

**BRUNSWICK COUNTY BOARD OF COMMISSIONERS
OFFICIAL MINUTES
REGULAR MEETING
JUNE 15, 2009
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, David R. Sandifer Administration Building, County Government Center, Bolivia, North Carolina.

PRESENT: Commissioner Phil Norris, Vice-Chairman
Commissioner J. Martin Cooke
Commissioner Charles Warren
Commissioner Scott Phillips
Commissioner William M. Sue, Chairman

STAFF: Marty K. Lawing, County Manager
Steve Stone, Assistant County Manager
Huey Marshall, County Attorney
Jana Berg, Assistant County Attorney
Margie Stephenson, Deputy Clerk
Ann Hardy, Fiscal Operations Director

Lt. Mark Trull

I. CALL TO ORDER

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 Cooke gave the Invocation and led the Pledge of Allegiance.

III. ADJUSTMENTS/APPROVAL OF AGENDA

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

1. Marty Lawing, County Manager, requested to add under Administrative Report Revised Health Insurance Rate & Premium Schedule as item VII-14.
2. Marty Lawing, County Manager, requested to add under Administrative Report an Authorization to Submit an AARA Application for the Sunset Beach Sewer Collection System Project as item VII-15.
3. Marty Lawing, County Manager, requested to add under Administrative Report JCPC Gang Grant Application as item VII-16.
4. Huey Marshall, County Attorney, requested to add under County Attorneys Report Closed Session for Economic Incentive Discussion as item IX-6.
5. Chairman Sue requested to delete Item VI-1 Presentation by (BASE) Business Alliance for a Sound Economy.

Commissioner Phil Norris moved to approve the agenda as amended. The vote of approval was unanimous.

IV. PUBLIC COMMENTS

Chairman Sue asked if there were any members of the audience who wished to address the Board. There were no comments from the audience.

V. APPROVAL OF CONSENT AGENDA

Commissioner Cooke moved to approve the Consent Agenda. The vote of approval was unanimous. The following items were approved:

- A. **Minutes**
1. May 18, 2009 Regular Meeting Minutes
 2. May 27, 2009 Agenda Meeting Minutes
 3. June 1, 2009 Regular Meeting Minutes
 4. June 10, 2009 Agenda Meeting Minutes

B. Tax

1. February 2009 Motor Vehicle Valuation & Levy
2. May 2009 Monthly Collection Summary Report
3. Tax Releases for June 2009

C. Finance

Health Fund	Maternal Health Clinic Fee Revenue	135163-335006	Increase \$2,753
Health Fund	Maternal Health Donation Revenue	135163-383900	Increase \$415
Health Fund	Maternal Health Contract Services Expenditures	135163-439900	Increase \$3,068
Health Fund	Maternal Health Supplies & Materials Expenditures	135163-426000	Increase \$100
Health Fund	Family Planning Clinic Fee Revenue	135164-335006	Increase \$2,012
Health Fund	Family Planning Contract Services Expenditures	135164-439900	Increase \$2,012
Health Fund	Animal Services-Gifts & Memorial Revenue	134380-383303	Increase \$5,000
Health Fund	Animal Services-Drug Expenditures	134380-423800	Increase \$1,455
Health Fund	Animal Services-Supplies & Materials Expenditures	134380-426000	Increase \$1,245
Health Fund	Animal Services-Operating Equipment Expenditures	134380-426200	Increase \$1,600
Health Fund	Animal Services-Building Maintenance & Repairs	134380-435100	Increase \$700

The Health Department requested the above budget amendment for appropriation of maternal health clinic fee earnings and donations in excess of amounts budgeted for the program expenditures, family planning clinic fees in excess of amounts budgeted for the program contract service expenditures and the animal services donations for program expenditures including. The Environmental Health Committee requests appropriation of the donation of \$5,000 that was stipulated to be used for costs other than euthanasia to approved for grooming clippers, blades, digital scale, pet carriers, katch all poles, keys for safes, cages and dividers, material to build drain guards and distemper vaccinations.

General Fund	Brunswick Transit System EHTAP Grant Revenue	104251-332018	Increase \$7,809
General Fund	Brunswick Transit System Grant Subsidy Expenditures	104251-465500	Increase \$7,809
Social Services Fund	Social Services EHTAP Grant Revenue	145310-332018	Decrease (\$7,809)
Social Services Fund	Social Services Travel DOT Road Expenditures	145310-431503	Decrease (\$7,809)

Ms. Yvonne Hatcher, Executive Director of Brunswick Transit System, Inc. requests that a reduction in the budgeted appropriation of \$15,618 for Social Services. Ms. Hatcher requests that \$7,809 be reduced in Social Services and appropriated to the BTS. Social Services has expended \$3,525.87 of the \$15,618 as of June 4, 2009.

County Capital Project Fund	Admin/Courthouse Parking Lot-Transfer to County Capital Reserve Fund	438189-398226	Increase \$306,438
County Capital Project Fund	Admin/Courthouse Parking Lot-Arch/Engineering/Legal	438189-464001	Increase \$6,438
County Capital Project Fund	Admin/Courthouse Parking Lot-Construction	438189-424002	Increase \$300,000
County Capital Reserve Fund	Transfer to County Capital Projects	269800-498043	Increase \$306,438
County Capital Reserve Fund	Undesignated Funds	269800-464299	Decrease \$306,438

The above budget amendments are to re-establish the Administration/Courthouse Capital Project and transfer the funds totaling \$306,438 from the County Capital Reserve Fund designated for transfer to the General Fund operating budget in FY 2010. The associated capital project ordinance is below.

**County of Brunswick, North Carolina
Capital Project Ordinance (Amended)**

Administration/Courthouse Parking Lot Capital Project (438189)

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 Maintenance Service Road Capital Project:

Project Cost \$350,000

Section 2. It is estimated that the following revenues will be available in the Brunswick County Capital Projects Fund:

Contributions from County Capital Reserve \$350,000

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

Contribution to Capital Project \$350,000

Section 4. It is estimated that the following revenues will be available in the Brunswick County Capital Reserve Fund:

Current Funds Appropriated \$350,000

Section 5. This Capital Project Ordinance shall be entered into the minutes of the June 15, 2009 meeting of the Brunswick County Board of Commissioners.

Grant Fund	CDBG-Water Hookup Program State Revenue	238172-332001	Decrease (\$653)
Grant Fund	CDBG-Professional Services Expenditures	238172-419900	Decrease (\$207)
Grant Fund	CDBG-Travel Subsistence Expenditures	238172-431200	Decrease (\$17)
Grant Fund	CDBG-Postage Expenditures	238172-432500	Decrease (\$42)
Grant Fund	CDBG-Advertising Expenditures	238172-439100	Decrease (\$387)

The CDBG Water Hook Up Program is complete. The program budget is \$75,000 and expenditures to date are \$74,347.26 leaving a balance of \$652.74 that will not be received from the State. Staff recommends that the grant be closed and the budget reduced to reflect actual revenues and expenditures of \$74,347.26. There were no local funds used in the program.

County Capital Reserve	Land Purchase C/D Landfill Designated Reserve Funds	269800-464205	Decrease (\$650,456)
County Capital Reserve	Building J Demo Designated Reserve Funds	269800-464233	Decrease (\$5,938)
County Capital Reserve	Maintenance/Service Road Designated Reserve Funds	269800-464254	Decrease (\$100,000)
County Capital Reserve	Wellness Center Renov/Equip Designated Reserve Funds	269800-464271	Decrease (\$175,000)
County Capital Reserve	Smithville Park Designated Reserve Funds	269800-464273	Decrease (\$1,000,000)
County Capital Reserve	Stanley Road Property Road Development Designated Reserve Funds	269800-464275	Decrease (\$193,717)
County Capital Reserve	Building N Roof Designated Reserve Funds	269800-464332	Increase \$150,000
County Capital Reserve	Transfer to General Fund For FY 10 Operating Designated Reserve Funds	269800-464390	Decrease (\$1,734,659)
County Capital Reserve	Transfer to General Fund	269800-498010	Increase \$3,150,000
County Capital Reserve	Undesignated Funds	269800-464299	Increase \$559,770

The above budget amendments are to re-designate funds established in the County Capital Reserve for the Building N Roof and as a Transfer to the General Fund for the FY 10 Budget. The amount needed for the operating budget was reduced by \$350,000 due to the cancelation of the Whitlock Landing Grant/Project. The result is that \$253,332 will be the balance in the undesignated funds when factoring in the effect of the reinstatement of the Courthouse/Administration Parking Lot Capital Project (\$559,770-\$306,438).

Water Capital Reserve	SAD Assessments Designated Reserve Funds	639800-464296	Decrease (\$745,106)
Water Capital Reserve	Transmission System Improvements Designated Reserve	639800-464306	Decrease (\$214,814)

	Funds		
Water Capital Reserve	2008 Priority Extension Project Designated Reserve Funds	639800-464319	Decrease (\$296,311)
Water Capital Reserve	Water System Improvements Designated Reserve Funds	639800-464301	Increase \$1,024,082
Water Capital Reserve	Gray Bridge to Tar landing to Shellpoint Designated Reserve Funds	639800-464328	Increase \$232,149

The above amendments are to re-designate funds established in the Water Capital Reserve for the Water System Improvements and a partial appropriation toward the Gray Bridget to Tar Landing to Shellpoint Designated Reserves. The total Gray Bridge designated will be \$325,000 when the budget for FY is approved.

Wastewater Capital Reserve	Carolina Shore Seatrail Upgrade Designated Reserve Funds	649800-464248	Decrease (\$150,000)
Wastewater Capital Reserve	Infiltration/Inflo Reduction Designated Reserve Funds	649800-464322	Decrease (\$38,008)
Wastewater Capital Reserve	Stanley Road Sewer Line Designated Reserve Funds	649800-464320	Decrease (\$267,467)
Wastewater Capital Reserve	Shallotte Customer Acquisition Upgrade Designated Reserve Funds	649800-4643320	Increase \$200,000
Wastewater Capital Reserve	Undesignated Funds	649800-464299	Increase \$255,475

The above amendments are to re-designate funds established in the Wastewater Capital Reserve for the Shallotte Customer Acquisition and the undesignated reserve. It is anticipated that \$30,583 of the undesignated amount will be owed to the Northeast Plant capital and replacement reserve upon completion of the annual audit.

General Fund	Sheriff-BLET Training Revenue	104310-383309	Increase \$6,510
General Fund	Sheriff-BLET Expenditures	104310-439550	Increase \$6,510

The Sheriff's department is in receipt of \$6,510 of revenue from the BLET course and requests appropriation of the funds for program expenditures.

General Fund	Cooperative Extension 4H Club Fundraisers	104950-335031	Increase \$6,790
General Fund	Cooperative Extension 4H Club Program Expenditures	104950-449950	Increase \$6,790

The Cooperative Extension Program is in receipt of \$6,790 of 4H program revenue and requests appropriation of the funds for program expenditures.

General Fund	EMS Charges Revenue	104332-335016	Increase \$24,000
General Fund	EMS Contract Services (Billing)	104332-439900	Increase \$24,000

The EMS department anticipates revenue in excess of amounts budgeted. The department requests appropriation of \$24,000 for contract services which are 8% of the amount collected to insure that there is not a negative budget variance when actual revenues are collected.

General Fund	Sheriff Department Insurance Proceeds	104310-383913	Increase \$29,000
General Fund	Sheriff Department-Capital Outlay Vehicle	104332-439900	Increase \$29,000

The above amendment is to appropriate \$29,000 of insurance proceeds for a vehicle replacement in the sheriff's department.

D. Lease Agreement with Pitney Bowes for Mailroom Mailing Machine

Staff requests approval of a Lease Agreement with Pitney Bowes.

E. North Carolina Department of Environment & Natural Resources Agreement

Staff request approval of an Agreement with the NC Department of Environment and Natural Resources for Forestry Services.

F. School Resource Officer/DARE Officer Agreement Amendment #2

Staff requests approval of Amendment #2 to the School Resource Officer-DARE Officer Agreement between Brunswick County and Brunswick County Schools.

G. Approval of Board of Education Xerox Lease

Staff requests to adopt Resolution Authorizing Brunswick County Board of Education Lease of Xerox Equipment.

H. City of Southport Tipping Fee Waiver Request

Staff requests to approve City of Southport's Request to Waive Landfill Tipping Fees.

I. Sewer Capital Recovery Fee Installment Plan Request for Azalea Court

Staff requests to approve the request for an Installment Payment Plan for Azalea Court with an initial payment of \$60,000 to be made on or before June 19, 2009, a second installment in the amount of \$22,000 made on or before September 19, 2009 and the third and final installment to be paid on or before January 19, 2010.

J. EMS-Structural Collapse Training Property Use Agreements

Staff requests to approve Property Lease Agreements with Booth, Jackson, and Stephens LLC & the Hewett Family Limited Partnership.

K. EMS-Calabash Fire Safety House Transfer of Ownership

Staff requests to accept Transfer of Ownership of Calabash Fire Safety House from the Calabash Fire Department to Brunswick County.

L. Utilities-Preventive Maintenance Bid Award-Sure-Gen Inc.

Staff requests approval of Generator Preventive Maintenance Bid Award to Sure-Gen Inc.

M. Parks & Rec-Ocean Isle Beach Park Contract Amendment

Staff requests acceptance of NCPARTF Grant Contract Amendment for 1-Year Extension for Ocean Isle Beach Project.

N. Parks & Rec-Brunswick Nature Park Pier/Kayak Sole Source Vendor

Staff requests approval of Sole-Source Vendor for Pier/Kayak Launch System.

O. Utilities-Joint Funding Agreement USGS

Staff requests approval of a Joint Funding Agreement with USGS for Ground Water Monitoring.

P. Operation Services-Surplus Equipment Transfer

Staff requests approval to declare mosquito sprayer as surplus property and donate to the City of Northwest.

VI. PRESENTATION

1. Business Alliance for a Sound Economy (Cameron Moore) (Deleted under Adjustments to the Agenda.)

2. Economic Development Industrial Announcements (Jim Bradshaw)

Jim Bradshaw, Economic Development Director announced he is working with 12 Industrial Projects that may soon be coming to Brunswick County. Mr. Bradshaw announced 6 new Businesses that are coming to Brunswick County. Collectively they will employ between 75 to 80 people and invest over 3.5 million dollars in our County.

First, Mr. Bradshaw announced (AGYG) represented by Mr. Frank Longino. Mr. Longino was formally with Southport Boats but American Global Yacht Group (AGYG) recently acquired them. They are in the process of doing renovations they will invest over 2 million dollars in the project and hire twenty people in their Phase 1 portion of project. They will additionally hire 3 office staff members.

Secondly, Mr. Bradshaw announced Glycotech represented by Mr. Allen Stout. Mr. Stout is forming a new Bio Tech Company that is focused on converting by products of bio diesel fuel and manufacturing in useful organic compounds such as Glycerin and Vitamin E. Bio Tech utilizes environmental friendly processing techniques which lower energy cost and minimize our

carbon footprint. They are currently in Phase I and plan to employ 32 people. The plant is located near the Leland Industrial Park on Route 74/76.

Thirdly, Mr. Bradshaw announced Applied Sales Inc. Mr. Bradshaw announced that Mr. Mark Putzy is in Wisconsin tonight and could not make the presentation but Mr. Bradshaw wanted to announce his business along with the rest. Applied Sales Inc. is a subsidiary of Kraft Foods, they were looking to locate in the Wilmington Region Port related and contacted the County Office which Mr. Bradshaw found property in the Leland Industrial Park area with lower land prices which in return enticed them to Brunswick County. Eventually they will construct an 8 thousand square foot facility with five employees getting their footprint in Brunswick County. If things go well Kraft Foods could open other operations in our County in the future.

Fourth, Mr. Bradshaw introduced James Parrish and Larry Haines. They are the owners of Hydro Gas Inc. which was founded by them both. They are now residents of Brunswick County. Mr. Parrish is now living in Southport and Mr. Haines resides in Calabash. They presently have two full time employees and two part time employees at their business which is at Sunset Beach. They have been able to increase their initial investment now to over one half million dollars. The company has several patents for alternative fuel devices that will sufficiently increase gas mileage. In the future they plan on having seven to ten additional employees with salary range around \$16.00 per hour along with additional professional staff.

Fifth, Tom Hemphill from Brunswick Community College represented Softees' President Tom Moore whom was out of town. Softee Golf Products is a new company in the County which distributes several products related to golf as well as a couple of robotic lawnmowers. Softee Products makes commercial golf mats for driving ranges as well as mats in retail personal use. They have thirty different related golf products. Originally they are from Wales in the United Kingdom and recently moved to Brunswick County.

The last announcement is Mr. John Patrone from Patrone's Pizza. Mr. Bradshaw explained how grants were used to renovate the existing buildings found near Holden Beach. They have received around 40 thousand dollars from the Rural Center as part of their rehabilitation grant. Patrone's Pizza is hoping to open this July and have four to five employees.

Chairman Sue acknowledged each representative from each company and welcomed them to Brunswick County.

VIII. ADMINISTRATIVE REPORT

1. Planning-Professional Services Agreement Low Income Housing/Grant Assistance (Leslie Bell)

Staff recommends approval of a Professional Services Agreement between Brunswick County and Benjamin Quattlebaum.

Leslie Bell, Planning Director, explained as a follow-up to the Board of Commissioners' action at its 01-Jun-09 Regular Meeting, staff has worked with Mr. Quattlebaum to prepare a Professional Services Agreement (PSA) to assist Brunswick County on behalf of Countywide CDC to submit a LIHTC Project for senior housing to the North Carolina Housing Finance Agency (NCHFA). This PSA also includes a provision for assistance in preparing grant applicant(s) for qualifying ARRA Stimulus Funding (as needed).

Additionally, the County has agreed to assist and support Countywide CDC in applying for a CDBG Capacity Building Grant (\$75,000) in conjunction with the LIHTC Application.

As presented, the attached PSA concludes 31-Dec-09 which roughly corresponds with the tentative submittal of the LIHTC Senior Housing Application to the NCFHA.

County Capital Reserve	Designated Reserve Funds for Affordable Housing	269800-464312	Decrease \$6,500
County Capital Reserve Fund	Transfer to General Fund	269800-498010	Increase \$6,500
General Fund	Transfer from County Capital Reserve Fund	109800-398226	Increase \$6,500
General Fund	Community Development Professional Fees Expenditures	104907-419900	Increase \$6,500

The above budget amendment is to appropriate \$6,500 from the Affordable Housing Reserve in the County Capital Reserve Fund to the General Fund for Professional Fees for a grant writing contract.

Fiscal Year 2009-10 Amendment

County Capital Reserve	Designated Reserve Funds for Affordable Housing	269800-464312	Decrease \$39,000
County Capital Reserve Fund	Transfer to General Fund	269800-498010	Increase \$39,000
General Fund	Transfer from County Capital Reserve Fund	109800-398226	Increase \$39,000
General Fund	Community Development Professional Fees Expenditures	104907-419900	Increase \$39,000

The above budget amendment is to appropriate \$39,000 from the Affordable Housing Reserve in the County Capital Reserve Fund to the General Fund for Professional Fees for a grant writing contract.

Commissioner Warren moved to approve the Professional Services Agreement between Brunswick County and Benjamin Quattlebaum. The vote of approval was unanimous.

2. Operation Services- Disaster Debris Contract (Stephanie Lewis)

Staff recommends to Award Disaster Debris Management Contract to Unified Recovery Group, Inc.

Stephanie Lewis, Operations Services Director stated that three bids were received from the RFP on Disaster Debris Management Services. Mrs. Lewis and Randy Thompson, EMS Director and his staff have reviewed the responses. There are numerous services and equipment priced in the bids and no one company was low bidder on all items. However, the most common service required by the County and the only service used by the County during disaster events historically is the debris pick up and hauling from public property and right-of-ways to a designated disposal site.

The bid prices on this service are as follows:

Phillips & Jordan, Inc. - \$8/cy

J. B. Coxwell Contracting, Inc. - \$9.90/cy

Unified Recovery Group, LLC - \$4.53/cy

Phillips & Jordan, Inc. have been the County's Disaster Debris Contractor since November 2002 and had the lowest prices on debris grinding and volume reduction through air curtain incineration. However, the current contract for grinding services at the landfill is lower than any of the three bid prices received and therefore we would recommend using them in the case grinding services were needed.

Commissioner Norris moved to Award Disaster Debris Management Contract to Unified Recovery Group, Inc. The vote of approval was unanimous.

3. EMS-Proposed Funding Supplement for Grissettown Longwood VFD (Randy Thompson)

Randy Thompson, EMS Director, explained that the eight volunteer rescue squads are funded by the Performance Based funding mechanism that bases their funding on the number of responses the squad actually answers. Through three quarters of FY 2008-2009, there is an overage of \$35,077.50 in this account due to some squads not fulfilling their obligation for the funding.

In July 2009, the Emergency Services department will be asking the County Commission to establish heavy rescue districts and to allow the lead departments for these districts to ask the rescue squad capital expenditure committee for funding.

Grissettown Longwood VFD will be one of the lead departments in this endeavor and is in need of a rescue vehicle to assist in carrying out this mission.

Staff recommends using the overage of \$35,077.50 from the Rescue Squad Performance Based Funding budget (104370) to fund this purchase. This request will necessitate a budget transfer but no budget amendment will be required.

There was discussion regarding funding and the necessity for the piece of equipment.

Commissioner Norris moved to approve Funding Supplement for Grissettown Longwood VFD. The vote of approval was unanimous.

4. EMS-Town of Oak Island – 911 Fee Interlocal Agreement (Randy Thompson)

Staff recommends approval of an Interlocal Agreement between Brunswick County and the Town of Oak Island and the Associated Budget Amendment.

Randy Thompson, EMS Director explained that Brunswick County provided 911 dispatch services for the Town of Oak Island until late January 2007. On January 1, 2008, legislation changed the way in which landline and wireless revenues are billed and provided to Primary Service Providers. As of January 1, 2008 all revenues are collected by the State, the charges set by legislation and funds are provided to providers at the same level as received in 2007. The State bases the PSAP payments on hold harmless amounts as of the fiscal year 2007 landline revenue received. Since the Town was not a PSAP provider for a full year during the dates of determination used by the State, the Town receives a partial year share of the funding. The Town brought to the attention of staff that had the Town not operated under the County during the date of determination the Town would receive a larger portion of funding from the State.

In the winter of 2009, staff from the County (Ann Hardy, Julie Miller, Randy Thompson, Tom Rogers) and the Town (Manger, Finance Officer and Police Chief) met and held a conference call with Richard Taylor of the State 911 agency to discuss the Town's funding share, legislation and to explore ways for the Town to receive funding. Over the last several months, staff from both entities have reviewed the situation and explored alternative methods to provide funding to the Town.

The Town Finance Officer, with assistance of Richard Taylor, submitted the calculation below to estimate the amount that the Town feels they are entitled to. Their contention is that this amount is being remitted to the County each month by the State when Oak Island would receive it in a fair calculation.

Wireless Receipts paid to the Town 2/07 thru 6/07 \$38,996.14 for a monthly average of \$7,799.22

Wireless Annual settlement paid to the Town for FY 07 \$13,975.93 for a monthly average of \$1,164.66

Wire line Receipts paid to the Town in FY 07 5/07 thru 6/07 \$10,198.98 for a monthly average of \$5,099.49

Add the monthly averages together for a combined monthly average the Town feels they should receive under a fairness interpretation of the current legislation of \$14,063.37

Under the legislation the Town is actually receiving an average of \$5,264.25 per month

The difference of \$14,063.37 less \$5,264.25 is \$8,799.12 which the Town feels the County is receiving and should be provided to the Town.

The Town feels like the County is receiving \$8,800 per month that is attributable to the service that was being provided for the Town by the County until late January 2007. County staff has reviewed and agree the Town's computations are reasonable. County staff has verified that the County is receiving funding based on January 2007 revenues which included service for the Town.

Current Status

The Town of Oak Island provided staff with a MOU and resolution approved by the Town. County staff made changes to the MOU to reflect that the County is the primary PSAP for Brunswick County, that all parties are acting according to the existing legislation, that this situation occurred through no fault of either party, the requirement that a budget is submitted to the County for inclusion in the County's State budget submittal, the requirement that the Town obtain County approval prior to expenditures, any audit exceptions resulting in cost disallowance from duplication of services or disallowed Town expenditures be reimbursed to the County and that the agreement is stopped in the event of legislative changes.

Recommendation

Staff recommends approval of the Interlocal Agreement and budget amendment below providing \$8,800 per month to the Town of Oak Island retroactive to February 1, 2007 for a total thru June 30, 2009 of \$225,200 and \$8,800 per month prospective or until changed by agreement or legislation.

ETS Fund	Fund Balance Appropriated	224376-399100	Increase \$149,600
ETS Fund	Telephone expenditures	224376-432100	Decrease \$105,600
ETS Fund	Contributions to Oak Island	224376-465100	Increase \$255,200

The above amendment is to appropriate \$149,600 of fund balance for 2007 and 2008 revenues that accumulated in fund balance for contributions of \$149,600 to the Town and to appropriate \$105,600 for 2009 revenues to the Town and reduce the telephone expenditure budget that is anticipated to be under the amount budgeted.

There was discussion among the board regarding the legalities, legislation, and funding.

Commissioner Warren moved to approve an Interlocal Agreement between Brunswick County and the Town of Oak Island and the Associated Budget Amendment.

The vote for approval was three ayes (Commissioner Warren, Commissioner Sue, Commissioner Phillips), and two nays (Commissioner Norris and Commissioner Cooke).

5. Administration-Workers Compensation Contract (Eileen Gardner)

Staff recommends approval of a Third Party Administration Agreement with PMA Management Corporation and Workers Compensation Excess Coverage Agreement with Wells Fargo Insurance Services of North Carolina.

Eileen Gardner, Risk Manager, explained that the County currently has a fully insured worker's compensation program with the NCACC Risk Management Pool. With increased exposure and low losses; it is cost effective for the County to transition to a self insured retention program. Self insurance will provide an opportunity for the County to save money in claims management and control reserves while providing loss prevention measures to employees.

Based on a projected total payroll of \$46.8 million and an experience modifier .92; Wells Fargo partnering with PMA Management Corporation has provided a quote for services which will assist the County in managing worker's compensation costs. The broker, Wells Fargo, will provide excess insurance coverage for each occurrence over \$400,000. with \$450,000 for law enforcement and loss prevention training for a total cost of \$113,523. The claims administrator, PMA, will provide program administration, financial management, claims review and reporting software for \$32,000. Additional budgeted funds will pay claims and retain funds for future claims payment.

This proposed cost for brokered services and excess coverage is \$145,523. Claims costs are projected at \$500,000. Based on the annual budgeted amount of \$1,033,433.00, best case for the County is the retention fund is projected to be approximately \$350,000. The worse case would be a \$2.1 million dollar exposure. Using the standard premium contribution of \$1,033,433. dollars, this reflects a 14 % decrease in last year's budgeted amount.

Commissioner Sue moved to approve the Third Party Administration Agreement with PMA Management Corporation and Workers Compensation Excess Coverage Agreement with Wells Fargo Insurance Services of North Carolina. The vote of approval was unanimous.

6. Engineering-DSS/Kitchen Expansion Project Change Order #4 (Jeff Phillips)

Staff recommends approval of Change Order No. 4 to the Contract of Bordeaux Construction Company, Inc. for the DSS/Kitchen Expansion Project.

Jeff Phillips, Engineering Director went over the following:

GC-27 New water heater & vacuum line	\$1,757.00
GC-28 Relocate starter for existing kitchen hood	\$2,560.00
GC-29 New circuit for existing kitchen hood lights	\$ 725.00
GC-30 Add zone to fire alarm system for existing kitchen hood	\$ 250.00
GC-31 Provide new shunt trip breaker for existing kitchen hood	\$1,150.00
GC-32 Extend building ground line to water service entrance	\$1,950.00
GC-33 Provide new convenience outlets to kitchen roof top units	\$2,925.00
GC-34 Patch ceiling at new VAV boxes in health building	\$2,205.00
GC-35r Replace ductwork above suspended ceiling at kitchen	\$10,768.00
GC-36 Replace ductwork above hard ceiling at kitchen	\$10,120.00
GC-37 Credit 2/3 of electrical costs for HVAC control	-\$1,884.00
GC-38 Dumpster Allowance 3/26/09 through 5/11/09	\$6,569.00
GC-39 Reinstall electrical panel for future use at kitchen	\$1,900.00
GC-40 Haul masonry rubble	\$2,500.00

GC-41 Replace cracked curb and gutter	\$1,280.00
Credit contingency allowance (see attached allowance summary)	-\$44,775.00
Total	\$0.00

Commissioner Norris moved to approve Change Order No. 4 to the Contract of Bordeaux Construction Company, Inc. for the DSS/Kitchen Expansion Project. The vote of approval was unanimous.

7. Utilities- Wastewater Proposal Colony at Oyster Bay and Colony II (Jerry Pierce)
Staff recommends Submittal of a Proposal to Transfer Wastewater Collections System to Brunswick County.

Jerry Pierce, Utilities Director explained that the owners of the wastewater treatment plant and wastewater collection system that presently serve the Colony at Oyster Bay and Colony II Condominium Projects met with County staff to discuss the possible transfer of the wastewater collection system to Brunswick County and the elimination of the existing wastewater treatment plant. After some discussion, the County staff indicated that they would develop a proposal for the owners of the current private collection system and treatment plant to consider.

Under the terms of the proposal, the County would connect the existing Colony and Colony II collection system to the County wastewater collection system. The cost of the improvements needed to connect the existing private system to the County is estimated to be \$100,000. The County share of the cost of making the improvements would be funded by the current customers of the private utility continuing to pay their current users fees until the County's cost of the improvements are recovered. After the funds are recovered, the customer's rates would be reduced to the County's current sewer rates. The current owners of the private collection system would be required to pay or obtain written agreement from Island Investments who have entered into a Sewer Transmission Agreement with the County for the 8" force main that would receive flow from this project. The current owners of the wastewater treatment plant would also be responsible for its deactivation and removal.

Commissioner Norris moved to approve the Submittal of a Proposal to Transfer Wastewater Collections System to Brunswick County. The vote of approval was unanimous.

8. Finance-Period Ended May 31, 2009 Financial Reports (Unaudited) (Ann Hardy)
Staff recommends Receiving May 31, 2009 Financial Reports as information.

Ann Hardy, Fiscal Operations Director explained the following:

General Fund

Presented in the board packet is a schedule of revenues and expenditures-budget and actual and changes in fund balance for the General Fund for the period ended 5/31/2009 on the cash basis with comparative actual amounts for the year ended June 30, 2008 and for the period ended 5/31/2008. Total revenues for the General Fund at 5/31/09 are \$144.3 million compared to \$146.6 million at 5/31/08 for a decrease of (\$2.3) million or (1.6%). Total revenues collected are currently 95% of the amended budget for the fiscal year.

Total expenditures for the General Fund at 5/31/09 are \$138.7 million compared to \$129.1 million at 5/31/08 for an increase of \$9.6 million or 7.4%. Total expenditures are currently 87% of the amended budget for the fiscal year. Net transfers to the County and Schools Capital Reserves and Capital Projects Funds of \$9.3 million are reported. If the current trends continue, it appears that annual revenues will be in the range of \$155.3 million and expenditures will be in the range of \$155.7 million resulting in an estimated \$400,000 use of fund balance for the operating budget. When the operating loss of \$400,000 is added to transfers to projects and reserves of \$10.6 million, fund balance is projected to decrease by \$11 at June 30, 2009.

Revenues and other financing sources are less than expenditures and other financing uses by \$3.7 million as of May 31, 2009 compared to a surplus of \$13 million as of May 31, 2008 for a decrease of \$16.7 million.

Water Fund

Presented in the board packet is a schedule of revenues and expenditures-budget and actual and changes in fund balance for the Water Fund for the period ended 5/31/2009 on the cash basis with comparative actual amounts for the year ended June 30, 2008 and for the period ended 5/31/2008. Total revenues for the Water Fund at 5/31/09 are \$17.7 million compared to \$18.4 million at

5/31/08 for a decrease of (\$0.7) million or (3.8%). Total revenues collected are currently 90.6% of the amended budget for the fiscal year.

Total expenditures for the Water Fund at 5/31/09 are \$11.3 million compared to \$12.1 million at 5/31/08 for a decrease of (\$0.8) million or (6.6%). Total expenditures are currently 74.4% of the amended budget for the fiscal year.

Net transfers to the Water Capital Reserve for Water Capital Projects of \$8.8 million are reported. Revenues and other financing sources are under expenditures and other financing uses by (\$2.4) million as of May 31, 2009 which appears reasonable with amounts budgeted as transfers from Retained Earnings to capital projects.

Wastewater Fund

Presented in the board packet is a schedule of revenues and expenditures-budget and actual and changes in fund balance for the Wastewater Fund for the period ended 5/31/2009 on the cash basis with

comparative actual amounts for the year ended June 30, 2008 and for the period ended 5/31/2008. Total revenues for the Wastewater Fund at 5/31/09 are \$10.9 million compared to \$11.1 million at 5/31/2008 for a decrease of (\$0.2) million or (1.8%). Total revenues are currently 101.1% of the amended budget for the fiscal year. Actual revenues were increased due to the recording of a receivable from the Town of Oak Island for FY 09 debt reimbursement. Since the budget is required to be on the cash basis, the receivable is not recorded in the budget resulting in revenues greater than budget.

Total expenditures for the Wastewater Fund at 5/31/09 were \$11.4 million compared to \$9.9 million at 5/31/08 for an increase of \$1.5 million or 15.2%. A substantial portion of the increase was due to the first year of debt service on the West Brunswick Plant Expansion. Total expenditures are currently 91.6% of the amended budget for the fiscal year.

Transfers of \$1.5 million from the wastewater reserve to the operating fund are reported. Revenues and other financing sources are greater than expenditures and other financing uses by \$1.0 million due to the posting of the receivable from the Town of Oak Island as of May 31, 2009.

Capital Project Funds and Capital Reserve Funds

The packet contains grant and project life revenue and expenditure reports for major grants and capital projects and reports of the capital reserve fund balances and project designations for the County, Water, Wastewater, School and Special School Capital Reserve Funds.

Key Indicators of Revenues and Expenditures

The packet contains charts with actual history, current month, budget information and monthly projects for the remainder of the fiscal year for major revenues and expenditures in both the enterprise and general funds.

Cash and Investments

A Summary of Cash and Investments as of May 31, 2009 reports that the County has \$128.7 million of cash and investments in all funds including those accruing for outside agencies that the county performs collections plus \$30.3 million of capital project restricted debt proceeds. All cash and investments are earning an average yield of 1.08%. The total of cash of May 31, 2009 was \$61.1 million General Fund, \$17.2 million in the Water Fund, \$0.9 million in the Wastewater Fund.

The Board received the reports as information. No action was taken.

9. Finance-Budget Authority for Fiscal Year 2008-2009 Year End (Ann Hardy)

Staff recommends to Delegate Budget Authority to the Finance Director to Amend FY 2008-2009 Budget for Violations.

Ann Hardy, Fiscal Operations Director explained that the Board was made aware that there are several budget line items in danger of either not making revenue or exceeding appropriations for the Fiscal Year ending June 30, 2009. Staff will be processing receipts and disbursements and reviewing Fiscal Year 2008-09 financial information and reports over the next several weeks. Mrs. Hardy anticipates the discovery of situations where either a revenue category or expenditure category has a budget violation. In most instances, budget violations may be resolved within a department's codes with staff's existing authority. However due to the unusual economic climate the county is experiencing, budget violations may be at the department or fund level. In addition, the agenda deadline for the June 15th meeting does not provide staff adequate time to analyze all funds for violations.

Staff recommends that the Board of Commissioners delegate the authority to the Finance Officer to amend the FY 2008-09 budget ordinance for any legal budgetary violation for fiscal year ending June 30, 2009 with making a full report to the Board of Commissioners at the next

scheduled budget meeting. This authority will allow the Finance Officer to resolve clerical budget matters for the remainder of the fiscal year and prevent legal budget violations in the annual financial report or a special board meeting the last week of the fiscal year. This authority provides no approval to expend funds or enter into contract/purchase agreements and is limited to FY 2008-09.

Commissioner Sue moved to Delegate Budget Authority to the Finance Director to Amend FY 2008-2009 Budget Ordinance for any legal budgetary violations. The vote of approval was unanimous.

10. Finance-Budget Policy Approval (Ann Hardy)

Staff recommends approval of Amendments to the Budget Policy as Presented.

Ann Hardy, Fiscal Operations Director explained the following:

Background Information

The current budget policy (attached) was approved on May 23, 2008. The adopted policy was reviewed and discussed at the 2009-10 Budget Goals Retreat and deferred until the later in the budget process. A recommended policy (attached) with revisions was presented and discussed at the May 27, 2009 budget workshop.

Current Status

The recommended budget policy changes are as follows:

Elimination of the automatic transfer to the reserve fund of General Fund Balance in excess of 20% at the end of the fiscal year. Staff prefers to provide information for the Board of Commissioners to evaluate transfers on an annual basis rather than implementing an automatic process.

The elimination of redundant language regarding the undesignated surplus account for debt coverage in accordance with the Revenue Bond General Trust Indenture since this more completely addressed in Section IV Revenue in the third paragraph.

Changing the effective dates to the first pay period beginning in the subsequent July for implementation of the effects of any salary studies and merit pay awards in Section V. Expenditures A) and B). The current policy makes those awards the first payment in January. There are no salary studies, reclassifications or merit in the recommended budget so there would be no effect in the FY 2009-10. However, future budget year awards would be provided earlier, July rather than January.

Requiring a report to the Board of County Commissioners of budget ordinance amendments with delegated authority to the Finance Officer under section VII Budget Amendment and Capital Project Amendment. The effect of this amendment is maintain the ability to expedite clerical matters in posting additional program funds and closing completed projects and to provide more oversight to the Board of Commissioners than the current policy.

Recommendation

Staff recommends approval of the recommended policy.

Commissioner Phillips moved to approve the Budget Policy as presented. The vote of approval was unanimous.

11. Finance-Brunswick County GO Series 2001 Refunding Update (Ann Hardy)

Staff recommends to Defer Refunding of General Obligation Series 2001 Bonds until Projected Savings are Closer to the Original Target of 3%.

Ann Hardy, Fiscal Operations Director explained the following:

Background Information

Brunswick County issued General Obligation Series 2001 bonds to fund school construction under the 1999 School Bond Referendum. In 2007 and again more recently, there was projected interest savings if the bonds were refunded (refinanced.) The bonds to be refunded mature from 2012 thru 2021 with coupons ranging from 4.75 to 5.0% and a par total amount of \$23.5 million. Bonds maturing in 2010 and 2011 were not planned to be refunded because there was no projected savings in doing so.

On June 18, 2007, Brunswick County resolved certain statements of fact concerning the proposed bond refunding issue, resolved to introduce a bond refunding order and adopted the bond refunding order and resolved to direct publication of notice of the bond refunding order.

On May 4, 2009, the Board of Commissioners authorized staff to proceed with the necessary steps to refund the General Obligation Series 2001 bonds maturing from 2012 through 2021 which include preparation of actions for the Board of Commissioners, application to the Local

Government Commission, Engaging Bond Counsel, Ordering Rating Agency Analysis and Engaging Merrill Lynch/Banc of America as Underwriter.

Current Status

Based upon a recent analysis of the bond market it appears the cumulative refunding savings are not at the 3% target threshold (savings of approximately \$665,700 or \$69,000 per year) but closer to 2.3%.

The County performed all of the necessary steps to refund the bonds including the issuance of a Preliminary Official Statement, Rating Agency Reports and approval of the Local Government Commissions with anticipation of the refunding occurring June 16, 2009. The County received an affirmation of the current ratings of AA- from Fitch Ratings and Aa3 from Moody's Investor Services (Reports Attached). The County is waiting on the rating from Standard and Poors and will report that information to the Board of Commissioners.

The ratings, filing of the Preliminary Official Statement, and approval from the LGC will allow the County to continue to monitor the municipal debt market and move quickly to close the refunding transaction should savings occur within the next 90 days. If savings are not presented in 90 days, the County may update information and move forward with the transaction at that time.

Recommendation

Staff recommends that the Board of Commissioners receive this information and approve for the Finance Officer to proceed with the refunding should adequate savings occur. Staff recommends that the Board of Commissioners authorize the finance officer to make all budget amendments in fiscal years ending either 2009 or 2010 for the debt refunding should savings be sufficient that a transaction is completed.

Commissioner Warren moved to approve the recommendation from the Finance Director to receive the General Obligation Series 2001 Refunding Update as information, to proceed with the refunding should adequate savings occur and authorize the Finance Director to make all budget amendments in fiscal years ending either 2009 or 2010 for the debt refunding should savings be sufficient that a transaction is completed. The vote of approval was unanimous.

12. Board of Commissioners Major Goals FY 2009-2010 (Marty Lawing)

Staff requests discussion, revisions and approval of Commissioners Goals and Objectives for FY 2009-2010.

Marty Lawing, County Manager explained the following:

At the FY 2009-2010 Annual Budget Retreat on March 19, 2009, the Board of Commissioners outlined six (6) major goals for the upcoming fiscal year. The goals can be accomplished without additional funding or personnel. The proposed goals and objectives are as follows:

1. To develop and adopt a budget for FY 2009-2010 that includes no ad valorem property tax rate increase above the current rate of \$.305.
2. To improve customer service by creating an organizational culture driven by quality customer service through increased and improved interdepartmental communication and focused customer service and diversity training.
 - To develop a customer service philosophy and program suitable for a county government organization and customized for Brunswick County
 - To establish a Quality Customer Service Team made up of a representative/liaison from each department to help with program implementation, communication and training.
 - To educate all county employees about the diverse population that we serve and the many different needs and expectation levels that exist in our community
 - To develop a system to obtain customer feedback and measure customer service improvements.
3. To develop and implement a strategy to expand the county and regional water and wastewater infrastructure by optimizing grant opportunities to fund construction and develop a marketing program and incentives to encourage a higher percentage of connections to new and existing systems.
 - To seek American Recovery and Reinvestment Act funds and other grants to supplement the costs with water and sewer system expansion.
 - To develop a comprehensive marketing program to inform property owners regarding the availability of county water and sewer service and the costs and benefits associated with connecting.

- To implement some creative financial incentives to attract new customers that have not previously connected due to the costs.

- To evaluate the feasibility of financing water and/or sewer capital recovery fees for commercial accounts over multiple years with certain safeguards to protect the county in the event of non-payment.

4. To enhance the County's employee safety program by establishing specific safety goals and performance standards and adopt the safety manual and incorporate incentives to improve the overall employee safety record to better position the County to successfully transition to

Administrative Services Only or a Self-Funded Worker's Compensation Insurance Plan.

- To establish specific departmental and organizational safety goals and incorporate performance incentives to reward improvements in workplace safety and loss experience and increase the weight of the Safety and Housekeeping factor on the performance appraisal system to reinforce the importance of safety on overall performance.

- To finalize a comprehensive Safety Manual and present to the Board for approval by March 1, 2009.

- To transition to a Self-funded Worker's Compensation Plan, establish appropriate level of reserves and position the County for long-term savings on worker's compensation insurance premiums.

5. To develop an Affordable Housing Strategy / Plan to define the county's role in identifying and effectively addressing the need for additional affordable/workforce housing opportunities in Brunswick County.

- To contract with a consultant to assist the county in developing an affordable housing plan by September 15, 2009.

- To make significant amendments to the County's Unified Development Ordinance to provide incentives for developers to develop single family and multi-family affordable housing units for ownership and rental.

- To aggressively pursue grants for single family rehabilitation and replacement funding.

- To work with non-profit agencies and private developers to develop low income housing tax credit housing units in Brunswick County.

- To work with Public Housing to revise and upgrade the standards for housing units in the Section 8 Program.

6. To develop ordinances and programs to include development incentives to encourage the incorporation of "green" development and construction practices for future development projects in the county to reduce the impact of development on natural resources, energy and the county's infrastructure.

- To expand the counties ordinances to provide incentives to encourage voluntary use of environmentally friendly products such as pervious asphalt, concrete and pavers and techniques such as Low Impact Development to reduce runoff and improve water quality.

- To provide incentives for the installation of low flow fixtures to reduce the impact on the county's water and wastewater treatment systems and for the installation of reuse water irrigation systems in new developments adjacent to county reuse water transmission lines.

The board received the FY 2009-2010 Major Goals as information. No action was taken.

13. FY 09-10 Budget Ordinance, Capital Improvement Project and New Fee Adoption (Marty Lawing)

Staff recommends approval of the FY 2009-2010 Budget Ordinance, Capital Improvement Plan and Rates and Fees.

Marty Lawing, County Manager explained the following:

The recommended FY 2009-2010 Budget was presented to the Board of Commissioners on May 18, 2009. Budget workshops were held on May 27th and June 3rd. A public hearing on the budget was held on June 1, 2009. The total budget for all funds totals \$198,613,650 a reduction of 11.6% under the FY 2008-09 Budget of \$224,663,493.

The General Fund Budget totals \$151,390,076 representing a reduction of \$17.9 million or 10.6% under the FY 2008-09 Budget. The ad valorem property tax rate will remain at the current rate of \$0.305. The General Fund budget includes four (4) new positions including a Programmer II in MIS, a School Resource Officer in the Sheriff's Office for the new Cedar Grove Middle School and two (2) Income Maintenance Case Worker II positions in Social Services. A total of twenty-

two (22) vacant positions were deleted from the budget. Total county funding for the Brunswick County schools is \$31,016,145 per the funding agreement and the Brunswick Community College appropriation is \$3,435,831.

Due to the significant reduction in most revenue sources a General Fund Balance appropriation of \$3,858,963 and a transfer from Capital Reserve Fund of \$3,150,000 were included to balance the budget. The appropriation of these one-time non-recurring sources represents approximately 4.6% of the General Fund revenue.

Enterprise Fund totals \$31.2 million. The Sewer Fund totals \$13,482,148 which represents an increase of 2.19% primarily due to debt service costs associated with Phase II of the West Brunswick Regional Wastewater Facilities and increases staffing to meet permit requirements of the expanded treatment plant. Five new positions will be required to provide staffing 24 hours per day 7 days per week. The positions funded for the last six months of the fiscal year include two (2) Wastewater Operator II's, two (2) Wastewater Operator Trainees and one (1) Mechanic II.

The retail water rate structure and connection fees are recommended to remain unchanged pending the possible implementation of a water conservation rate structure subsequent to the adoption of the budget ordinance. The wholesale and industrial rates are expected to be reduced by approximately \$.14 to \$.15 from the current rate of \$2.57 per 1000 gallons based on the May PPI. Retail sewer rates and connection fees and the West Brunswick Wholesale rate are recommended to stay the same, however the Northeast Regional Wholesale rate is reduced from \$2.30 per 1000 gallons to \$1.80.

The County Manager stated that with the overall budget there is no reduction in benefits for employees, also there is no funding for merit this year, no layoffs or furloughs that was included in the proposal however as you can see based on Mrs. Hardy's report we will have to monitor the economic conditions very closely as we go forward it is still not a positive picture we get mixed signs. The County Manager may have to recommend additional measures during the year stressing that he would not wait till it was too late if the County sees that things are not improving he would recommend additional measures at that time. Mr. Lawing thanked the Department Heads for their understanding of the situation in their Budget Request and thank them in advance for administering their departmental budgets moving forward starting July 1, 2009. It will be a difficult task the budgets are tighter practically every department budget is less than it was the current year. Mr. Lawing stated that he appreciated the feedback, input and direction throughout this budget process. Mr. Lawing stated that this has been the most difficult budget since his tenure in Brunswick County.

Commissioner Norris made the statement first thanking all the staff for all the hard work during this difficult budget process. Mr. Norris noted that the reason that Brunswick County was able to keep positions and keeping a lot of things that a lot of other Counties could not afford to do was due to the County's Fund Balance. However, he mentioned often times this Board has been criticized for keeping too much money tucked aside for such emergencies. If not for the contingency we would not have been able to be in as good position as we are in now, however after stating this Mr. Norris said that no one knows what the future holds next year may be worse and the County cannot continue to use savings because they will run out eventually. In the past the money has been set aside for projects and growth. This year we are using a large portion of the fund balance for re-occurring expenses. Mr. Norris made clear that everyone understands that there is a limit, and hopefully next year the economy will improve but if not we could be faced with some tougher decisions.

Commissioner Cooke commented on his original goal for this year's budget process was no elimination of positions, no change in insurance coverage, certainly no raise in taxes and overall no change in services. This is what the board fought for and the staff worked on this and made it a reality.

He thanked all staff for their hard work during this difficult budget process, and reiterated the fact that next year the board may have to take a hard look once again at the budget if this economic crisis does not turn around.

Commissioner Cooke stated that his biggest fear for next year if things don't get economically better is the reality that we may be looking at cutting back positions. Mr. Cooke wanted the people in the audience to know that the possibility does exist for the elimination of positions, and wanted to make sure employees, and the public are aware of this so everyone has time to prepare for hard times if necessary in the future. This is the reality of tough times and if next year is a tough time Commissioner Cooke wanted everyone to be aware and have the time necessary to prepare a backup plan to take care of their families.

Commissioner Phillips thanked the staff for their hard work during this difficult budget year, but he also wanted to make the public aware of the highly skilled professionals running the county. He personally thanked Marty Lawing, County Manager, Mrs. Ann Hardy, Fiscal Operations

Director and Steve Stone, Assistant County Manager. The citizens need to know that this Board and Administration does not sit up here just spending tax dollars unwisely. Commissioner Phillips stated how proud he was as a newly elected official with one of his personal main goals being to maintain the tax rate in which was accomplished and still be able to support higher education in this county to the tune of 47% of our budget. Commissioner Phillips stated that he is proud not only as a Commissioner but as a Citizen of Brunswick County.

Commissioner Warren thanked the staff and all employees that stepped up to the plate doing more than one job to help the county to meet this goal of not laying off anyone and not reducing salaries. Mr. Warren stated how grateful he was for the Board not having to raise taxes and not having to lay off any employees.

Commissioner Sue stated that it was a battle with the previous board regarding Fund Balance. He agreed with what Commissioner Norris said and acknowledged the fact that if we had been spending out of our reserve we would not have been in the position to do what we have this year. However his concern is for the future not knowing what it holds so please keep alert for changes.

Commissioner Sue moved to approve the Budget as presented. The vote of approval was unanimous.

14. Revised Health Insurance (Starie Grissett)

Staff recommends approval of the revised Group Benefits Renewal for medical coverage received from the NCACC on 6-11-09 which reflects a more equitable distribution of the 3.4% premium adjustment across each level of coverage which will become effective on July 1, 2009.

Starie Grissett, Human Resources Officer explained that after a review of the original renewal rates received from the NCACC for the Group Medical Benefit it was determined that there was a disproportionate distribution of the premium increase placed on the Employee/Child coverage compared to other coverage options. We currently have four coverage level options; Employee Only, Employee/Spouse, Employee Child and Family.

We have received a revised rate sheet from the NCACC which more equitably distributes premium adjustments among all contract levels. The revision has resulted in an increase of \$61,140 for Employee Coverage which is paid by the County and a decrease in each level of dependent coverage totaling \$39,924 which is paid by the employee.

Commissioner Norris moved to approve the Revised Health Insurance. The vote of approval was unanimous.

15. Sunset Beach Sewer Collection System AARA Application (Jerry Pierce)

Staff recommends the authorization to submit the Sunset Beach ARRA Application indicating that the County will use available Enterprise Fund Retained Earnings to fund the project until permanent debt financing is secured.

Jerry Pierce, Utilities Director explained the following:

Brunswick County has submitted an Application for funding under the American Recovery and Reinvestment Act (ARRA). Under the ARRA requirements, the projects must be ready to advertise for bids within 90 days of being awarded the grant and low interest loan funds. The North Carolina Department of Environment and Natural Resources (NC DENR) requires applicants to demonstrate that they have the local share available for the project.

The initial application indicated that the County planned to use revenue bonds to fund the local share of the project. To meet the requirements of the NC DENR for use of revenue bonds, they have requested a documentation of approval by the Local Government Commission. As the project has not been bid at this time, the County could not obtain Local Government Commission approval for the project bonds.

To meet the NC DENR requirements, we must revise the application to indicate that the County will use Enterprise Fund Retained Earnings until such time that permanent debt financing is secured. If awarded ARRA funding, the County plans to advertise the project for bid in the timeframe required to meet the ARRA requirements. At the same time, the County would seek approval from the Local Government Commission for issuance of debt to fund the project. Depending upon the bids, the County may issue revenue bonds or enter into an agreement for bank financing of the project.

If ARRA funding is not secured, the County will follow its normal process for securing debt financing for capital projects.

Staff recommends authorization to amend the grant application to indicate that the County will use Enterprise Fund Retained Earnings until permanent debt financing is secured.

Commissioner Warren moved to approve the authorization to submit the amended Sunset Beach ARRA Application indicating that the County will use available Enterprise Fund Retained

Earnings to fund the project until permanent debt financing is secured. The vote of approval was unanimous.

16. JCPC Grant Application (Glenda Ansley)

Staff recommends approval for Brunswick County Juvenile Crime Prevention Council (JCPC) to apply to the North Carolina Department of Juvenile Justice and Delinquency Prevention for a Gang Prevention and Intervention Grant to supplement direct services to at risk and gang involved youth.

Glenda Ansley, Teen Court Coordinator explained the following:

JCPC meets monthly to plan for the needs of at risk and court involved youth and to recommend funding for needed programs through monies from the Department of Juvenile Justice and Delinquency Prevention. The JCPC is comprised of 25 agency and community members including Commissioner Warren. The DJJDP has received \$5 million in Gang Prevention and Intervention Funds from the Federal Government. There is no match requirement for these funds (See attached letter from DJJDP). Our county is eligible for up to \$50,000 but can also apply for additional funds if needed and will be awarded on the basis of need and availability.

The JCPC recommends to the County Commissioners that we apply for these funds to provide direct services to students who may be at risk of joining a gang or who have been identified as being in a gang. Services to include a family life skills program with accompanying Counselor to supervise progress and a community service program that also builds life skills, career education and competency building. This is an application process and will not include matching funds.

Commissioner Norris moved to approve the Brunswick County Juvenile Crime Prevention Council (JCPC) to apply to the North Carolina Department of Juvenile Justice and Delinquency Prevention for a Gang Prevention and Intervention Grant to supplement direct services to at risk and gang involved youth. The vote of approval was unanimous.

IX. BOARD APPOINTMENTS

1. Brunswick Transit System Board

Commissioner Sue nominated Eli Smith, Fred Michael, Helen Bunch and Greg Bland. Commissioner Norris moved to close the nominations. The vote of approval was unanimous. Commissioner Norris moved to approve the appointments of Eli Smith, Fred Michael, Helen Bunch, and Greg Bland.

2. Criminal Justice Partnership Program (2 appointments)

Commissioner Cooked nominated Birdie Frink and Tonya Gilley. Commissioner Phillips moved to close the nominations. The vote of approval was unanimous. Commissioner Phillips moved to approve the recommended appointments. Birdie Frink was reappointed to serve another 2 year term that will expire on February 2, 2011. Tonya Gilley was reappointed to serve another 3 year term that will expire on July 1, 2012.

X. COUNTY ATTORNEY'S REPORT

1. Deed of Dedication for Bluffs on the Cape Fear Phase 1A and 1B (Huey Marshall)

Huey Marshall, County Attorney, explained that these lines were ready for acceptance into the county system with a worth of \$570,114.00 for water lines and \$364,061.00 for sewer lines.

Commissioner Norris moved to approve the Deed of Dedication for Water & Sewer Lines for Bluffs on the Cape Fear Phase 1A and 1B. The vote of approval was unanimous.

2. Deed of Dedication for Bluffs on the Cape Fear Phase 2, Section 1 (Huey Marshall)

Huey Marshall, County Attorney, explained that these lines were ready for acceptance into the county system with a worth of \$113,194.75 for water lines and \$64,131.20 for sewer lines.

Commissioner Norris moved to approve the Deed of Dedication for Water & Sewer Lines for Bluffs on the Cape Fear Phase 2, Section 1. The vote of approval was unanimous.

3. Deed of Dedication for Bluffs on the Cape Fear Main Pump Station & Offsite Force Main (Huey Marshall)

Huey Marshall, County Attorney, explained that these lines were ready for acceptance into the county system with a worth of \$1,710,340.00 for sewer lines.

Commissioner Norris moved to approve the Deed of Dedication for Sewer Lines for Bluffs on the Cape Fear Main Pump Station & Offsite Force Main. The vote of approval was unanimous.

4. **Deed of Dedication for McDonald's Corporation (Huey Marshall)**

Huey Marshall, County Attorney explained that these lines were ready for acceptance into the county system with a worth of \$330,125.00 for sewer lines.

Commissioner Norris moved to approve the Deed of Dedication for Sewer Lines for McDonald's Corporation, 7105 Ocean Highway SW, Sunset Beach, NC. The vote of approval was unanimous.

5. **Deed of Dedication for Edgewater Circle at Sea Trail (Huey Marshall)**

Huey Marshall, County Attorney explained that these lines were ready for acceptance into the county system with at worth of \$3,575.00 for sewer lines.

Commissioner Norris moved to approve the Deed of Dedication for Sewer Lines for Edgewater Circle at Sea Trail. The vote of approval was unanimous.

6. **Closed Session 8:23 p.m.**

Commissioner Norris moved to enter Closed Session pursuant to NCGS 143-318.11 (a) (4) to discuss economic incentives. The vote of approval was unanimous.

The Chairman called for a 5 minute break.

Reconvened at 8:41 p.m.

Chairman Sue called the Open Session back to order and announced that no action was taken in Closed Session.

XI. OTHER BUSINESS/INFORMAL DISCUSSION

XII. ADJOURNMENT

Commissioner Cooke moved to adjourn the regular meeting at 8:42 p.m. The vote of approval was unanimous.

William M. Sue, Chairman

Margie Stephenson, Deputy Clerk