

MINUTES OF THE MEETING OF THE BOARD OF COUNTY COMMISSIONERS HELD AT THE RUTHERFORD COUNTY OFFICE BUILDING IN THE COUNTY COMMISSIONERS' MEETING ROOM ON FEBRUARY 2, 2009 AT 6:00 P.M.

**PRESENT: CHAIRMAN BRENT WASHBURN
VICE CHAIRMAN MARGARET HELTON
SUSAN CROWE
EDDIE HOLLAND
PAUL MCINTOSH**

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CALL TO ORDER/INVOCATION/PLEDGE OF ALLEGIANCE

Chairman Washburn called the meeting to order. Human Resources Director Judy Toney rendered the invocation, and Commissioner Crowe led in the pledge of allegiance.

AGENDA

Chairman Washburn reviewed the agenda and noted those items which had been added and deleted.

Commissioner McIntosh moved the approval of the agenda with the amendments. There was a unanimous vote of approval.

Added to the agenda was:

- o Discussion on pauper burials.
- o Liens on real property and advertising date.

PUBLIC HEARING/RESOLUTION/FINANCING

Chairman Washburn declared the public hearing to be open to listen to comments regarding the installment financing contract to pay the costs for the acquisition of and improvements to an offsite storage and office facility, the expansion of the county Health Department, the acquisition of land for various purposes and costs associated with the land, and the paving of a parking lot in an amount not to exceed \$3,500,000.

Finance Director Julie Scherer provided information to the Board regarding this financing. The debt service for this financing will be paid by the County Building Reserve Fund with the Health Department contributing 50% of the cost for that building expansion. A reimbursement resolution was passed in February 2008 to reimburse the county for upfront costs related to these building projects. This financing would reimburse the county for approximately \$2.8 million in expenditures which have previously been approved and incurred. The \$2.8 million was originally expended from fund balance, with the understanding that the general fund would be reimbursed when a financing took place in 2009. The financing would also expand the Health Department and pave a county parking lot.

Mr. Bill Eckler said the county already has debt amounting to 73 million dollars. This financing would add an additional 3 million dollars. He asked if the county could look at areas to save money

and postpone any action on the financing for 90 to 120 days. This would take the county into the new budget process.

Ms. Scherer answered stating that 75% of the County's debt is related to school construction with 100% of that debt service being paid by funds that are required to be used for school construction.

Mr. Duncan Edwards noted that the amount shown on public documents for this financing was 10 million dollars. He asked if this is the right time for the county to take this step. He also asked that a 90 day moratorium be placed on this decision.

Ms. Scherer responded stating that the 10 million that Mr. Edwards referred to which Mr. Edwards referred was in the original draft of the Deed of Trust. This figure had been revised to 7 million since that time and is reflected as such to give the County flexibility in the future under this Deed of Trust allowing for future borrowings. If any future borrowings were made under this same Deed of Trust, it would still require the Board's approval, as well as, the Local Government Commission's approval. All documents relating to this financing specifically stipulate that the County will borrow an amount not to exceed 3.5 million dollars.

Mr. David Reno told the Commissioners that they are not bound by actions of previous boards. To borrow the money now is to cover up a past mistake. If the county's bond rating will not suffer immediately and the interest rates are stable, why should this be done now?

Chairman Washburn declared the public hearing to be closed at 6:21 P.M.

Vice Chairman Helton also asked that the Board consider a moratorium on borrowing these funds.

Commissioner Crowe asked if we could not use the difference between the \$7 million in the Deed of Trust and the \$3.5 million for other things.

To Commissioner Crowe's question, Ms. Scherer answered that the Board would have to repeat this same process to spend any of the amount over and above the \$3.5 million in the deed of trust.

Commissioner McIntosh stated his concern that the fund balance had been depleted by this amount. The county has worked hard to achieve their bond rating and he did not want to see it fall.

Commissioner Helton made a motion to place a moratorium on any hiring, borrowing, spending and building.

The vote on the motion regarding the moratorium was:

Ayes: Commissioners Helton and Crowe.

Noes: Commissioners Washburn, McIntosh, and Holland.

Commissioner McIntosh moved to adopt the resolution entitled "***A Resolution of the Board of Commissioners of the County of Rutherford, North Carolina, Approving an Installment***

Financing Contract and a Deed of Trust with Respect Thereto and Delivery Thereof and Providing for Certain Other Related Matters. The vote on the motion was:

Ayes: Commissioners Washburn, McIntosh, and Holland

Noes: Commissioners Helton and Crowe.

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

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

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

WHEREAS, the Board of Commissioners of the County (the "*Board of Commissioners*") has determined that it is in the best interest of the County to (a) enter into an installment financing contract (the "*Contract*") with Branch Banking and Trust Company (the "*Bank*") in order to pay the capital costs of (1) the acquisition of and improvements to a County offsite storage and office facility (the "*Offsite Facility*"), (2) the expansion of the County Health Department (the "*Health Department*"), (3) the acquisition of land for various County purposes and costs associated with the land, and (4) the paving of a parking lot (collectively, the "*Projects*") and create a security interest in the sites of the Offsite Facility and the Health Department (the "*Sites*") and any improvements thereon (together with the Sites, the "*Premises*") through a deed of trust, security agreement and fixture filing (the "*Deed of Trust*");

WHEREAS, the Projects will be owned and operated by the County;

WHEREAS, the Board adopted a resolution on January 5, 2009 making certain findings with respect to the Projects and the proposed financing therefor;

WHEREAS, the Board conducted a public hearing with respect to the Projects on February 2, 2009 to receive public comments on the Projects, the proposed financing, the Contract and the Deed of Trust;

WHEREAS, the County has filed an application with the LGC for approval of the LGC with respect to the County entering into the Contract in an aggregate principal amount of not to exceed \$3,500,000;

WHEREAS, there has been presented to the Board the forms of the Contract and the Deed of Trust (collectively, the "*Instruments*"), copies of which are attached hereto, which the County proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing at an interest rate as specified in the Instruments; and

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

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

Section 1. **Ratification of Prior Actions.** All actions of the County, the County Manager, the Finance Director of the County and the Clerk to the Board and their respective designees in effectuating the proposed financing are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Instruments.

Section 2. **Approval, Authorization and Execution of Contract.** The County hereby approves the Projects in accordance with the terms of the Contract, which will be a valid, legal and binding obligation of the County in accordance with its terms. The County hereby approves the amount advanced by the Bank to the County pursuant to the Contract in an aggregate principal amount not to exceed \$3,500,000, such amount to be repaid by the County to the Bank as provided in the Contract. The form, terms and content of the Contract are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are authorized, empowered and directed to execute and deliver the Contract for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Contract, the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Contract as executed.

Section 3. **Approval, Authorization of Deed of Trust.** The form, terms and content of the Deed of Trust are in all respects authorized, approved and confirmed, and the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are authorized, empowered and directed to execute and deliver the Deed of Trust for and on behalf of the County, including necessary counterparts, in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as they may deem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions, and that from and after the execution and delivery of the Deed of Trust, the Chairman, the County Manager, the Finance Director of the County and the Clerk to the Board or their respective designees are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Deed of Trust as executed.

Section 4. **Further Actions.** The County Manager, the Chairman of the Board and the Finance Director of the County are hereby designated as the County's representatives to act on behalf of the County in connection with the transactions contemplated by the Instruments, and the County Manager, the Chairman of the Board and the Finance Director of the County are authorized and directed to proceed with the Projects in accordance with the terms of the Instruments, and to seek opinions on matters of law from the County Attorney, which the County Attorney is authorized to furnish on behalf of the County, and opinions of law from such other attorneys for all documents contemplated hereby as required by law. The Chairman, the County Manager and the Finance Director of the County are hereby authorized to designate one or more employees of the County to take all actions which the Chairman, the County Manager and the Finance Director of the County are authorized to perform under this Resolution, and the Chairman, the County Manager, the Finance Director of the County or their designees are in all

respects authorized on behalf of the County to supply all information pertaining to the transactions contemplated by the Instruments. The Chairman of the Board, the County Manager, the Finance Director of the County and the Clerk to the Board are authorized to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the Instruments or as they may deem necessary or appropriate to implement and carry out the intent and purposes of this Resolution.

Section 5. **Repealer.** All motions, orders, resolutions, ordinances and parts thereof in conflict herewith are hereby repealed.

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

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

PUBLIC COMMENTS

Mrs. Rose Priano gave an update on the Frank West Park Advisory Committee. The citizens are conducting a cleanup. They have suggestions for plans for the park and would like to meet with the Planning Committee. Updates will be provided to the Commissioners regarding renovations and use of the park.

Commissioner McIntosh thanked Mrs. Priano and her fellow citizens for their involvement in the community. Vice Chairman Helton also expressed appreciation.

Mr. Henry Edwards reported that he had attended the special meeting of the Board of Equalization and Review when the appeal of Mr. Roger Richards was heard and approved. Mr. Edwards commented that it is not acceptable for tax appeals to be delayed. Also, he stated his displeasure that citizens must take appeals to the Property Tax Commission. Such a matter could be settled locally.

CONSENT AGENDA

Commissioner McIntosh made a motion to approve the consent agenda. The motion was unanimously approved.

Minutes

By consent, the minutes of the January 5, 2009, meeting were approved.

Tax Refunds and Releases

By consent, tax refunds of \$4,899.47 and tax releases greater than \$100 totaling \$11,910.23 as outlined by Tax Administrator Kep Kepley were accepted. Tax releases of amounts less than \$100, which totaled \$2,928.77, were submitted by the Finance Office. (A copy of these tax refunds and releases is in the Minute Book.)

APPOINTMENT\CRIMINAL JUSTICE PARTNERSHIP PROGRAM

Commissioner McIntosh made a motion to approve Tammy Luckadoo to the Criminal Justice Partnership Program. The motion was approved unanimously.

APPOINTMENTS\ECONOMIC DEVELOPMENT COMMISSION

Commissioner Holland made a motion to appoint Terry Hines to the Economic Development Commission for the seat formerly occupied by Commissioner Holland. The motion was unanimously approved.

A motion was made by Commissioner McIntosh to appoint Rutherfordton Mayor Sally Leshar to the Economic Development Commission. The motion was unanimously approved.

RESOLUTION\DUKE ENERGY CLIFFSIDE STEAM STATION

Vice Chairman Helton moved to approve the resolution expressing support of Duke Energy's Cliffside Steam station. The motion was unanimously approved.

Resolution In Support Of Duke Energy's Cliffside Steam Station Modernization Project as a Minor Source of Hazardous Air Pollutants Rather than a Major Source

Whereas, Duke Energy's estimated \$2 billion modernization of Cliffside Steam Station will include the retirement of units 1-4 and the construction of a state-of-the-art 825-megawatt coal unit by 2012, including best available environmental controls and industry guarantees for mercury removal.

Whereas, The modernization of Cliffside Steam Station in Rutherford and Cleveland counties is an environmentally-sound and cost effective way for Duke Energy to provide reliable, affordable and clean power for customers.

Whereas, Duke Energy will continue to comply with North Carolina's stringent "Clean Smokestacks" legislation, and the new unit is designed to remove 99 percent of sulfur dioxide emissions, 90 percent of nitrogen oxide emissions and 90 percent of mercury emissions.

Whereas, The current air permit includes a carbon mitigation plan designed to make the new unit carbon neutral by 2018.

Whereas, The economic benefits of the Cliffside Steam Station modernization are substantial to Rutherford and Cleveland counties, including a four- year construction payroll of more than \$100 million, a significant increase in each county's property taxes and the use of local vendors during the construction and operation of the plant whenever possible.

Whereas, Duke Energy has requested, and the state is considering, revising or amending the existing air permit to restrict the new unit's hazardous air pollutants to less than 10 tons per year for any HAP and less than 25 tons per year for any combination of HAPs, which would qualify the unit as the largest, and one of only two utility pulverized coal units in the country, to have such low HAP emissions as to be designated a minor source for HAPs.

Whereas, The current air permit issued by the North Carolina Department of Environment and Natural Resources, Division of Air Quality, will result in significant reductions in total emissions of key pollutants as well as increased power production, which are both necessary to sustain and enhance the environment and economic growth of our region.

It is resolved that, Rutherford County Commissioners fully support Duke Energy's request to amend the air permit to include the minor source hazardous air pollution limits and designate the new unit as a minor source, which further assures the public that Cliffside Unit 6 will be one of the cleanest coal plants in the nation when it comes on line in 2012.

Adopted this the 2nd day of February, 2009.

ORTHOPHOTOGRAPHY MAPPING CONTRACT

Tax Administration Kep Kepley presented a contract for new orthophotography maps for the upcoming tax reappraisal process. He noted there that most of the new construction will be reflected in the new maps.

Vice Chairman Helton questioned whether E911 should have this information. Mr. Kepley explained that E911 has address information but they also need updated maps. Manager Condrey noted that the cost of the orthophotography will come from E911 funds.

Commissioner McIntosh made a motion to approve the contract with Kucera International Inc. for orthophotography. The motion was approved on a vote of 4 to 1 with Vice Chairman Helton voting against the motion.

BUDGET AMENDMENTS

Finance Director Scherer presented and explained the budget amendments.

Commissioner McIntosh asked questions of Kenneth Odom of the Library about the cost of software for public computers and Steve Duckett of Cooperative Extension about the need for a high-priced copier. Commissioner Crowe questioned Clerk of Court Robin Spence about safety issues relating to the proposed courtroom expansion.

Commissioner McIntosh made a motion to approve the budget amendments. The motion was approved on a vote of 4 to 1 with Vice Chairman Helton voting against the motion.

**Budget Amendments
February 02,2009**

GENERAL FUND	Expense	Revenue
Airport Obstruction Removal	\$ 32,259	
Airport Sale of Trees		\$ 32,259
* Trees removed from Airport property as part of the obstruction removal were sold. It is requested that these funds be appropriated to go toward the obstruction removal process.		
Library Capital Outlay - Technology	\$ 21,450	
Bill and Melinda Gates Foundation Grant		\$ 21,450
*This amendment was tabled at the January meeting pending further information.		
Cooperative Ext Cap Outlay - Copier	\$ 3,400	
Lease Purchase Proceeds		\$ 3,400
Debt Service Lease Purchase	\$ 510	
Fund Balance Appropriated		\$ 510
* Co-operative Extension was approved to purchase a copier in this year's budget. Prices have increased from the time that the quote was obtained for budget purposes. Co-op has obtained 3 current quotes and the price has increased \$3,400. The copier was budgeted to be financed with lease purchase funds.		
Animal Control Professional Services - Veterinarian	\$ 790	
Animal Control Inmate Contract	\$ 500	
Animal Control Contracted Services		\$ 1,290
* To appropriate additional revenues received from contracted services.		
Sheriff - Project Lifesaver Equipment	\$ 255	
Donations Project Lifesaver		\$ 255
* Donations received		
Sheriff - Equipment purchased with seizure money	\$ 158	
Drug Seizure Funds		\$ 158
* unauthorized substance tax distribution		
Senior Center - Medicare Education Grant (SHIIP)	\$ 4,200	
Medicare Education Grant		\$ 4,200
* Grant received for Medicare Education/Seniors Health Insurance Information Program		
Court Facilities Capital Improvements	\$ 8,820	
Court Facilities Furniture	\$ 1,095	
Court Facilities Fund Balance Appropriated		\$ 9,915
* The Clerk of Court has requested to convert existing storage space into two offices. She has obtained prices from the Maintenance Department to do the conversion. She also requests furniture in the amount of \$1,095. This would come from Court Facilities Funds.		

LEASE PURCHASE/RESOLUTION/EQUIPMENT

Finance Director Scherer presented a resolution for bank financing of lease purchase of county vehicles, equipment, hardware, and software and responded to questions from the Commissioners.

Commissioner Crowe made a motion to approve the 36 month lease arrangement with Sun Trust Bank for \$1,000,000 at a rate of 2.60%. The motion was approved on a vote of 4 to 1 with Vice Chairman Helton voting against the motion.

**COUNTY OF RUTHERFORD
Resolution Approving Financing Terms
Between Rutherford County, NC and SunTrust Bank**

WHEREAS, The County of Rutherford has previously determined to undertake a project for the financing of vehicles, equipment, hardware and software, and the Finance Director has now presented a proposal for the financing of such Project,

BE IT THEREFORE RESOLVED, as follows:

1. The County hereby determines to finance the Project through SunTrust Bank, in accordance with the proposal dated January 22 2009. The amount financed shall not exceed \$1,688,838, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.60% and the financing term shall not exceed 36 months from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the County are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and an Escrow Agreement as SunTrust Bank may request.
3. The Finance Director is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Director is authorized to approve changes to any Financing Documents previously signed by County officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Director shall approve, with the Finance Director's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The County shall not take or omit to take any action the taking or omission of which will cause its interest payments on this financing to be includable in the gross income for federal income taxes of the registered owners of the interest payment obligations. The County hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The County intends that the adoption of this resolution will be a declaration of the County's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the SunTrust Bank financing described above. The County intends that funds that have been advanced or that may be advanced from the County's funds or any other County fund related to the project, for project costs may be reimbursed from the financing proceeds.
6. All prior actions of County's officers in furtherance of the purposes of this resolution are hereby, ratified, approved and confirmed. All other resolutions (or pa

This resolution is effective upon its adoption this 2nd day of February , 2009.

LEASE PURCHASE/RESOLUTION/SCHOOL TECHNOLOGY

Finance Director Scherer also presented a resolution for lease purchase of the third phase of the schools technology plan

Vice Chairman Helton made a motion to approve the 56 month lease arrangement with BB&T for \$1,688,838 at a rate of 2.77%. The motion was unanimously approved.

Resolution Approving Financing Terms

WHEREAS: Rutherford County ("County") has previously determined to undertake a project for computer hardware/software (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The County hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated January 22, 2009. The amount financed shall not exceed \$1,000,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.77%, and the financing term shall not exceed and fifty-nine (59) months from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the County are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as BB&T may request.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by County officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The County shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The County hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The County intends that the adoption of this resolution will be a declaration of the County's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The County intends that funds that have been advanced, or that may be advanced, from the County's general fund, or any other County fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of County officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 2nd day of February, 2009.

TWO THIRDS GO BONDS WATER AND SEWER

Manager Condrey reported that the Capital Planning Advisory Committee has made its recommendations for projects to be included in the next round of loans and grants to municipalities, water authorities and sanitary districts for the extension of water and sewer lines.

Commissioner Crowe made a motion to approve the reimbursement resolution for capital expenditures for recommended projects for water and sewer projects. The motion was unanimously approved.

RESOLUTION DECLARING THE INTENT OF THE COUNTY OF RUTHERFORD TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH THE PROVISION OF LOANS AND GRANTS TO MUNICIPALITIES, WATER AUTHORITIES AND SANITARY DISTRICTS FOR THE EXTENSION OF WATER AND SEWER LINES IN THE COUNTY FROM THE PROCEEDS OF CERTAIN TAX EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED DURING CALENDAR YEAR 2009.

WHEREAS, Board of Commissioners (the "*Board*") of the County of Rutherford, North Carolina ("*County*") has determined the County hereby finds and determines that it is in the best interests of the County to pay the capital costs of providing loans and grants to municipalities, water authorities and sanitary districts for the extension of water and sewer lines in the County (collectively, the "*Projects*");

WHEREAS, the County reasonably expects to issue tax-exempt obligations (the "*Bonds*") during calendar year 2009 to finance the Projects;

WHEREAS, the County desires to proceed with the Projects and will incur additional capital expenditures (the "*Capital Expenditures*") in connection therewith before the issuance of the Bonds; and

WHEREAS, the County will advance moneys from funds currently on hand to pay for the Capital Expenditures and the County intends, and reasonably expects, to reimburse itself for the Capital Expenditures from a portion of the proceeds of the sale of the Bonds to be issued by the County;

NOW, THEREFORE, BE IT RESOLVED by the County as follows:

Section 1. **Official Declaration of Intent.** The County presently intends, and reasonably expects, to reimburse itself for the Capital Expenditures incurred and paid by the County on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Bonds. The County reasonably expects to issue the Bonds to a portion of the costs of the Projects and the maximum principal amount of Bonds expected to be issued by the County to reimburse the County for the costs of the Projects is \$1,500,000.

Section 2. **Compliance with Regulations.** This Resolution is a declaration of official intent of the County under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the

Internal Revenue Code of 1986, as amended, to evidence the County's intent to reimburse itself for the Capital Expenditures from proceeds of the General Obligation Bonds.

Section 3. **Itemization of Capital Expenditures.** The Finance Director of the County or her designee, with advice from bond counsel, is hereby authorized, directed and designated to act on behalf of the County in determining and itemizing all of the Capital Expenditures incurred and paid by the County in connection with the Projects during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of issuance of the Bonds.

Section 4. **Effective Date.** This Resolution shall become effective immediately upon the date of its adoption.

ADOPTED AND APPROVED this 2nd day of February, 2009.

PAUPER BURIALS

Manager Condrey discussed the situation of pauper burials. The budgeted amount for pauper burials has been used at a faster than anticipated rate and is likely to be depleted before the end of the year. He noted that the county is only legally required to take care of unclaimed bodies and that the current policy for pauper burials is subject to reconsideration.

Vice Chairman Helton made a motion to discontinue pauper burials except in the case of unclaimed bodies and to notify the funeral homes that the new policy will go into effect February 15, 2009. The motion was unanimously approved.

ADVERTISEMENT\UNPAID TAXES

Mr. Kepley of the Tax Office requested authority as required by state statute G.S.105-369(a) to publish unpaid taxes.

Vice Chairman Helton made a motion to approve the request to advertise for unpaid taxes during the month of March. The motion was unanimously approved.

CLOSED SESSION\ATTORNEY-CLIENT PRIVILEGE\G.S. 143.318.11(a)(3)

Vice Chairman Helton made a motion to go into closed session to discuss attorney client matters. The motion was unanimously approved.

7:18 P.M. – The Board went into Closed Session.

8:22 P.M. – The Board returned to regular session.

PAUPER BURIALS \ORDINANCE\PUBLIC HEARING

Chairman Washburn reported that because the policy governing pauper burials is an ordinance, a public hearing will be required before a change can be made.

Vice Chairman Helton made a motion to rescind the earlier motion on pauper burials. The motion was unanimously approved.

ADJOURNMENT

Chairman Washburn declared the meeting to be adjourned.

8:24 P.M. - Adjourned

Chairman, Board of Commissioners

Vice Chairman, Board of Commissioners

ATTEST:

Clerk, Board of Commissioners