to rent property. Mr. Patterson said the Board can sell the property in the future. The County will look at getting community workers through the court system to clean and clear the property.

Motion was made by Commissioner Davis and duly seconded by Commissioner McDow to adjourn. Vote: Motion unanimously approved. Meeting adjourned at 8:10 p.m.

Ann W. Kurtzman
Clerk to the Board

J.D. Willis
Chairman