

**BRUNSWICK COUNTY BOARD OF COMMISSIONERS
OFFICIAL MINUTES
REGULAR MEETING
DECEMBER 17, 2007
6:30 P.M.**

The Brunswick County Board of Commissioners met in Regular Session on the above date at 6:30 p.m., Commissioners' Chambers, Central Services Building, County Government Center, Bolivia, North Carolina.

PRESENT: Commissioner William Sue, Vice-Chairman
Commissioner May Moore
Commissioner Tom B. Rabon, Sr.
Commissioner Phil Norris

STAFF: Marty K. Lawing, County Manager
Steve Stone, Assistant County Manager
Huey Marshall, County Attorney
Jana Berg, Assistant County Attorney
Debby Gore, Clerk to the Board
Ann Hardy, Fiscal Operations Director

Sergeant Mark Trull

ABSENT: Commissioner David Sandifer, Chairman

I. CALL TO ORDER

Vice-Chairman Sue called the meeting to order at 6:30 p.m.
(Attached to these Minutes is an item called Board Action containing all items on this agenda and those items are incorporated herein.)

II. INVOCATION/PLEDGE OF ALLEGIANCE

Commissioner Norris gave the Invocation and led the Pledge of Allegiance.

III. ADJUSTMENTS/APPROVAL OF AGENDA

Vice-Chairman Sue asked if there were any adjustments to the agenda. The following adjustments were made:

1. Stephanie Lewis requested to add a Public Hearing to receive input regarding the continued operation of the Brunswick County C&D Landfill and the application for a permit extension as Item VI-1.
2. Stephanie Lewis requested to add approval of the continued operation of the Brunswick County Landfill and approve submittal of an application for permit extension to NCDENR as Item VIII-10.
3. Steve Stone requested to add approval of a site clearing and grading contract with Elite Construction and Grading, Inc. for the Holden Beach Middle School/Park project as Item VIII-11. Commissioner Norris moved to approve the agenda as amended. The vote of approval was unanimous.

IV. PUBLIC COMMENTS

Vice-Chairman Sue asked if there was anyone in the audience who wished to speak regarding any item on the agenda or any matter that was not included in the agenda. The following citizens addressed the Board:

1. Chris Musi spoke in behalf of the Shallotte Point Preservation Group speaking in support of Item V-D, Advisory Resolution to Shallotte concerning the Brunswick County Land Use Plan. Mr. Musi voiced concerns that rapid expansion without any plans may occur and in essence create problems in the Shallotte Point area as tree damage has already become an issue in that area.

There was discussion concerning support of a Joint Planning Agreement similar to the one that Orange County has with the Town of Chapel Hill and support to establish boundaries to include the Shallotte Point Fire District.

Commissioner Norris moved to amend the Resolution (Item V-D) to encourage the County and the Town of Shallotte to enter a Joint Planning Agreement and to establish the Shallotte Point Fire District as the area of concern.

2. Donna Giles, resident of Bill Holden Road, voiced concerns that she does not have the right to speak at a Town of Shallotte meeting as she is a county resident but the Town of Shallotte has the right to place condos across the street from her that will affect her life as a county resident.

V. APPROVAL OF CONSENT AGENDA

Commissioner Norris moved to approve the Consent Agenda with the aforementioned changes. The vote of approval was unanimous. The following items were approved:

A. Minutes

1. November 19, 2007 Regular Meeting Minutes

B. Tax

1. Motor Vehicle Tax Releases for December 2007
2. Tax Releases for December 2007
3. Tax Collections Monthly Report

C. Finance

Budget Amendments and Capital Project Ordinance that are routine in nature are submitted on the Consent Agenda for approval.

Fund	Description	Increase	Decrease
General Fund	Contingency	\$69,348	
General Fund	Contributions to EDC	\$69,348	

The above budget amendment is to appropriate contingency funds to contributions to the Economic Development Commission for salaries and marketing expenditures not provided in the original budget appropriation.

Fund	Description	Increase	Decrease
Health Fund	Family Health Personnel-Salaries &Wages		\$31,000
Health Fund	Animal Services-Capital Outlay	\$31,000	

The above budget amendment, requested by the Health Department, is to transfer funds budgeted for salaries in the Family Health Personnel Department which are anticipated to lapse at fiscal year end and appropriate for air conditioning installation in the Animal Services building.

Fund	Description	Increase	Decrease
County Capital Reserve	Transfer to Capital Projects	\$66,000	
County Capital Reserve	Undesignated		\$66,000
County Capital Project	Transfer from Capital Reserve	\$66,000	
County Capital Project	Land	\$66,000	

The above budget amendment is to transfer funds undesignated funds held in the County Capital Reserve Fund to the Holden Beach Middle School/Park Shared Cost Capital Project and appropriated for the purchase of land. The County attorney's office requested funds totaling \$65,468.81 for two adjacent 80' x 300' strips. Parcel A is a portion of parcel #2000001004 at a cost of \$20,530.06 plus \$42 revenue stamps and \$17 recording fees. Parcel B is a portion of parcel #2000001005 at a cost of \$44,772.75 plus \$90 revenue stamps and \$17 recording fees. The Capital Project Ordinance is below.

**County of Brunswick, North Carolina
Capital Project Ordinance
Holden Beach Land Purchase School Park Shared Project
Amended**

Be it ordained by the Board of County Commissioners of Brunswick County that pursuant to Section 13.2 of the General Statutes of North Carolina, the following ordinance is hereby adopted:

Section 1. The following amounts are hereby appropriated in the Brunswick County Capital Projects Fund for the Land Purchase Project:

Project Cost	\$2,053,792
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Section 2. It is estimated that the following revenues will be available in the Brunswick County Capital Projects Fund:

Contributions from County General Fund	\$938,682
Contributions from County Capital Reserve	<u>\$1,115,110</u>
Total	\$2,053,792

Section 3. The following amounts are hereby appropriated in the Brunswick County General Fund:

Contributions to County Capital Project	\$938,682
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Section 4. It is estimated that the following revenues will be available in the Brunswick County General Fund:

Fund Balance Appropriation	\$938,682
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Section 5. The following amounts are hereby appropriated in the Brunswick County Capital Reserve Fund:

Contribution to County Capital Project	\$1,115,110
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Section 6. It is estimated that the following revenues will be available in the Brunswick County Capital Reserve Fund:

Current Funds Appropriated	\$1,115,110
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Section 7. This Capital Project Ordinance shall be entered into the minutes of the December 17, 2007 meeting of the Brunswick County Board of Commissioners.

D. Resolution- Advisory Resolution to Shallotte Concerning the Brunswick County Land Use Plan

Whereas, it is in the best interest of all of the citizens of Brunswick County that the Land Use Plan, having been recently approved, be used as a source of information in the constructive and deliberative planning that will help determine property values, transportation and communicative needs, and commercial and residential priorities, and

Whereas, there are certain areas of the County that appear to have an appropriate classification on the Land Use Plan, and that the approval of this plan indicates that there has been a deliberate attempt to match certain properties with the classification most appropriate with the current and proposed future use of the property, and

Whereas, the area known as the Shallotte Point Fire Insurance District that lies near or contiguous to the western shore of the Shallotte River as it goes to the sea have been designated as residential, as it is heavily concentrated with single family residences, and it appears that the future use of the property will continue to be the same, and

Whereas, the County has received many calls of concern about the annexation of the area into the Town of Shallotte.

Now therefore, the Brunswick County Commissioners are hereby resolved to respectfully request that the Town Council of Shallotte carefully examine those properties lying on the western shore of the Shallotte River and before more areas become annexed, consider and that the properties not be removed from the comprehensive Land Use Plan area recently completed for all of Brunswick County. Further, it would appear to be in the best interest of both the Town of Shallotte and Brunswick County to enter into a Joint Planning Agreement, and to receive input from the residents, to carefully construct a plan for the future of this area, and to these ends, this Council remains committed.

This the 17th day of December, 2007.

s/William M. Sue, Vice-Chair
Brunswick County Commissioners

Attest:

s/Deborah S. (Debby) Gore, Clerk to the Board, CMC

E. Financial Indicators as of November 2007 for Information

Request approval to receive Financial Indicators as Information as presented.

F. Clerk Compensatory

Request approval for compensation for Clerk compensatory time.

VI. PUBLIC HEARING

1. Brunswick County Construction and Demolition Landfill Permit Extension Application

CALL TO ORDER

Vice-Chairman Sue called the Public Hearing to order at 6:48 p.m. and explained that the purpose of the hearing was to receive comments regarding the Brunswick County C&D Landfill Permit Extension Application.

Stephanie Lewis, Operation Services Assistant Director, explained that a Public Hearing and a Resolution or vote by the Board is required by NC DENR for the landfill permit extension application package and the permit extension to keep the landfill open. The fee for the permit extension will be \$9,000. This fee is based on an annual tonnage of less than 100,000 tons per year.

PUBLIC COMMENTS

Vice-Chairman Sue asked if there were any members of the audience who wished to address the Board. The following citizens addressed the Board:

1. Jeff Earp, Funston Partners, owns property East and South of the County Landfill and voiced concerns of viewshed involved with the rapid expansion the county is experiencing and the millions of investments associated with this expansion. Mr. Earp urged the Board to continue with the current system of exporting C&D and keep the Landfill away from Highway 17.

ADJOURN

Commissioner Norris moved to close the Public Hearing at 6:51 p.m. The vote of approval was unanimous.

VII. PRESENTATION

1. Economic Development Goals (Jim Bradshaw)

Jim Bradshaw, Economic Development Director, gave a power point presentation of the Proposed Goals and Activities for Brunswick County Economic Development.

2. Highway 17 Association (Marc Finlayson)

Marc Finlayson, Highway 17 Association, updated the Board on the Highway 17 Association Mission Statement and Goals.

VIII. ADMINISTRATIVE REPORT

1. Planning - Unified Development Ordinance Text Amendment UDO-07-03 (Leslie Bell)

Staff recommends approval to schedule a Public Hearing for January 22, 2008 at 6:30 p.m.

Leslie Bell, Planning Director, explained that at the November 5, 2007 meeting, the Brunswick County Voluntary Agricultural Advisory Board voted to recommend to the Brunswick County Board of Commissioners to remove the Growth Areas Statement (Section 4.13.7 of the Brunswick County Unified Development Ordinance [UDO]). This section requires that proposed Voluntary Agricultural Districts (VADs) located within a designated growth corridor go before the Brunswick County Board of Commissioners for approval. Removing this section will allow the Voluntary Agricultural Advisory Board to approve all proposed VADs and eliminate the need for approval by the Brunswick County Board of Commissioners.

Section 4.13.7 of the VAD Program in the UDO indicates that notice of the hearing shall be sent to program participants by first class mail at least 30 days prior to the hearing.

Commissioner Moore moved to schedule a Public Hearing for January 22, 2007 at 6:30 p.m. to receive comments concerning the UDO Text Amendment 07-03. The vote of approval was unanimous.

2. Parks and Recreation – Parks Lighting Proposal (George Page)

Staff recommends approval of a Contract with Musco Sports Lighting in the amount of \$1,120,000.00 and the associated budget amendment.

George Page, Parks and Recreation Director, explained that after sending Request For Proposals for Park Lighting, Staff received quotes from Musco Lighting and Carolina Sports Lighting. Musco Lighting was the low bid with a base price of \$1,080,000.00 while Carolina Sports Lighting proposed \$1,082,530.80. Musco Lighting also proposes an alternate price for computerized controlling monitoring system for all lights along with an extra five (5) year warranty above the base bid of twenty years. Some of the current lighting systems have been in existence for twenty (20) or more years and require frequent repairs. The current systems are not under warranty and when a repair needs to be made the county must pay all costs

associated with that repair including labor. With the proposed Musco system they offer the Musco Constant 25 tm warranty and maintenance program that eliminates 100% of maintenance costs for 25 years, including labor and materials. Also, included in their system is Control Link-Control Monitoring System for flexible control and solid management of the lighting system. The Musco system will allow us to further reduce energy costs associated with our lighting systems by having fewer lights per field and also being able to control the hours of use through their control link system. We have spent approximately \$75,000+ on lighting repairs on fields and courts over the past seven (7) years, these costs will be eliminated with the proposed Musco system.

A budget amendment is necessary to re-appropriate \$715,000 of lighting projects budgeted but not started in FY 2006-07 for expenditure in the current fiscal year. The funds rolled into fund balance at the end of the fiscal year. The amendment includes an additional \$187,000 fund balance appropriation representing park project and park contingency appropriations in the prior fiscal years that were not expended and rolled into fund balance at the end of the fiscal year. The current year's appropriation included \$218,000 for park lighting projects.

Fund	Description	Increase	Decrease
General Fund	Fund Balance	\$902,000	
General Fund	Capital Outlay	\$902,000	

Commissioner Rabon moved to approve the purchase of lights from Musco Lighting System for various ball fields and courts throughout the county park system. The vote of approval was unanimous.

3. MIS – Proposed Contract with Carolina Resource Mapping for Digital Orthophotography (Steve Randone)

Staff recommends approval of a Contract between Brunswick County and Carolina Resource Mapping.

Steve Randone, MIS/GIS Director, explained that \$130,000.00 was approved for Brunswick County in the current year budget for the acquisition of digital aerial photography (orthophotography). This figure was based upon the cost of county-wide photography (\$127,000.00) four years ago in a joint effort with Columbus County.

Due to the cost savings incurred in the project, Pender, Bladen, and Robeson Counties were contacted as they were planning on 2008 photography also. The Secretary of State Land Records Division contacted the county concerning the addition of other counties to our project consisting of Harnett, Cumberland and Sampson.

The vendor selected by all seven counties is Carolina Resource Mapping which has a local office in Wilmington, NC. By combining these seven counties, the Brunswick County portion will be \$110,365.00. This is a cost savings of \$19,635.00. Color infra-red photography was negotiated and included as a deliverable within this cost.

BEMC has also agreed to assist the county in this project in the fund allocation of \$25,000.00. A cost sharing grant was also applied for with the North Carolina Center for Geographic Information and Analysis. Brunswick County is expected to receive \$16,756.00 or more from this grant.

Therefore, the county will obtain the digital orthophotos at a scale of 1"= 200' and the extra color infra-red photography well under the \$130,000.00 that was budgeted. The project will cost the county, after BEMC funding and the grant, approx. \$68,609.00 or less. This is a savings of \$61,391.00 or more under budget.

Commissioner Norris moved to approve the Contract between Brunswick County and Carolina Resource Mapping for digital orthophotography at a cost of \$110,365.00. The vote of approval was unanimous.

4. Utilities – Tentatively Award Contract Ralph Hodge Construction Oak Island Force Main Phase 1 Project (Jerry Pierce)

Staff recommends approval of the Award of Construction Contract for the Oak Island Force Main Phase I with Ralph Hodge Construction in the amount of \$5,543,703.50 with contingencies.

Jerry Pierce, Utilities Director, explained that bids were received on November 28, 2007, for the construction of the Oak Island Force Main Phase 1 Project. Eleven bids were received from contractors and the engineer on the project, Earth Tech, has evaluated the bids and determined

that the lowest responsive, responsible bid was received from Ralph Hodge Construction of Wilson, NC, in the amount of \$5,543,703.50.

The Oak Island Force Main Phase 1 Project includes the construction of a 24" force main from the end of force main being installed from Oak Island on Palm Street, down Palm Street to Sunset Harbor Road, and then down Sunset Harbor Road to an easement on the Sea Watch property that runs to the Mercer Mill property owned by the Town of Oak Island and then in an additional easement to NC 211 where it will connect to the existing force main in NC 211. The project also includes the construction of a 12" effluent reuse main from the existing effluent reuse main in NC 211 to the Mercer Mill property.

As this project is being funded by a low interest loan from the NC DENR to the Town of Oak Island, the project has to be tentatively awarded at this time. A copy of this action by the Board, affidavits of advertisement, bid tabulation, and engineer's recommendation of award must be provided to the NC DENR Construction Grants and Loan Section. After review of all documents and receipt of all permits by the NC DENR Construction Grants and Loan Section, they will authorize the county to execute the Contract Documents.

Commissioner Moore moved to tentatively approve the award of Construction Contract with Ralph Hodge Construction in the amount of \$5,543,703.50 with contingencies and the Tentative Resolution of Award for the Oak Island Force Main Phase I Project. The vote of approval was unanimous.

5. Finance – Actuarial Health Care Plan Valuation (Ann Hardy)

Staff recommends receiving the Actuarial Valuation of the Health Care Plan of Brunswick County for information and reporting as required.

Ann Hardy, Fiscal Operations Director, explained that the County has elected to provide health care benefits to retirees of the County on a pay as you go basis. The County pays the full coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates. As of June 30, 2007, 88 retirees were eligible for postretirement health benefits. For the fiscal year ended June 30, 2007, the County made payments for postretirement health benefit premiums of \$507,194. The County obtains health care coverage through the NC Pool.

The Governmental Accounting Standards Board (GASB) issued Statements 43 and 45 regarding the accounting and reporting requirements for Other Post-employment Benefits (OPEB). OPEB is defined as those benefits, paid at retirement, that are not offered through a pension plan and post-employment healthcare regardless of how it is provided.

The purpose of GASB Statement No. 43 is to establish reporting standards for post-employment benefit plans legally established as "irrevocable trusts" where assets are accumulated and benefits are paid as they come due from the trust fund. Brunswick County currently does not have a trust fund for post-employment benefits. The purpose of GASB Statement No. 45 is to establish the accounting and reporting requirements for an employer's expenses, and liabilities (assets) related to their post-employment benefit plan(s) regardless of fund. Statement No. 45 addresses defined benefit and defined contribution OPEB plans and, for full accrual purposes, will match the cost of benefits to the time period when the employee's service is rendered as a form of employee compensation, rather than years later when the benefit is paid, as is done for the modified accrual or budget basis. Statement No. 45 requires the calculation of actuarial liabilities for benefits related to past service and assess to what extent those benefits has been funded.

The GASB does not require funding of OPEB. The biennial actuarial valuations and cost projections are required regardless of funding decisions. Brunswick County is required to implement GASB Statement No. 45 as of June 30, 2008. The NC Association of County Commissioners arranged a group fee structure with Cavanaugh Macdonald Consulting, LLC. Brunswick County engaged Cavanaugh Macdonald to perform the county's study as of December 31, 2006 and their report is attached. The fee for their services was \$4,728. The most recent actuarial valuation must be disclosed in the county's debt offering statements and the rating agencies expect the county to develop a plan to address OPEB obligations. The rating agencies do not require advance funding of the OPEB liability but large net OPEB obligations may impact a unit's future bond rating. There is an expectation for the county to develop a strategy of addressing the obligations. A specific question to be discussed is if a unit of government cannot afford to fund the annual required contribution (ARC) can the benefits be afforded. There are legal restrictions that must be considered for when and how benefits can be changed. Per Diane Juffras, an attorney on the staff of the UNC School of Government specializing in employment law, legal changes can only be made prospectively for future employees or non-vested current employees. Benefits cannot be cutoff or reduced for retirees or vested current employees as ruled in recent court cases. If a unit funds the ARC, federal grants received can be charged for their share of OPEB costs.

According to Brunswick County Personnel Manual Policy and Procedure 2.4, an employee who retires from Brunswick County through regular retirement with at least ten years of creditable service with the retirement system; or who through disability retirement has five years of creditable service may continue his or her own health insurance coverage until age 65 at no cost to the retiree. A Medicare Supplement shall be available to retirees who are 65 or older. Per Exhibit I Counties Analysis of Post-Employment Health Benefits (attached), Brunswick County currently has the least years of service requirement for 100% payment of health benefits for counties in the population group 50,000 to 99,999. The majority of counties require more than 20 years of service for retirees under age 65 and between 11 and 20 years of service for retirees age 65 and over.

Some possible strategies to consider for implementing prospectively regarding healthcare coverage are outlined in the following. Restricting the health benefits provided as retirees reach age 65 can cap future cost. The options for retirees over age 65 are 1) Pay 100% for supplemental insurance with Medicare as primary 2) Pay a portion of supplemental insurance cost or provide a fixed rate contribution towards supplemental with Medicare as primary 3) Cut off healthcare benefits at 65 with Medicare as primary 4) Eliminate retiree healthcare benefits regardless of age. By eliminating healthcare coverage for retirees regardless of age much of the county's future OPEB costs could be eliminated. Assuming that Medicare is always primary after age 65, option 3 would drastically reduce future cost since rising healthcare costs are no longer a factor; option 2 would contain future cost. Option 1, with rising healthcare cost contributing to the cost of supplemental insurance, will continue to drive up projected benefits cost. There is the option to change deductible amounts and co-payments as long as the change is uniform across current employees and retirees and the changes do not result in a net disadvantage to the retirees. Another issue to consider is the number of years it takes an employee to vest before qualifying for post-retirement benefits. Longer vesting periods will better control future cost. Health insurance rates could be changed for new or non-vested employees such that their rate at retirement is age adjusted rather than being a blended group rate.

The actuarial valuation determined the unfunded accrued actuarial liability (UAAL) as of December 31, 2006 to be \$49,458,857 and the annual required contribution (ARC) to be \$3,444,127 (14.29% of compensation) normal cost and \$1,706,807 (7.08% of compensation) accrued liability cost. Since the UAAL includes benefits earned in years past for employees and retirees as well as benefits being earned by current employees, the amount is typically very large. The UAAL will only be disclosed in the CAFR notes. It is not presented on the Balance Sheet or Statement of Net Assets. The OPEB obligation is the accounting liability and begins at zero in the year of implementation. It only rises when the ARC is not funded. Brunswick County's ARC for the fiscal years ending June 30, 2008 and June 30, 2009 will be \$5,150,934 and if not funded will be recorded on the government-wide Statement of Net Assets and on the proprietary fund statements. If annual contributions are made equal to the ARC, then no OPEB obligation will be recorded. If the ARC cannot be fully funded or is partially funded, then the calculation gives rise to an OPEB obligation. Payment of the ARC is defined as two payments. The first piece is the payment of benefits to retirees, beneficiaries or insurers (pay-as-you-go amount); second is the payment to the irrevocable trust. Designations of fund balance or transfers to funds other than an irrevocable trust do not count as a contribution towards the ARC. The pay as you go amount the county pays for retiree health insurance (\$507,194 in FY 2006-07) reduces the ARC by that amount.

NC. State Senate Bill 580, passed by the General Assembly this summer, gives local governments the authority to establish irrevocable trust accounts with funds set aside for OPEB and for law enforcement officer's special separation allowances. It gives local governments the ability to invest those funds with the Department of State Treasurer. Deposits to these funds are voluntary but once made cannot be used for any purpose than as originally intended.

Staff recommends the Board of Commissioners receive the 2006 Actuarial Valuation of the Health Care Plan of Brunswick County for information and reporting to outside entities as required. Staff requests direction regarding the many alternatives in the development of a strategic plan to address the annual required contribution of OPEB.

The Board accepted Actuarial Valuation as information and directed staff to bring this item back for discussion during the 2008-2009 Board Retreat.

6. Finance – Raftelis Financial Consultants, Inc. (Ann Hardy)

Staff recommends approval of the Scope of Work and Fee Adjustment for Raftelis Financial Consultants, Inc. to complete Bond Feasibility Study in the amount of \$18,858.00.

Ann Hardy, Fiscal Operations Director, explained that the County engaged Raftelis Financial Consultants, Inc. to perform both water and wastewater rate studies and a bond feasibility study. The contract amounts were \$41,000 and \$34,500, respectively. On November 21, 2007, Raftelis

made a formal request for a scope adjustment to add \$18,858 to the bond feasibility study. The scope request was made due to the following factors beyond the control of the County and the consultant:

1. Over 6 month delay in bids on projects to be financed with bonds which resulted in the need to update the feasibility model for fiscal year 2007 audited financial data, flow data, and fiscal year 2008 budget data when the original work was performed on prior year information.
2. Delay due to Local Government Commission requirement that the County's bonds had to be issued concurrently with the Town of Oak Island's bonds and requirements to provide information and analysis beyond that provided in the Revenue bond sale of 2004. This has resulted in the county revising costs estimates and updating the Capital Improvement Plan multiple times to reflect different assumptions on project costs and funding sources all of which required the consultant to make adjustments to the rate model and feasibility report.
3. Complexity of the Agreements/Transactions has resulted in LGC requests to hold additional conference calls to achieve consensus on the preparation of the feasibility model. Staff is supportive of the justification provided by the consultant and is knowledgeable of the additional work performed and remaining work to be performed leading to the sale of the revenue bonds. Staff recommends the Board of Commissioners approve the scope addition of \$18,858 proposed by Raftelis Financial Consultants, Inc. A budget amendment is not required as the capital project and ordinance has an appropriation sufficient for the additional work

Commissioner Moore moved to approve the Scope of Work and Fee Adjustment for Raftelis Financial Consultants, Inc. to complete Bond Feasibility Study in the amount of \$18,858.00. The vote of approval was unanimous.

7. Finance-Revenue Bond Resolution (Ann Hardy)

Staff recommends consideration of the Resolution for adoption.

Ann Hardy, Fiscal Operations Director, explained that the County entered into a Sewer Service Agreement with the Town of Oak Island to provide capacity in the West Brunswick Regional Water Reclamation Facility. The County plans to expand the facility to 6 MGD from 3 MDG to provide treatment capacity for the Town. The County entered into a Sewer Service Agreement with the Town of Shallotte to sell the Town .5 MGD of the County's availability treatment capacity in the facility in exchange for the Town's Sewer Plant and other consideration. The County plans to construct the Southwest Force Mains for interconnection to the Town of Shallotte and retail areas serviced by the County. The proposed sources of funding for the capital projects include unexpended proceeds from the 2004A Revenue Bonds, Construction Grants and Loan proceeds issued in the name of Oak Island and the 2007 Revenue Bonds planned issuance in December 2007.

Staff submits a resolution for the Board of Commissioner's consideration of approval directing the application to the Local Government Commission for approval of Enterprise Systems Revenue Bonds, requesting local government commission approval of the County's Enterprise Systems Revenue Bonds and certain related matters. The resolution specifies that the Bonds are to be issued by the County for the purpose of providing funds to (1) to finance the Project, (2) to pay interest on the Bonds during construction of the Project, (3) to fund a reserve fund for the Bonds or to purchase a surety bond in lieu thereof, (4) to pay for the cost of a municipal bond insurance policy for the Bonds, and (5) to pay the costs of issuing the Bonds all as set out fully in the documents attached to the County's application to the Commission.

The proposed resolution provides that (1) Parker Poe Adams & Bernstein LLP is bond counsel, A.G. Edwards & Sons, Inc. and Banc of America Securities LLC are underwriters for the Bonds, (3) Kilpatrick Stockton as underwriters' counsel and (4) First-Citizens Bank & Trust as trustee. The resolution directs the Director of Fiscal Operations of Brunswick County with advice of the County Manager and Bond Counsel to file an application with the Commission for its approval of the issuance of the Bonds.

The resolution provides that the Board finds and determines and asks the Commission to find and determine that the issuance of the Bonds is necessary or expedient, that the not to exceed stated principal amount of the Bonds (\$57.5 million) will be sufficient but not excessive, that the Enterprise Systems as now constituted, and as it will be constituted after the completion of the Project is feasible, that the County's debt management procedures and policies are excellent and that the Bonds can be marketed at a reasonable interest cost to the County.

The proposed resolution authorizes the Chairman of the Board, County Manager and Director of Fiscal Operations to complete the steps necessary for the issuance of the Bonds, the Commission to sell the 2007 Bonds through negotiation to the Underwriters with a true interest cost not

exceeding 5.5%, approving and authorizing the use of the Preliminary Official Statement in connection with the sale of the Bonds.

Staff recommends that the Board of Commissioners consider the Resolution for adoption

Commissioner Moore moved to approve the Resolution Directing the Application to the Local Government Commission for Approval of Enterprise Systems Revenue Bonds. The vote of approval was unanimous.

8. Detention Center-Change Order #6 (Marty Lawing)

Staff recommends approval of Change Order No. 6 to the Contract of Bordeaux Construction Company.

Marty Lawing, County Manager, explained that the final change order for Phase II of the Detention Center Expansion project includes additional communications cabling and electrical work, additional labor and materials to install the metal canopies per the shop drawings of the structural engineer, and changes required by the Division of Facilities Services including electrical and the installation of a firelite glass in the secure corridor. There was also a small overage in the carpet installation costs. The additional cost for these items totals \$6,528.00 plus \$66.00 for the carpet allowance overage.

A total credit of \$131,202.00 for unused funds from Allowances No. 2, 4, and 6 results in a net final deduct change order of \$124,608.00.

The final contract sum of \$9,952,903.00 is \$137,262.00 over the original contract sum of \$9,815,641.00 which represents a total change of 1.39 percent

Commissioner Rabon moved to approve Change Order #6 to the Contract of Bordeaux Construction Company for the Detention Center Expansion Project, Phase II. The vote of approval was unanimous.

9. Revolving Home Construction Program (Marty Lawing)

Staff recommends approval of the Brunswick County Revolving Home Construction Program Guidelines.

Marty Lawing, County Manager, explained that one of the Administration Department's goals for FY 2007-2008 was to establish a Revolving Home Construction Program to assist low and moderate income individuals with affordable home ownership opportunities. The Commissioners appropriated \$150,000 to initiate the program.

Under this Program, Brunswick County will acquire building lots and construct affordable homes probably in the range of 1200 + or - square feet and an estimated price range of \$120,000 to \$130,000. The variables will be the cost of the lots and the competitiveness of the bids for construction. Staff will select plans that optimize living area with an emphasis on construction affordability and bid the construction of each unit to local contractors. A final sale price will be established that is all-inclusive of utility, legal and administrative fees. The County will solicit applications and following an objective review for compliance with eligibility requirements instruct applicants to seek a mortgage with a bank. The County will give priority ranking to applicants that are employed with a unit of local government in Brunswick County. Upon notification by the County of complying with program eligibility requirements, the applicant will have 10 days to initiate a mortgage application with the lender of their choice and have 60 days to qualify for a mortgage and provide verification of the mortgage commitment. The county will then enter into a sales contract with the applicant and close within 30 days. Once the county receives payment in full for the house from the bank construction of another home will commence.

The applicant will use an attorney of their choice and shall be responsible for legal and bank fees, if any. The County will not provide any financing and will not be party to the mortgage between the applicant and the bank.

Upon approval of the program guidelines staff will invite local bankers to a meeting to explain the program and request their support and participation and will also meet with local contractors to generate interest in bidding on the construction of the homes.

Commissioner Moore moved to approve the Brunswick County Revolving Home Construction Program Guidelines. The vote of approval was unanimous.

10. Brunswick County Landfill Permit Extension Application (Stephanie Lewis) (Added under Adjustments to the Agenda)

Stephanie Lewis, Operation Services Assistant Director, explained that a public hearing was held earlier as required and staff recommends approval of the Permit Extension Application. The fee

for the permit extension will be \$9,000. This fee is based on an annual tonnage of less than 100,000 tons per year.

Commissioner Norris moved to approve the continued operation of the Brunswick County Landfill and approve the submittal of an application for a permit extension for the Construction & Demolition Landfill to the NC Department of Environment and Natural Resources. The vote of approval was unanimous.

11. Construction and Grading Contract for the Holden Beach Middle School/Park Project (Steve Stone) (Added under Adjustments to the Agenda)

Steve Stone, Assistant County Manager, explained that the Board of Education intends to execute a building construction contract for the Middle School by March of 2008, with a notice to proceed no later than April 1st. If building construction does not begin by April, the school will not be completed and ready for occupancy by August, 2009. This school will alleviate the serious overcrowding problem at Shallotte Middle School, so it is critical that the building be completed in time for use for the 2009 – 2010 academic year.

Thomas and Hutton Engineering prepared the specifications for the clearing and grading for the school building pad and what will be phase one of the park. The specifications were prepared in the same manner as they would have been for formal bid procurement. The specifications were distributed to four grading contractors, three of which submitted price quotes. Elite Construction and Grading, Inc. submitted the lowest quote, which at \$498,245.00 is below the statutory cutoff for informal construction quotes. We did not use a sealed bid for the project because of the urgency of the project. It will take 75 – 90 days to prepare the site, so quick turnaround on the award was critical. The needed construction permits are in hand, so the contractor can begin work as soon as we make the award.

The cost for the contract will be added to the site land cost and allocated between the school and park projects as will be the other site-development related costs.

Fund	Description	Increase	Decrease
Capital Reserve	Undesignated		\$550,000
Capital Reserve	Transfer to Project	\$550,000	
Capital Project	Transfer From Reserve	\$550,000	
Capital Project	Construction	\$550,000	

The above budget amendments are to appropriate \$550,000 from the County Capital Reserve Fund Undesignated Reserve to the Holden Beach Land Purchase School/Park Shared Project for Construction. The Capital Project Ordinance below is to amend the capital project ordinance for the additional \$550,000 with the assumption that the consent agenda appropriation is approved prior to this additional ordinance amendment.

**County of Brunswick, North Carolina
Capital Project Ordinance
Holden Beach Land Purchase School Park Shared Project Amended**

Be it ordained by the Board of County Commissioners of Brunswick County that pursuant to Section 13.2 of the General Statutes of North Carolina, the following ordinance is hereby adopted:

Section 1. The following amounts are hereby appropriated in the Brunswick County Capital Projects Fund for the Land Purchase Project:

Project Cost	\$2,603,792
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Section 2. It is estimated that the following revenues will be available in the Brunswick County Capital Projects Fund:

Contributions from County General Fund	\$938,682
Contributions from County Capital Reserve	<u>\$1,665,110</u>
Total	\$2,603,792

Section 3. The following amounts are hereby appropriated in the Brunswick County General Fund:

Contributions to County Capital Project	\$938,682
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Section 4. It is estimated that the following revenues will be available in the Brunswick County General Fund:

Fund Balance Appropriation	\$938,682
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Section 5. The following amounts are hereby appropriated in the Brunswick County Capital Reserve Fund:

Contribution to County Capital Project	\$1,665,110
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Section 6. It is estimated that the following revenues will be available in the Brunswick County Capital Reserve Fund:

Current Funds Appropriated	\$1,665,110
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Section 7. This Capital Project Ordinance shall be entered into the minutes of the December 17, 2007 meeting of the Brunswick County Board of Commissioners.

Commissioner Norris moved to approve the Site Clearing and Grading Contract with Elite Construction and Grading, Inc. for the Holden Beach Middle School/Park project in the amount of \$498,245.00 and the associated budget amendment and Capital Project Ordinance. The vote of approval was unanimous.

IX. BOARD APPOINTMENTS

1. Airport Commission (1 appointment)

Commissioner Norris nominated Brandon Sauls. Commissioner Rabon moved to close the nominations. The vote of approval was unanimous. Commissioner Moore moved to approve the appointment. The vote of approval was unanimous. Mr. Sauls was reappointed to serve another four-year term that will expire on December 17, 2011.

2. Board of Health (2 appointments)

Commissioner Moore moved to appoint Dr. Sage Umphries to fill the veterinarian slot on the Board of Health. Commissioner Norris moved to close the nominations. The vote of approval was unanimous. Commissioner Norris moved to approve the appointment. The vote of approval was unanimous. Dr. Umphries will fill the expired term of Dr. B. Flint King who has served three consecutive terms and that term will expire on December 1, 2010.

X. COUNTY ATTORNEY'S REPORT

1. Deed of Dedication for water lines on Basset Drive (Huey Marshall)

Huey Marshall, County Attorney, explained that these lines are ready for acceptance into the county system with a fiscal worth of \$3,475.00 for water lines

Commissioner Rabon moved to approve the Deed of Dedication for water lines on Basset Drive. The vote of approval was unanimous.

2. Deed of Dedication for water and sewer lines for The Preserve at RiverSea and The Forest at RiverSea, Ph. One-A & One B (Huey Marshall)

Huey Marshall, County Attorney, explained that these lines are ready for acceptance into the county system with a fiscal worth of \$68,000 for water lines and \$68,000 for sewer lines.

Commissioner Rabon moved to approve the Deed of Dedication for water and sewer lines for The Preserve at RiverSea and The Forest at RiverSea, Phase One-A and One-B. The vote of approval was unanimous.

3. Deed of Dedication for water and sewer lines for Sunset Ridge Phase 1N-A, B and S

Huey Marshall, County Attorney, explained that these lines are ready for acceptance into the county system with a fiscal worth of \$240,961.00 for water lines and \$829,200.00 for sewer lines.

Commissioner Rabon moved to approve the Deed of Dedication for water and sewer lines for Sunset Ridge, Phase 1N-A, B and S. The vote of approval was unanimous.

4. Closed Session 7:51 p.m.

Commissioner Norris moved to enter Closed Session pursuant to NCGS 143-318.11 (a) (1), (3) and (5) attorney client privilege to prevent the disclosure of privileged information and establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property located near the intersection of Benton Road and Gilbert Road.

Reconvened 8:50 p.m.

Vice-Chairman Sue called the Open Session back to order and announced that the action taken in Closed Session will be disclosed upon acceptance of the proposed terms by all parties involved.

XI. OTHER BUSINESS/INFORMAL DISCUSSION

There was no other business to discuss.

XII. ADJOURNMENT

Commissioner Rabon moved to adjourn the Regular Meeting at 8:51 p.m. The vote of approval was unanimous.

William M. Sue, Vice-Chairman

Deborah (Debby) Gore, Clerk to the Board