

**GATES COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING MINUTES
JUNE 15, 2011**

The Gates County Board of Commissioners reconvened on Wednesday, June 15, 2011 at 7:00 p.m. from June 6, 2011, in the main court room, 202 Court Street, Gatesville. Commissioners Twine, Jernigan, Hora, Owens and Jordan were present. Also present was County Manager, Toby Chappell.

A prayer was led by Commissioner Jordan. Chairman Twine led the pledge of allegiance.

Commissioner Twine called the meeting to order.

Approval of Agenda

Chairman Twine stated the Agenda needed to be amended by adding the following: Sandy Pittman, Finance Officer, will be presenting Budget Amendments; Commissioners will comment and there will be a Closed Session authorized by NCGS 143-318.11(a)(4).

Commissioner Owens made a motion to accept the Agenda as amended. Commissioner Jernigan seconded the motion, motion carried without opposition.

Department Reports

Sandy Pittman, Finance Officer, presented Budget Amendments 67 - 75.

Commissioner Jordan made a motion to approve Budget Amendments 67 - 75 as presented. Commissioner Jernigan seconded the motion. Motion carried without opposition.

Commissioner Jernigan made a motion to open the Public Hearing for the proposed 2011-2012 Budget. Commissioner Hora seconded the motion, motion carried without opposition.

Dr. Zenobia Smallwood, Superintendent, Gates County Schools, requested the Board consider the measures they have taken to reduce their budget and continue to support their education efforts.

Tammy Ward, Principal, Gates County High School, gave details of how budget cutbacks have affected the curriculum.

Commissioner Hora made a motion to exit the Public Hearing on the proposed 2011-2012 Budget. Commissioner Jernigan seconded the motion, motion carried without opposition.

There will be a Budget Ordinance text change for Section 6, C, D and F.

Commissioner Jordan made a motion to accept the 2011-2012 Budget as modified. Commissioner Jernigan seconded the motion, motion carried without opposition.

The 2011-2012 Budget Ordinance reads as follows:

**GATES COUNTY, NORTH CAROLINA
2011-2012 BUDGET ORDINANCE**

**BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE
COUNTY OF GATES, NORTH CAROLINA:**

SECTION 1. REVENUES It is estimated that the revenues and Fund Balances of the funds hereafter listed will be available for the fiscal year beginning July 1, 2011,

and ending with June 30, 2012, to finance the appropriations set forth in SECTION 2 and in accordance with the chart of accounts established for Gates County:

General Fund

Ad Valorem Taxes-Current Year	\$5,953,253
Prior Year Taxes	\$427,000
Tax Refunds	(\$40,000)
County 1 Cent Sales Tax	\$350,000
County 1/2 Cent Sales Tax - Art 40	\$410,000
Article 40 - Restricted	\$175,000
County 1/2 Cent Sales Tax - Art 42	\$80,000
Article 42 - Restricted	\$115,000
Fees & Licenses	\$246,050
Lottery Proceeds	\$125,000
SRO Funding - Schools	\$30,900
Grants & Reimbursements	\$2,092,647
Medicaid Hold Harmless	\$550,000
ABC Store Profits	\$2,000
ABC 5 Cents Per Bottle Tax	\$2,000
Gas Tax Refunds	\$15,000
Property Tax Collection Fees	\$1,150
Rent	\$37,903
Miscellaneous	\$16,800

Total General Fund \$10,589,703

Register of Deeds Automation

Automation Fees	\$3,800
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Emergency 911 System

Telephone Surcharge	\$465,479
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Fire Protection Fund

Fire Protection Fees	\$260,000
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Tax Revaluation Reserve Fund

Transfer from General Fund	\$33,750
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USDA Reserve Fund

Transfer from General Fund	\$11,235
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Water Fund

NC Gas Tax Refund	\$1,400
Sale of Water	\$840,000
New Connections	\$23,000
Reinstallations	\$3,000
Interest Earned	\$6,000

Solid Waste Fund

Solid Waste User Fees	\$740,000
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Scrap Tire Disposal Fees	\$15,000
White Goods Disposal Fees	\$5,000
Solid Waste Disposal Tax	\$7,000
	<hr/>
	\$767,000
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Total Revenue - All Funds **\$13,004,367**

Hereby levied is a tax, at the rate of \$.64 (sixty-four cents) per one hundred dollars (\$100) valuation of property as of January 1, 2011 for the purpose of providing the revenue listed as "ad valorem taxes" in the General Fund in Section 1 of this Ordinance. The total estimated value will be \$921,620,605, to be taxed at a rate of \$.64 (sixty-four cents) per one hundred dollars (\$100) of value and projected to be collected at a rate of 95.0%.

SECTION 2. APPROPRIATIONS The following amounts are hereby appropriated in the General Fund for the operations of Gates County government and its activities for the fiscal year beginning July 1, 2011 and ending June 30, 2012, and for the following functions as described by the County's chart of accounts:

General Fund

Governing Body	\$226,086
Administration	\$316,183
Tax Department	\$262,153
Legal	\$20,000
Court Facilities	\$35,500
Elections	\$69,290
Register of Deeds	\$117,542
Buildings & Grounds	\$533,605
Sheriff	\$783,340
Jail	\$250,000
Communications	\$178,319
Emergency Management	\$86,417
Inspections	\$123,763
Medical Examiner	\$5,000
Ambulance/Rescue	\$25,000
Animal Control	\$48,309
Transportation GITS	\$637,252
Forestry	\$53,246
Zoning & Planning	\$117,340
Cooperative Extension	\$130,188
Cooperative Extension Grants	\$160,782
Soil Conservation	\$87,980
Health	\$118,500
Mental Health	\$39,734
Social Services Administration	\$1,159,528
In Home Services	\$5,526
Food Stamp Program	\$4,000
Job Search	\$16,000
DSS Payments	\$925
Aid to Families	\$7,965
DSS - TANF	\$3,000
DSS - Special Assistance	\$80,000

DSS - Medicaid Transportation	\$62,500
DSS - Other	\$4,197
Crisis Intervention	\$24,806
HCCBG Home Repairs	\$989
Veterans Service	\$4,000
Services for the Blind	\$971
Child Day Care	\$302,920
Special Donations	\$800
Schools - Current Expense	\$2,592,079
Schools - Capital Outlay	\$100,000
Community Colleges	\$16,000
Library	\$92,325
Recreation	\$258,640
Special Appropriations	\$43,283
Debt Service	\$1,298,735
Transfers to Special Funds	\$44,985
General Fund Reserve	\$40,000
	<u>\$10,589,703</u>
Register of Deeds Automation	
Equipment Maintenance	\$1,976
Debt Service	\$1,824
	<u>\$3,800</u>
Emergency 911 System	
Telephone Surcharge	\$465,479
	<u>\$465,479</u>
Fire Protection Fund	
Volunteer Fire Departments	\$260,000
	<u>\$260,000</u>
Tax Revaluation Reserve Fund	
Revaluation Reserve	\$33,750
	<u>\$33,750</u>
USDA Revaluation Reserve	
USDA Reserve	\$11,235
	<u>\$11,235</u>
Water Fund	
Water Operations	\$844,100
Sewer Operations	\$29,300
	<u>\$873,400</u>
Solid Waste Fund	
Solid Waste Expenses	\$767,000
	<u>\$767,000</u>
Total Expenditures - All Funds	\$13,004,367

SECTION 3. SOLID WASTE FEES The Board hereby establishes a fee to be charged to each household in Gates County for the purpose of supporting the total costs of the Solid Waste Fund. The household fee to be charged will be as follows:

	Annual Fee
Households in unincorporated areas where no solid waste collections are provided	\$180
Households in unincorporated areas where solid waste collections are provided	\$ 90
Households in incorporated areas where solid waste collections are provided	\$ 90
Households that have been determined eligible under the Elderly and Disabled Homestead Exemption Act.	\$ 90

Gates County shall provide for the billing and collections of the solid waste household fees as follows:

<u>Type of Household</u>	<u>Method of Billing and Collection</u>
Households in unincorporated areas where no solid waste collections are provided	Households served by the Gates County Water Department will be billed monthly for the amount of \$15 as part of their monthly water statement. Such fees will be reflected as "Solid Waste Fee" and shall be collected at the time when the payment is received for the expense of water. Households that are not served by the Gates County Water Department will be billed quarterly for the amount of \$45 for the household solid waste fee.
Households in unincorporated areas where solid waste collections are provided	Households must provide proof of private solid waste collection service. Upon submission of proof of service, households will be billed quarterly for the amount of \$22.50 for services.
Households in incorporated areas where solid waste collections are provided	The incorporated town will be billed quarterly for the amount of \$22.50 per household within the designated area.
Households that have been determined eligible under the Elderly and Disabled Homestead Exemption Act	Households will be billed in accordance with the categories stated above depending upon location of residence and utilization of private service.

SECTION 4. WATER FEES The Board hereby establishes fees for water for the purpose of providing the revenue needed to support the distribution of water to Gates County residents. The fees charged for water are as follows:

0-1,000 Gallons	\$10.00
1,001 gallons and up	\$ 2.00 per 1,000 gallons

SECTION 5. FIRE PROTECTION FEES The Board hereby establishes a fire protection fee to be charged to each household in Gates County for the purpose of supporting the total costs of the Fire Protection Fund. The household fee to be charged will be as follows:

	Annual Fee
Home valued at below \$50,000	\$ 40
Home valued at above \$50,000	50
Multi-structure unit	60
Commercial structure	75

Gates County shall provide for the billing and collections of the fire protection fees. Such fees shall be incorporated into the annual property tax statement transmitted to each property owner subject to this fee and shall be collected as part of the payment of Gates County property taxes by the Tax Assessor/Collector.

Fees collected shall be transmitted quarterly to each fire department in accordance with the approved allocation plan.

SECTION 6. The Manager and Finance Director are hereby authorized to transfer appropriations within the General Fund as contained herein under the following conditions:

a. Budget amendments may be made between departments, objects of expenditures and revenues within a department, in the amount not to exceed \$1,000. A report shall be presented to the Board of Commissioners at its next regular scheduled meeting on all budget amendments approved.

b. No funds may be transferred between funds or from a contingency appropriation within any fund without Board approval.

c. The Manager may enter and execute change orders or amendments to construction contracts when the appropriate annual budget or capital project ordinance contains sufficient appropriated funds. Any change orders or amendments must be reported to the Gates County Board of Commissioners at their next official meeting and may be reported via email prior to said meeting.

d. The Manager may award and execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the appropriate annual budget or capital project ordinance contains sufficient appropriated funds for such purposes. Any contracts of a monetary nature must be reported to the Gates County Board of Commissioners at their next official meeting and may be reported via email prior to said meeting.

e. Commissioners shall be entitled to an annual salary of \$7,285. The Chairman shall be entitled to an annual salary of \$8,610. Additionally, the Commissioners are entitled to \$1,200 per year and the Chairman is entitled to \$1,500 per year as travel stipends.

f. For FY 11-12 all permanent employees, both full and part time, will receive a cost of living adjustment of 2% of their salary on July 1, 2011. Additionally in FY 2011-2012 all permanent employees, both full time and part time, are eligible to receive a meritorious raise of up to 2% of their salary. The scale for the FY 2011-2012 meritorious raises will be 2% for an overall score of Outstanding, 1% for an overall score of Above Standard, and 0% for any score of Standard or below. The meritorious raise will be based on the overall score of the employee's evaluation on their anniversary date. Any meritorious raise will be effective on the first day of the month immediately following the employee's anniversary date.

g. The Sheriff and Register of Deeds shall be entitled to pay increases consisting of any cost of living adjustment and the highest merit increase available to other County employees that the Board of Commissioners offers per budget year.

Copies of this Budget Ordinance shall be furnished to the Finance Director and Tax Assessor to provide direction in carrying out their duties, and are available for public inspection.

Adopted the 15th day of June 2011.

Graham L. Twine, Chairman
Gates County Board of Commissioners

Commissioner Comments

Commissioner Jernigan read a flyer from DSS regarding a scam notification program that will be held at the Millpond on June 23.

Commissioner Owens stated the State Employees Credit Union will be conducting a meeting on June 22 in the Commissioners' Room; local government employees are eligible to join.

Commissioner Jordan made a motion to enter Closed Session as authorized by NCGS 143-318.11(a)(4). Commissioner Hora seconded the motion, motion carried without opposition.

Commissioner Jernigan made a motion to exit Closed Session and enter regular Session. Commissioner Hora seconded the motion, motion carried without opposition.

Commissioner Owens made a motion to proceed and accept document dated June 15, 2011 with text correction. Commissioner Jordan seconded the motion. Chairman Twine, Commissioner Jernigan, Owens and Jordan voted for the motion. Commissioner Hora abstained, motion carried.

The document reads as follows:

**CONTRACT BETWEEN BRIARWOODS FOREST
PRODUCTS INC, QUALITY HOMES OF CURRITUCK LLC,
AND GATES COUNTY NORTH CAROLINA**

Introduction

This contract is being entered into by The Gates County Board of Commissioners, a body public and political subdivision of the State of North Carolina, (who will be referred to as *the County*) and Briarwoods Forest Products Inc. and Quality Homes of Currituck, LLC. (who will be referred to as *the Developers*). The agreement and obligation made by this contract shall continue, in full force and effect, upon the heirs and successors of each of the Parties and Signatories to said contract. The intent of this contract is to outline the expectations of both parties as they relate to a mixed use development that is scheduled to transpire on Highway 158 (adjacent to the Gates County High School) in Gates County, North Carolina. The County and the Developers agree that there is a mutually beneficial relationship to be had in seeing this development come to fruition. It is with this spirit in mind that both parties enter into this agreement.

Grant

The County agrees and understands that one of the most important aspects of bringing economic development to Gates County is the acquisition and enhancement of wastewater treatment. Gates County will utilize the services of an adjacent wastewater treatment facility for economic development in the area that includes, but is not limited to, the mixed-use development that is owned by the Developers. The County has pursued grants from multiple sources including but not limited to the United States Department of Commerce, Economic Development Administration and the North Carolina Rural Center.

If and when the County receives the Seven-Hundred Thousand dollar (\$700,000.00) grant from the North Carolina Rural Center the money will be spent exclusively for the deployment, improvement, and enhancement of the wastewater treatment capabilities of the County.

Repayment

The County, as part of the North Carolina Rural Center grant, must make arrangements for the repayment of the clawback provisions if the number of jobs that have been promised, in the North Carolina Rural Center's *Exhibit D Performance Agreement* are not realized. An unnamed (in this agreement, which will be referred to as Business 1) business has agreed to be responsible for fifty (50) of the seventy (70) jobs that are required for the North Carolina Rural Center grant. Additionally, Business 1 has agreed to repay the clawbacks, which could include up to \$500,000.00, at a rate of \$10,000.00 for each of the fifty (50) jobs that are not accepted and/or approved by the North Carolina Rural Center.

The Developers have agreed to provide the remaining twenty (20) of the seventy (70) total jobs that are required for the North Carolina Rural Center grant. The County and the Developers have mutually agreed to take on the burden on any clawbacks in the manner that is codified in this contract. The County agrees to assume any and all clawbacks that are related to The Developers failure to produce any and all of the twenty (20) jobs that are outlined and agreed to in the North Carolina Rural Center's *Exhibit D Performance Agreement* as executed between The Developers and Gates County. The Developers simultaneous and contemporaneously agree to relieve Gates County of up to One Hundred Thousand dollars (\$100,000.00) of the aforementioned two hundred thousand dollar (\$200,000.00) burden that is obligated to the North Carolina Rural Center for repayment of clawbacks if The Developers do not fulfill the obligation outlined in the North Carolina Rural Center's *Exhibit D Performance Agreement* as executed between The Developers and Gates County. Gates County agrees that the One Hundred Thousand dollar (\$100,000.00) repayment from the Developers to the County will be relieved, in totality and completely, by the transfer of ownership, in fee simple clear title by warranty deed, of certain tracts of land as described below. The certain tracts of land denoted in the preceding sentence are situated in Gates County and owned by the Developers and outlined and documented in *Master Conceptual Plan Gatesville Central Gatesville, North Carolina* prepared by Mel Hopkins Engineering, PLLC, project number 20070905 sheet 1 of 1 and dated 03/13/2009, which is hereby incorporated by attachment and reference. These certain tracts of land, that are identified in the document that is described in the preceding sentence, are referenced/marked/identified in the above cited Mel Hopkins document as lots numbered 4, 5, and 6. The County and the Developers agree, for purposes of this agreement, that lots 4, 5, and 6, herein incorporated by reference are valued at \$33,333.33 each. The County further agrees and acknowledges that the Developers will be credited with the first ten (10) jobs that are accepted and/or approved by the North Carolina Rural Center and that these ten (10) jobs will relieve, in totality, the Developers from any and all obligation to the County.

The County and the Developers both agree that the following is an accurate explanation of the possible scenarios in regards to the activation of the clawback provisions:

- If there are no jobs created by The Developers, through other businesses acceptable to the North Carolina Rural Center, and the North Carolina Rural Center demands that the clawback provisions, as outlined in the North Carolina Rural Center's *Exhibit D Performance Agreement* as executed between The Developers and Gates County, be exercised the County will repay the entire Two Hundred Thousand dollars (\$200,000.00) to the North Carolina Rural Center. The Developers will immediately transfer complete title and ownership of the property outlined in the third paragraph of the section entitled **Repayment** of this agreement. The transfer of complete title and ownership shall relieve the Developers of, and completely fulfill, their obligation to the County in this matter.
- If between one (1) and ten (10) job(s) are created by The Developers, through other businesses acceptable to the North Carolina Rural Center, and the North Carolina Rural Center demands that the clawback provisions, as outlined in the North Carolina Rural Center's *Exhibit D Performance Agreement* as

will repay the entire amount demanded by the North Carolina Rural Center for clawbacks. The Developers will immediately transfer complete title and ownership of a proportionate amount of the property that is outlined in the third paragraph of the section entitled **Repayment** of this agreement. The transfer of complete title and ownership shall relieve the Developers of, and completely fulfill, their obligation to the County in this matter.

- If between eleven (11) and twenty (20) jobs are created by The Developers, through other business acceptable to the North Carolina Rural Center, and the North Carolina Rural Center demands that the clawback provisions, as outlined in the North Carolina Rural Center's *Exhibit D Performance Agreement* as executed between The Developers and Gates County, be exercised the County will repay the entire amount demanded by the North Carolina Rural Center for clawbacks. The Developers shall immediately and completely be relieved of any and all obligation to the County in this matter.
- If there is a scenario, that is not outlined in the preceding examples both the County and the Developers agree to work in good faith to arrive at a mutual acceptable disposition that honors the framework established in the preceding examples.

Transfer of Ownership

The Developers agree and acknowledge that until such time as the North Carolina Rural Center completely releases the County of any and all liability regarding this matter that the Developers in no method, form, and/or fashion will transfer ownership, interest, and/or have issued onto a lien of any and/or all of the property, other than any mortgages, liens, and/or deeds of trust that are existing at the time of execution of this agreement and are made known to all parties involved in this agreement, that is cited in the third paragraph of the section entitled **Repayment** of this agreement. Prior to the event of transfer, from the Developers to the County, the Developers agrees to repay all mortgages, liens, or deeds of trust or obtain a partial release from all lending institutions for tracts 3, 4, and 5, that have been cited above. If the Developers violate any portion of this section Gates County, at its sole option and discretion, may demand, and the Developers agrees to pay, Gates County One Hundred Thousand dollars (\$100,000.00) in one lump sum within thirty (30) calendar days of Gates County's demand of payment.

Severability

The County and the Developers agree and acknowledge that if any portion of this agreement is deemed to be illegal that said portion shall be removed. Although a portion of this agreement may be deemed illegal, the remaining portion or portions of this document are to be deemed legal and remain completely and totally in full force and effect.

Legal Authority to Sign and Obligate

By signing this agreement Signatories convey, agree, and certify that the Signatories have the legal authority to sign for and obligate the entity that the Signatories represent in this matter. The other parties of this agreement shall have full faith that the signatories legally have the authority to sign and obligate the entity that the Signatories represent in this matter.

Total of Agreement

This agreement is the total of all agreements and discussions, both oral and written, between the County and the Developers. Any and all previous agreements, including but not limited to a similar agreement between the same Parties of this agreement dated February 25, 2011 and recorded February 28, 2011 in the Gates

County register of Deeds Book 290 Page 377; and discussions, in any medium, are not valid and are hereby superseded by this agreement.

Signatories

Graham L. Twine
Gates County, Chairman

Date

H. Kim Old, Managing Member
Quality Homes of Currituck, LLC

Date

Justin M. Old, Managing Member
Quality Homes of Currituck, LLC

Date

Glenn A. Carey, President
Briarwoods Forest Products, Inc.

Date

North Carolina, _____ County

I, _____, a Notary Public for _____
County, North Carolina, do hereby certify that H. Kim Old, Justin M. Old, and Glenn
A. Carey personally appeared before me this day and acknowledged the due execution
of the foregoing instrument.

Witness my hand and official seal this the _____ day of
_____, 2011.

Official Seal

Official Signature of Notary

My
expires: _____

Commission

(Note: *Transfer of Ownership, tracts 3, 4 and 5 will be changed to tracts 4, 5 and 6*)

Kim Old stated he is ready to record a five lot subdivision at Merchants Commerce. He would like the Commissioners to waive the bonding fee.

Commissioner Jordan made a motion to the guarantee requested by the planning board of Mr. Old be waived because the final plat has been approved; Section 407.1 does not apply. Commissioner Hora seconded the motion, motion carried without opposition.

Commissioner Jernigan made a motion to adjourn. Commissioner Owens seconded the motion, motion carried without opposition.

MINUTES OF BOARD OF EQUALIZATION AND REVIEW

June 15, 2011

The Gates County Board of Commissioners convened as the Board of Equalization and Review at 6:30 P.M. in the Commissioner's Room, June 15, 2011 to review appeals.

Those present were Chairperson Graham Twine, Kenneth Jernigan, John Hora, Jack Owens, Henry Jordan and Tax Administrator Renée McGinnis.

Chairperson Twine called the meeting to order and Commissioner Jordan opened with prayer.

Commissioner Twine asked the Board if there were any questions concerning the minutes of the meetings held on the following dates; April 26th, May 2nd, and May 16, 2011. With no questions Commissioner Owens moved to accept the minutes as presented. The motion was seconded by Commissioner Jernigan and approved by the Board.

Tax Administrator Renée McGinnis presented the following to the Board for review:

Madeline Becker 05-00765

Change effective age of house to 49 years (1960) and condition to fair	
Previous value	190,977
Current value	148,858

Jerry Hobbs 05-00263

Correct lot value according to value of neighborhood lots	
Previous value	11,300
Current Value	38,904

Ricky Lee

02-00531 Lot off of NC 137	
Change landscape quality from fair to poor	
Previous value	31,552
Current value	23,902

02-00632 Rental lot located on NC 137	
Add utilities	
Previous value	39,000
Current value	41,400

02-01274 Lots in Sandy Point Subdivision located on Fort Island Road	
Change cleared land to woods land	
Previous value	45,125
Current value	33,000

02-00975 Home and lot located on NC 137 (Condition pending field visit)				
Correct year built from 1966 to 1964				
Previous value	89,691	House only	137,347	Total Value
Current value	88,830			135,966

Mrs. McGinnis informed the Board of a phone conversation with Ricky Lee on May 27, 2011. A field visit to his home was not scheduled.

Commissioner Jordan moved to accept the above changes as presented. The motion was seconded by Commissioner Jernigan and approved by the Board.

Commissioner Jernigan moved to adjourn. It was seconded by Commissioner Owens and approved by the Board.

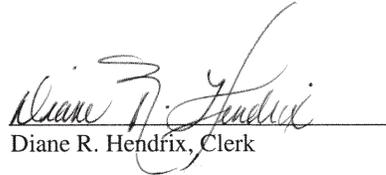
The Board will convene briefly at 10:00 AM, July 6, 2011 to review the minutes of the June 15th meeting.



Renée H. McGinnis
Clerk



Graham L. Twine, Chairman



Diane R. Hendrix, Clerk

GATES COUNTY BOARD OF COMMISSIONERS
