

**MINUTES**  
**LINCOLN COUNTY BOARD OF COMMISSIONERS**  
**MONDAY, JANUARY 3, 2011**

The Lincoln County Board of County Commissioners met on January 3, 2011 at the James W. Warren Citizens Center Auditorium, 115 W. Main Street, Lincolnton, North Carolina at 6:30 PM.

Commissioners Present:

Alex E. Patton, Chairman  
George Arena, Vice Chair  
Carl E. Robinson, Jr.  
James A. Klein  
Carrol Mitchem

Planning Board Members Present:

Gary Garlow, Vice-Chairman  
John Anderson  
Tom Campbell  
Cathy Davis  
Keith Johnson  
Shelly Johnston  
Dr. Richard Pence  
Christine Poinsette

Others Present:

George A. Wood, County Manager  
Martha W. Lide, Assistant County Manager  
Jeffrey A. Taylor, County Attorney  
Amy S. Atkins, Clerk to the Board  
Kelly Atkins, Planning and Inspections Director  
Randy Hawkins, Zoning Administrator  
Randy Williams, Principal Planner  
Susan McCracken, Social Services Director  
Burns Whittaker, Public Works Director  
Leon Harmon, Finance Director

**Call to Order:** Chairman Patton called the January 3, 2011 meeting of the Lincoln County Board of Commissioners to order.

**Invocation:** Chairman Patton gave the Invocation and led in the Pledge of Allegiance.

**Adoption of Agenda:** Chairman Patton presented the agenda for the Board's approval.

## AGENDA

### LINCOLN COUNTY BOARD OF COMMISSIONERS

JANUARY 3, 2011

- 6:30 PM Call to Order
- 6:31 PM Invocation
- 6:32 PM Pledge of Allegiance
1. 6:33 PM Adoption of Agenda
2. 6:35 PM Consent Agenda
- Approval of Minutes
    - November 15, 2010
    - December 6, 2010
  - Tax Requests for Releases - More than \$100
    - November 16 - December 15, 2010
  - Ordinance # 2011-01: An Ordinance Amending the FY 2011 Budget for the County of Lincoln, North Carolina
  - Sponsored Group Status
    - Lincoln County Concert Association
  - Waived Fees
    - Piedmont Council of Boy Scouts
  - FY 2011 Senior Center General Purpose Contract
  - FY 2011 HCCBG Provider Services Summary Revision
  - Agreement with Catawba County Re: Grant Funds for Generator Switch
3. 6:40 PM Resolution #2010-02: Resolution Honoring Lee Walker - Eagle Scout
4. 6:45 PM Zoning Public Hearings – Randy Hawkins
- UDO Proposed Amendments #2011-1 Lincoln County Planning and Inspections Department, applicant. A proposal to amend Section 2.2 of the Lincoln County Unified Development Ordinance to revise the use table, classifying industrial uses by the North American Industry Classification System (NAICS) and adding, changing, combining and deleting listings for the B-G (General Business), B-C (Corporate Business), I-L (Light Industrial) and I-G (General Industrial) zoning districts.
5. 7:00 PM Recommendations from the Planning Board - Andrew Bryant
6. 7:05 PM JobBoost Program - Martha Lide

7. 7:15 PM Lincoln County Department of Social Services Document Imaging (Part #2 of Electronic Document Management System) - Martha Lide
  8. 7:25 PM Public Comments
  9. 7:40 PM Reclassification of 3 Positions from Sheriff's Office - Sheriff David Carpenter
  10. 7:50 PM Resolution Making Certain Findings Relating to the Authorization and Issuance of General Obligation Refunding Bonds of the County of Lincoln, North Carolina and Authorizing Finance Director to File Application for Approval Thereof With Local Government Commission - Leon Harmon
  11. 8:00 PM Resolution #2011-01: Reimbursement Resolution - Leon Harmon
  12. 8:05 PM Purchase of Track Loader for Landfill - Burns Whittaker
  13. 8:10 PM Appoint Voting Delegate for NCACC Legislative Goals Conference
  14. 8:15 PM Goals for Consideration at the Legislative Goals Conference
  15. 8:20 PM Other Business
  16. 8:25 PM Closed Session - Personnel Matter
- Adjourn

**UPON MOTION** by Commissioner Mitchem, the Board voted unanimously to adopt the agenda.

**Consent Agenda:** **UPON MOTION** by Commissioner Klein, the Board voted unanimously to approve the Consent Agenda.

- Approval of Minutes
  - November 15, 2010
  - December 6, 2010
- Tax Requests for Releases - More than \$100
  - November 16 - December 15, 2010
- Ordinance # 2011-01: An Ordinance Amending the FY 2011 Budget for the County of Lincoln, North Carolina
- Sponsored Group Status
  - Lincoln County Concert Association
- Waived Fees
  - Piedmont Council of Boy Scouts
- FY 2011 Senior Center General Purpose Contract
- FY 2011 HCCBG Provider Services Summary Revision

- Agreement with Catawba County Re: Grant Funds for Generator Switch

LINCOLN COUNTY  
 TAX DEPARTMENT  
 G.S. #105-381 (B) ALL RELEASES MORE THAN \$100  
 AND #105-325 INCLUDING (A) (6)  
**REQUEST FOR RELEASES**  
**MOTOR VEHICLE BILLS**  
 PERIOD COVERED (November 16 2010-December 15 2010)

NAME	YEAR	A/C NO	AMOUNT
Bolton, Timothy Wayne	2010	0222020	\$118.43
Craig, Bridgett Nichole	2010	0229506	\$231.43
Doyle, Christopher Michael	2010	0228486	\$247.47
Franklin, Robert Dean	2010	0177289	\$115.14
Gaither, Norma Young	2010	0228168	\$107.57
Guichard, Quintero Alexis	2010	0221363	\$100.92
Howard Realty Inc	2010	0071211	\$915.12
Ledford, Sandra Turner	2010	0227426	\$158.54
McIntosh, Randy Scott	2010	0163973	\$128.08
Nardone, Jonathan Michael	2009	0222720	\$167.36
Robinson, Elliot A	2007	0150218	\$172.58
Short, Katherine Victoria	2010	0222470	\$209.05
Vargas, Julissa Bolanos	2010	0223007	\$156.73
White, Randy Lee	2010	0228754	\$108.14
		<b>TOTAL</b>	<b>\$2,936.56</b>

LINCOLN COUNTY  
 TAX DEPARTMENT  
 G.S. #105-381 (B) ALL RELEASES MORE THAN \$100  
 AND #105-325 INCLUDING (A) (6)  
**REQUEST FOR RELEASES**  
**MOTOR VEHICLE BILLS**  
 PERIOD COVERED (November 16 2010-December 15 2010)

Cable, Teddy Norris	YEAR	A/C NO	AMOUNT
Brewer, Stephen Arnold	2010	0230141	\$103.55
Brock, Marjorie L	2010	0202233	\$564.59
Cable, Teddy Norris	2010	01491	\$140.47
Eaker, Jason Allen	2010	0155904	\$314.11
Eudy, Anne Sherrill	2010	0172166	\$1,662.07
Harding, Wayne	2010	0189983	\$122.33
Howard, S D Jr.	2010	0138792	\$7,028.05
Howard, S D Jr.	2010	0138792	\$9,955.44
Lavine, Johnathan Michael	2010	0136846	\$1,009.54
Nazif, Mamoun M	2010	0154462	\$399.45
Remax Crossroads	2008- 2010	0199146	\$535.38
Robinson, Pamela Burrell	2002	0104474	\$298.37
S & S Cleveland LLC	2010	0205944	\$965.85
Smith, Michael Clete	2010	0173670	\$1,849.46

Thomas Ford Masonry	2009- 2010	0207545	\$266.20
Wilson, Ruthie Sherrill	2009- 2010	0150703	\$273.66
		<b>TOTAL</b>	<b>\$25,488.52</b>

**ORDINANCE #2011-1: AN ORDINANCE AMENDING THE FY 2011 BUDGET  
FOR THE COUNTY OF LINCOLN, NORTH CAROLINA**

THAT WHEREAS, the Lincoln County Board of Commissioners adopted the FY 2011 Budget by approving Ordinance #2010-05 on June 21, 2010; and

WHEREAS, the Finance Director and County Manager are recommending further amendments as shown on the attachments herein; and

WHEREAS, the Lincoln County Board of Commissioners wishes to approve these proposed budget amendments;

NOW THEREFORE BE IT ORDAINED AND ESTABLISHED by the Board of Commissioners of Lincoln County, North Carolina, that the FY 2011 Budget previously adopted is hereby amended as follows:

Section 1. That the budget adjustments attached hereto, and incorporated herein by reference as Exhibit A to Ordinance #2011-1, are hereby approved and adopted as amendments to the FY 2011 Budget.

Section 2. That this amendment to the budget shall become effective immediately upon its adoption by the Board of Commissioners.

Passed and adopted this 3rd day of January, 2011.

BY: \_\_\_\_\_  
Alex E. Patton, Chairman  
Lincoln County Board of Commissioners

ATTEST:

\_\_\_\_\_  
Amy S. Atkins  
Clerk to the Board

**EXHIBIT A to Ordinance #2011-2**

Budget Adjustments numbered 56 through 61, inclusive.

**New Business/Advertised Public Hearings:** Chairman Patton announced that this was the date, Monday, January 3, 2011, and the time, 6:30 P.M., which was advertised in the Lincoln Times-News on

**Resolution #2010-02: Resolution Honoring Lee Walker – Eagle Scout:** UPON MOTION by Commissioner Mitchem, the Board voted unanimously to approve Resolution #2010-02: Resolution Honoring Lee Walker – Eagle Scout.

**RESOLUTION HONORING  
LEE WALKER – EAGLE SCOUT**

**WHEREAS,** on behalf of all of the Citizens of Lincoln County we, the Board of Commissioners of Lincoln County, wish to recognize the attainment of high honor by young Citizens of Lincoln County and,

**WHEREAS, Lee Walker** has demonstrated strong leadership abilities and has exhibited a strong sense of duty, honor and patriotism making him a clear example of the best qualities of American youth and,

**WHEREAS, Lee Walker** has completed the arduous and demanding requirements necessary to be awarded the rank of **EAGLE SCOUT**, the highest honor given by the Boy Scouts of America,

**BE IT RESOLVED,** and it hereby is that the Lincoln County Board of Commissioners recognize and congratulate **Lee Walker** upon his attainment of the rank of **EAGLE SCOUT**.

Adopted this 3<sup>rd</sup> day of January 2011.

\_\_\_\_\_  
Alex E. Patton  
Chairman

\_\_\_\_\_  
George Arena  
Vice Chairman

\_\_\_\_\_  
Carrol D. Mitchem  
Commissioner

\_\_\_\_\_  
Carl E. Robinson, Jr.  
Commissioner

\_\_\_\_\_  
James A. Klein  
Commissioner

The Board presented the Resolution to Lee Walker.

**Zoning Public Hearings – Randy Hawkins:**

**UDO Proposed Amendments #2011-1 – Lincoln County Planning and Inspections**

**Department, applicant:** Randy Hawkins presented the following information concerning UDO Proposed Amendments #2010-2.

PROPOSED AMENDMENTS TO USE TABLE

This is a proposal to amend Section 2.2 of the Lincoln County Unified Development Ordinance to revise the use table, classifying industrial uses by the North American Industry Classification System (NAICS) and adding, changing, combining and deleting listings for the B-G (General Business), B-C (Corporate Business), I-L (Light Industrial) and I-G (General Industrial) zoning districts. NAICS codes. NAICS is used by governments in the United States, Canada and Mexico to classify business establishments according to the type of economic activity or process of production. The system employs a four-digit code for industry groups.

At the most detailed level, six digits are used to designate particular industries. The system is revised every five years, with the last update in 2007. This proposed amendment arose from discussions among staff, Planning Board members and Lincoln Economic Development Association (LEDA) officials.

Currently, the use table in the UDO lists manufacturing uses by the type of product that is manufactured, and also by use groups (Limited Manufacturing, General Manufacturing and Heavy Manufacturing). These use groups are defined both generally and as including certain uses. Warehouse and Freight Movement is also included as a use group.

This dual system of classification has been found to be confusing and subject to interpretation. Adopting NAICS codes would clarify matters.

Deleting use groups

Under the proposal, the current manufacturing use groups would be deleted from the ordinance, and NAICS codes and titles would replace the current product listings in the use table. Warehouse and Freight Movement would also be deleted as a use group and replaced by NAICS codes.

In addition, NAICS codes would be used to cover mining, oil and gas extraction; and wholesalers.

By deleting the use groups mentioned above, Limited Manufacturing would be removed as a conditional use in the B-G (General Business) district, and Limited Manufacturing, General Manufacturing and Warehouse and Freight Movement would be removed as conditional uses in the B-C district.

The B-C district is a new zoning option that's yet to be utilized. The district permits corporate and medical offices, laboratories, and research and development facilities as permitted uses by right. Under this proposal, manufacturing uses that are permitted by right in the I-L district would be conditional uses in the B-C district.

#### Conditional to permitted

In developing this proposal, staff reviewed the NAICS industry groups with LEDA director Barry Matherly and with the Planning Board to reach a consensus on which groups should be permitted by right and which should be conditional.

The result of the review is that the following manufacturing uses, currently designated as conditional uses, are proposed to be permitted by right in the I-G district. These uses are:

- food/canning and fruit processing (included under NAICS code 3114).
- electrical products (3353)
- fabric (3132)
- beer and malts (3121)
- glass (3272)
- linoleum (3261)
- heat treating (3328)
- plastic (3261)
- wood products (3219)

#### Conditional to not permitted

Pulp, paper and paperboard mills are currently classified under the Heavy Manufacturing use group, making them a conditional use in the I-G district. Under this proposal, they would not be permitted at all.

#### Other proposed changes

This proposal also calls for adding, changing, combining and deleting some of the other industrial uses listed in the table. This part of the proposal stems from a review of those listings and comparisons with ordinances from other jurisdictions.

#### Additions to use table

Four additions are proposed to cover uses that aren't currently spelled out:

- 1) "Data center" as a permitted use by right in the I-G, I-L and B-C districts.
- 2) "Motor sports/racing team" as a permitted use by right in the I-G district.
- 3) "Repair and servicing of machinery, equipment or products" as a permitted use by right in the I-G district.



4) “Retail sales as an accessory use to a manufacturing or distribution plant” as a permitted use by right in the I-G district. This would allow an outlet store in conjunction with a plant.

#### Recycling clarification

One change in a currently listed use is proposed: “Recycling facility” would become “Recycling center, indoor.” This would clarify that only an indoor recycling center is permitted by right in the I-G district. An outdoor recycling center is included under the use group Waste Service, making it a conditional use in the I-G district.

#### Combining similar uses

Two pairs of similar uses are proposed to be combined into one listing: dry cleaning plant and laundry plant, and building material sales and lumberyard.

#### Deleting uses covered elsewhere

Three currently listed uses would be deleted:

- 1) Bookbinding shop. This use is covered under NAICS code 3231, printing and related support activities.
- 2) Ice plants. This use is included under NAICS code 3121, beverage manufacturing, which includes ice manufacturing.
- 3) Military center or tanks. This is covered by “public facility” under civic uses.

Commissioner Klein stated that pulp and paper and some others are deleted as uses. Randy Hawkins stated that in the proposal from the Planning Board, this is one use they just did not want in Lincoln County. Mr. Wood stated that this is talking about pulp and paper manufacturing and paper plants are large odor problems.

Chairman Patton opened the public hearing concerning UDO Proposed Amendments #2011-1 – Lincoln County Planning and Inspections Department, applicant.

Being no speakers, Chairman Patton declared the public hearing closed.

**Recommendations from the Planning Board:** Andrew Bryant presented the recommendations from the Planning Board.

**ZMA #582 Lincoln Charter School, applicant (Parcel ID# 90005)** A request to rezone 1.9 acres from B-N (Neighborhood Business) to R-SF (Residential Single-Family). The property is located about 250 feet west of N.C. 16 Business and 500 feet south of Galway Lane in Catawba Springs Township.

*Planning Board voted 6-3 to table the request.*

**PA #32 Daniel M. Devine, applicant (Parcel ID# 84132)** A request to subdivide 21.5 acres into six residential lots along an improved road right-of-way. The property is located on Devine Road across from Greystone Lane in Ironton Township.

*The Planning Board voted 9-0 to recommend approval.*

**UPON MOTION** by Commissioner Klein, the Board voted unanimously to approve the recommendation as submitted with the findings of fact as approved by the Planning Board.

**JobBoost Program – Martha Lide:** Martha Lide stated that it is recommended that the Board accept a \$158,400 grant for the Lincoln County Department of Social Services to operate the JobBoost Employment Program. This program will provide employment opportunities, reducing the need for Work First Public Assistance.

To begin the process, DSS will target Work First participants and individuals at or below the 200% of poverty level for screening by the income maintenance and social work staff. Individuals ready for immediate employment will be referred for job placement. The Department of Social Services will partner with Lincoln Personnel, a local staffing agency, who has agreed to identify local employers. The employers will include, but are not limited to, manufacturing, packaging, and assembling.

The JobBoost Program will employ a total of 30 participants at a median wage of \$9.00 an hour, with \$6.00 of this wage reimbursed from the JobBoost Subsidized funds. Positions will be 20 weeks, unless funding changes.

The goal is that 75% of the 30 participants placed will remain employed for the duration of the 20 weeks and at the end of the 20 weeks, 50% will remain employed.

During the 20 weeks, the social work staff will provide on-going support for 75% of participants after week 2, week 10, week 15, and a follow up after week 20.

**UPON MOTION** by Commissioner Arena, the Board voted unanimously to approve the grant as recommended.

Commissioner Klein stated that these grants are troubling to him and he has concerns about spending this money in this economic climate.

**Lincoln County Department of Social Services Document Imaging (Part #2 of Electronic Document Management System) – Martha Lide:** Martha Lide presented the following:

It is recommended that the Board approve the contract with Advanced Imaging for document imaging for the DSS Case Management Project. The DSS Case Management project includes Electronic Document Management Software (part #1) which was approved by the Board on November 1, 2010 and the Document Imaging (Part #2) on

today's agenda. This is a multi-year project; funds for Phase 1 of the project have been included on the 2010-11 Budget. Phase 1 costs for document imaging are estimated to be \$181,428; the document imaging costs for the entire project, which are estimated to span over 4 years, will be \$973,675.

**UPON MOTION** by Commissioner Klein, the Board voted unanimously to approve.

Commissioner Klein stated that there was a discussion on this at the budget retreat and he did not think it was justified from a cost standpoint and he still doesn't. He said this piece is important, we have the software and to not image the old records is a really bad idea. He said he understands the need to move forward.

Commissioner Robinson stated that when he did tours of departments, he was appalled that there hasn't been any electronic work done on this. He said that the space the records takes up is incredible and he cannot imagine that all the records are filed properly. He said this is money well spent and will save in the future.

**Public Comments:** Chairman Patton opened the public comments section.

Being no speakers, Chairman Patton declared the public comments section closed.

**Reclassification of 3 Positions from Sheriff's Office:** Sheriff David Carpenter presented a request to reclassify 3 positions from the Sheriff's Office. He said since taking office as the Lincoln County Sheriff, he has made a number of personnel changes in order to create a staffing structure that he believes will best serve the Citizens of Lincoln County. There have been numerous changes, but in aggregate, the changes are neutral in terms of impact on the budget. He has also reduced the number of Reserve Officers and is working to control overtime costs.

Most of the changes he has made involve personnel changes related to positions that were approved in the 2010-11 Budget and included in the 2010-11 Budget Ordinance.

However, three of his proposed changes involve reclassifying current positions. Because the number and type of all approved Sheriff's Office positions are included in the 2010-11 Budget and Budget Ordinance, the Board's approval is needed for reclassifications.

Sheriff Carpenter requested that the Board approve the reclassification of the following three positions:

Position Number	Current Title	Grade		Reclassification	Grade Request	
266	Investigator	119	\$36,369.09	Investigator	115	\$32,312.04
		First Sergeant				\$60,060.16
370	1 <sup>st</sup> Sergeant	114	\$30,755.07-	Sergeant	117	\$35,666.45-

			\$46,918.90			\$54,411.54
275	Sergeant	117	\$35,666.45-	Senior Deputy Sheriff	115	\$32,312.04- \$49,294.17

**UPON MOTION** by Commissioner Arena, the Board voted unanimously to approve the reclassification of 3 positions from Sheriff’s Office.

**Resolution Making Certain Findings:**

Commissioner Mitchem introduced the following resolution, which was read by title and summarized by the Finance Director:

**RESOLUTION MAKING CERTAIN FINDINGS RELATING TO THE  
AUTHORIZATION AND ISSUANCE OF GENERAL OBLIGATION REFUNDING  
BONDS OF THE COUNTY OF LINCOLN, NORTH CAROLINA AND  
AUTHORIZING FINANCE DIRECTOR TO FILE APPLICATION FOR APPROVAL  
THEREOF WITH LOCAL GOVERNMENT COMMISSION**

WHEREAS, in order to achieve debt service savings, the Board of Commissioners for the County of Lincoln, North Carolina (the “County”) is considering the authorization of not exceeding \$22,000,000 Refunding Bonds of the County (the “Bonds”) for the purpose of (i) refunding all or any portion of the County’s outstanding (a) General Obligation School Bonds, Series 2002, dated May 1, 2002, and (b) General Obligation School Bonds, Series 2002A, dated December 1, 2002, and (ii) paying expenses related thereto; now, therefore,

BE IT DETERMINED AND RESOLVED by the Board of Commissioners for the County:

Section 1. The Board of Commissioners hereby finds and determines, in connection with authorizing the issuance of the Bonds, that (a) the proposed issuance of the Bonds is necessary or expedient for the County, (b) the proposed principal amount of the Bonds is adequate and not excessive for the proposed purposes of such Bonds, (c) the Bonds shall not be issued unless such refunding will result in net present value debt service savings that equals or exceeds three percent (3.00%) of the amount of the Bonds (d) the County’s debt management procedures and policies are good and are managed in strict compliance with law, (e) no increase in taxes will be necessary to service the Bonds and (f) under current economic conditions, the Bonds can be marketed at reasonable rates of interest.

Section 2. The Finance Director is hereby designated as the representative of the County to file an application for approval of the Bonds with the Local Government Commission of North Carolina (the “LGC”), and all actions heretofore taken by the Finance Director and any other officers of the County relating to such matter are hereby ratified and confirmed.

Section 3. The Board of Commissioners hereby authorizes the Finance Director to appoint an Escrow Agent and a Verification Agent and requests the LGC to approve the

following members of the County's financing team in connection with the Bonds:  
Bond Counsel Robinson, Bradshaw & Hinson, P.A. Financial Advisor First Tryon  
Advisors

Section 4. This resolution shall take effect immediately upon its passage.  
Thereupon the County Attorney stated that he had approved as to form the foregoing  
resolution.

Upon motion of Commissioner Mitchem, seconded by Commissioner  
Klein, the foregoing resolution entitled:

**“RESOLUTION MAKING CERTAIN FINDINGS RELATING TO THE  
AUTHORIZATION AND ISSUANCE OF GENERAL OBLIGATION  
REFUNDING BONDS OF THE COUNTY OF LINCOLN, NORTH  
CAROLINA AND AUTHORIZING FINANCE DIRECTOR TO FILE  
APPLICATION FOR APPROVAL THEREOF WITH LOCAL GOVERNMENT  
COMMISSION”**

was passed by roll call vote as follows:

Ayes: Commissioners Patton, Robinson, Mitchem, Arena, Klein

Noes: n/a

Thereupon Chairman of the Board of Commissioners introduced the following order  
authorizing bonds, which was read by title and summarized by the Finance Director:  
**ORDER AUTHORIZING**

**\$22,000,000 REFUNDING BONDS**

**BE IT ORDERED** by the Board of Commissioners for the County of Lincoln:

1. That, pursuant to The Local Government Bond Act, as amended, the County of Lincoln, North Carolina, is hereby authorized to contract a debt, in addition to any and all other debt which said County may now or hereafter have power or authority to contract, and in evidence thereof to issue Refunding Bonds in an aggregate principal amount not exceeding \$22,000,000 for the purpose of providing funds, together with any other available funds, for refunding all or any portion of said County's outstanding (a) General Obligation School Bonds, Series 2002, dated May 1, 2002, and (b) General Obligation School Bonds, Series 2002A, dated December 1, 2002, including the payment of expenses related thereto.
2. That taxes shall be levied in an amount sufficient to pay the principal of and the interest on said bonds.
3. That a sworn statement of the debt of said County has been filed with the Clerk to the Board of Commissioners for said County and is open to public inspection.
4. That this order shall take effect upon its adoption  
The Board of Commissioners thereupon designated the Finance Director as the officer

whose duty it shall be to make and file with the Clerk to the Board of Commissioners the sworn statement of debt of the County which is required by The Local Government Bond Act, as amended, to be filed before the adoption of the order authorizing not exceeding \$22,000,000 Refunding Bonds of the County which was introduced at this meeting. Thereupon the Finance Director filed with the Clerk to the Board of County Commissioners, in the presence of the Board of Commissioners, the sworn statement of debt as so required.

Thereupon, upon motion of Commissioner Mitchem and seconded by Commissioner Klein, the foregoing order entitled "ORDER AUTHORIZING \$22,000,000 REFUNDING BONDS" was placed upon its adoption. The vote upon the adoption of said order was:

Ayes: Commissioners Patton, Robinson, Mitchem, Arena, Klein

Noes: n/a

The Chairman then announced that the order entitled: "ORDER AUTHORIZING \$22,000,000 REFUNDING BONDS" had been adopted.

The Clerk to the Board of Commissioners was thereupon directed to publish said order, together with the appended statement as required by the Local Government Bond Act, as amended, once in The Lincoln Times-News.

**Resolution #2011-01: Reimbursement Resolution:** Leon Harmon presented the following resolution for the Board's approval.

**RESOLUTION #2011-01: REIMBURSEMENT RESOLUTION  
RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF  
LINCOLN, NORTH CAROLINA, (THE "ISSUER") DECLARING ITS  
INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR  
MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE  
AND/OR TO BE MADE IN CONNECTION WITH THE ACQUISITION,  
CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS**

WHEREAS, Lincoln County (the "Issuer") is a political subdivision organized and existing under the laws of the State of North Carolina; and

WHEREAS, the Issuer will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the construction of a new elementary school along with expansions and renovations to various existing schools and facilities (the "Projects"), as more fully described in Exhibit A attached hereto; and

WHEREAS, the Board of Commissioners for the County of Lincoln, North Carolina, (the "Board") has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds for one or more issues of tax-exempt financing (the

"Financing");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. The Board hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of Bond Funds for the Expenditures with respect to the Project made on and after October 3, 2010. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Financing.

Section 2. Each Expenditure will be either (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case of the date of the Expenditure), (b) a cost of issuance with respect to the financing, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Issuer as long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Issuer.

Section 3. The maximum principal amount of the Bonds expected to be issued for the above Projects is \$44,600,000, of which \$13,000,000 of the above authorization was issued in November 2008 along with \$2,000,000 from a prior bond authorization. An additional \$8,500,000 was issued in February 2010. In order to continue with the authorized projects \$9,600,000 of bond funds is currently scheduled to be issued in early 2011.

Section 4. The Issuer will make a reimbursement allocation which is a written allocation by the Issuer that evidences the Issuer's use of the proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Issuer recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimus amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.

Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 3rd day of January, 2011.

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Alex E. Patton, Chairman

Board of Commissioners

ATTEST:

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Amy S. Atkins  
Clerk to the Board

**EXHIBIT A**  
**DESCRIPTION OF PROJECT**

**Capital Improvement Program** - Acquisition of land and design of a New Elementary School. Also includes renovations and expansions to existing schools and facilities.

**UPON MOTION** by Commissioner Robinson, the Board voted 4 – 1 (Klein against) to adopt Resolution #2011-01: Reimbursement Resolution.

**Purchase of a Track Loader for Landfill – Burns Whittaker:** Burns Whittaker presented a request for the purchase of a track loader for the landfill. He said the track loader at the Landfill has a blown engine and the undercarriage and tracks are bad. Additionally, a new bucket will be required. They estimate that \$75,000 will be required to bring the piece back to usable.

Rather than spend \$75,000.00 on an 18 year old track loader, they can purchase a used model for around \$125,000.00

**UPON MOTION** by Commissioner Arena, the Board voted unanimously to approve the expenditure of up \$125,0000 for the purchase of a track loader for the landfill.

**Appoint Voting Delegate for NCACC Legislative Goals Conference:** **UPON MOTION** by Commissioner Arena, the board voted unanimously to appoint Commissioner Klein as the Voting Delegate for the NCACC Legislative Goals Conference.

**Goals for Consideration at the Legislative Goals Conference:** Mr. Wood stated that his goal is to try and preserve county revenues. He said just before Christmas, he received a letter from the E911 fund. This money cannot be used by the state to balance its budget. The problem is that this year we are scheduled to take in about \$572,000 and they are trying to do a fundamental change in their distribution to take money and give it to the poor, rural counties who do not have 911 systems. They want to take over \$200,000 of the counties money.

**Other Business:** Chairman Patton presented the Committee Appointments for the Board. He asked the Board to look over the vacancies and let him know if they can serve on any of them.

George Wood stated that he, Elaine Jenkins and Representative Rhyne had a good meeting. Rep. Rhyne has assured them he will work together with him. He recently got



back from a session where they discussed the budget and state shortfall is now north of \$4 billion.

**Closed Session:** UPON MOTION by Commissioner Arena, the Board voted unanimously to enter into closed session pursuant to NCGS 143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.

**Adjourn:** UPON MOTION by Commissioner Mitchem, the Board voted unanimously to adjourn.

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Amy S. Atkins, Clerk  
Board of Commissioners

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Alex E. Patton, Chairman  
Board of Commissioners