

MINUTES
LINCOLN COUNTY BOARD OF COMMISSIONERS
MONDAY, AUGUST 1, 2011

The Lincoln County Board of County Commissioners met August 1, 2011 at the Citizens Center, Commissioners' Room, 115 West Main Street, Lincolnton, North Carolina, at 6:30 P.M.

Commissioners Present:

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

Planning Board Members Present:

Christine Poinsette, Secretary
John Anderson
Tom Campbell
Cathy Davis
Darrell Gettys
Keith Johnson
Shelly Johnston

Others Present:

George A. Wood, County Manager
Martha W. Lide, Assistant County Manager
Wesley L. Deaton, County Attorney
Amy S. Atkins, Clerk to the Board
Kelly Atkins, Planning and Inspections Director
Randy Hawkins, Zoning Administrator
Burns Whittaker, Public Works Director

Call to Order: Chairman Patton called the August 1, 2011 meeting of the Lincoln County Board of Commissioners to order.

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

AGENDA

LINCOLN COUNTY BOARD OF COMMISSIONERS

AUGUST 1, 2011

6:30 PM Call to Order

6:31 PM Invocation – Commissioner Patton

6:32 PM Pledge of Allegiance

1. 6:33 PM Adoption of Agenda

2. 6:35 PM Consent Agenda

- Tax Requests for Releases – More than \$100
 - June 16 - July 15, 2011
- Tax Requests for Refunds - More than \$100
 - July 4 - 17, 2011
- Ordinance #2011-12: An Ordinance Amending the FY 2011 Budget for
 - the County of Lincoln, North Carolina
- Approval of Minutes
 - July 18, 2011
- Resolution #2011-43: Resolution Amending Pay Plan to Adopt Building
 - Attendant Job Description for Senior Services

3. 6:40 PM Zoning Public Hearings - Randy Hawkins

CUP #302 George Tucker, applicant (Parcel ID# 88350) A request for a conditional use permit to place a Class C (singlewide) manufactured home in the R-S (Residential Suburban) district. The proposed 4.5-acre site is located on the west side of Old Lincolnton-Crouse Road about 600 feet north of Hwy. 150 in Howards Creek Township.

CUP #303 Bob Stilp, applicant (Parcel ID# 34680) A request for a conditional use permit to sell vehicles in the B-G (General Business) district. The proposed 0.86-acre site is located at 4317 N. Hwy. 16, on the west side of Hwy. 16 about 200 feet south of Mundy Road, in Catawba Springs Township.

ZMA #586 Dorothy Sherrill, applicant (Parcel ID# 32409 and 32406) A request to rezone 2.0 acres from B-G (General Business) to R-SF (Residential Single-Family). The property is located at 3250 N. Hwy. 16, on the east side of Hwy. 16 about 500 feet south of Denver Drive, in Catawba Springs Township.

ZMA #588 Lincoln County Planning and Inspections Department, applicant (Parcel ID# 88709-88731) A proposal to rezone 250 acres from CU P-R (Conditional Use Planed Residential) to R-SF (Residential Single-Family). The property is located on the south side of Webbs Road, west side of Burton Lane and north side of Blades Trail in Catawba Springs Township.

4. 7:30 PM FCS Centennial History Book Presentation - Melinda Houser

5. 7:40 PM Public Hearing - Proposed Industrial Development Incentive Grant for New Industry and Motion to Adopt Resolution #2011-44:

Resolution to Adopt Economic Incentive Grant Agreement

- Crystal Gettys

6. 7:50 PM Public Comments
7. 7:55 PM Water and Sewer CIP Engineer Selections- Burns Whittaker
8. 8:00 PM Motion to Adopt Resolution #2011- 45: Resolution Withdrawing from the Gaston-Lincoln Regional Library and Creating the Lincoln County Library System- George Wood
9. 8:20 PM Motion to Adopt Resolution #2011-46: Reimbursement Resolution - Repairs to Water Treatment Plant
10. 8:25 PM Motion to Adopt Resolution #2011-47: Reimbursement Resolution - Radio Equipment
11. 8:30 PM Motion to Adopt Resolution #2011-48: Reimbursement Resolution - Airlie Industrial Park
12. 8:35 PM Other Business

Adjourn

UPON MOTION by Commissioner Mitchem, the Board voted unanimously to adopt the agenda adding a Closed Session.

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

- Tax Requests for Releases – More than \$100
 - June 16 - July 15, 2011
- Tax Requests for Refunds - More than \$100
 - July 4 - 17, 2011
- Ordinance #2011-12: An Ordinance Amending the FY 2011 Budget for the County of Lincoln, North Carolina
- Approval of Minutes
 - July 18, 2011
- Resolution #2011-43: Resolution Amending Pay Plan to Adopt Building Attendant Job Description for Senior Services

G.S. #105-381 (B) ALL RELEASES MORE THAN \$100
AND #105-325 INCLUDING (A) (6)

PERIOD COVERED
(June 16, 2011 - July 15, 2011)

NAME	YEAR	DIST	A/C NO	AMOUNT	REASON
Beaver, Carl Lee	2010	N-321	0176321	\$145.37	Assessment adjustment of vehicle.
Canipe, Chad Everett	2011	City	0233271	\$178.54	Vehicle taxable in Catawba County.
Cherry, John Mason	2011	City	0153264	\$128.90	Pro-rated bill.
Dellinger, Sharon McMurry	2011	City	0231820	\$107.24	Vehicle taxable in Catawba County.
Gillelan, Amy Renee	2010	City	0214681	\$124.52	Vehicle taxable in Gaston County.
Glass, Kalli Jaclyn	2011	DFD/ELSD	0233092	\$138.77	Military exemption.
Gordon, Robert Lee Jr	2011	ELFD	0102823	\$113.63	Assessment adjustment of vehicle.
Hartzoge, Paul Monroe	2010	N-321	0113704	\$111.08	Did not own vehicle as of 2008.
Henderson, Jerry Lee	2011	City	0233609	\$134.69	Vehicle taxable in Catawba County.
Ororke, Brian Anthony	2009	ELFD/ELSD	0210399	\$135.25	Vehicle taxable in Iredell County.
Stone, Felicia Gabrielle	2011	City	0233153	\$178.42	Vehicle taxable in Gaston County.
Trim Craft Construction LLC	2011	City	0219930	\$178.54	Vehicle taxable in Mecklenburg County.
1673 LLC	2011	ELFD/ELSD	0212209	\$123.06	Pro-rated bill.
			TOTAL	\$1,798.01	

G.S. #105-381 (B) ALL RELEASES MORE THAN \$100
AND #105-325 INCLUDING (A) (6)

PERIOD COVERED
(June 16, 2011 - July 15, 2011)

NAME	YEAR	DIST	A/C NO	AMOUNT	REASON
A Unique Donut Experience	2010	DFD/ELSD	0221057	\$188.18	Duplicating Billing on A/C 0221443.
Anglin, Robert Steven	2010-2011	HCFD	0095770	\$191.18	Assessment adjustment of personal property.
Avery, Victor David	2011	NBFD	0172928	\$249.93	Assessment adjustment of real property per Board of Equalization and Review.
Barrick, Robert Orlin	2010	DFD/ELSD	0120782	\$324.74	Did not own business personal property as of 1/1/2010.
Beal Ruby T Heirs of	2011	BCFD	0064413	\$3,618.29	Land-use qualification approved by Board of Equalization and Review.
Brooks, Lois G	2011	SFFD	0090923	\$212.75	Elderly or Disabled Exclusion approved.
Caraccia, Joseph	2011	DFD/ELSD	0218788	\$375.08	Assessment adjustment of real property per Board of Equalization and Review.
Castaneda, Jamie Sue	2010	DFD	0207623	\$224.86	Personal property in Mecklenburg County as of 1/1/2010.
Castro, Dana E	2011	ELFD/ELSD	0189019	\$125.21	Did not own personal property as of 1/1/2011.
Cotter, Mark Brian	2011	ELFD/ELSD	0110008	\$146.09	Assessment adjustment of real property per Board of Equalization and Review.
Drachman, Todd	2010	ELFD/ELSD	0228295	\$136.95	Did not own personal property as of 1/1/2010.
Duckworth, Ida Monetta	2011	N-321	0114062	\$141.05	Elderly or Disabled Exclusion approved.
Geppetos Pizza & More DBA	2010-2011	ELFD/ELSD	0221445	\$2,201.11	Duplicating billing also on A/C 0218674.
Gingell, Shane	2010	ELFD/ELSD	0204922	\$130.38	Personal property in Mecklenburg County as of 1/1/2010.
Gray, Robert A	2011	PCFD	43795	\$729.00	Removed 9 availability fees per application for contract service.

G.S. #105-381 (B) ALL RELEASES MORE THAN \$100
AND #105-325 INCLUDING (A) (6)

PERIOD COVERED
(June 16, 2011 - July 15, 2011)

NAME	YEAR	DIST	A/C NO	AMOUNT	REASON
Helms, Richard D	2011	ALFD	0224859	\$217.50	Elderly or Disabled Exclusion approved.
Houser, Timothy Perry	2011	HCFD	0106466	\$221.88	Elderly or Disabled Exclusion approved.
Jason Pattison Racing	2010	ELFD/ELSD	0226153	\$10,198.00	Business personal property in Lincoln County for 2005-2009 discoveries.
Lindquist, Bradford L	2011	ELFD	0226104	\$325.00	Assessment adjustment of real property per Board of Equalization and Review.
Mikes Automotive & Towing DBA	2011	ELFD	0229017	\$183.15	Did not own business personal property as of 1/1/2011.
Parker, Paul E	2011	ELFD/ELSD	0062350	\$352.52	Assessment adjustment of real property per Board of Equalization and Review.
Philo Valley South Inc.	2011	Union	0119772	\$2,214.65	Assessment adjustment of business personal property.
Rhine, William John	2011	DFD	0163546	\$243.00	Removed 3 availability fees per application for contract service.
Seipel, Jerry Lee	2011	BCFD	19401	\$675.79	Elderly or Disabled Exclusion approved.
Shirley, Ruby Lea	2011	DFD	0131690	\$136.82	Did not own personal property as of 1/1/2011.
Simpson, Shawn Adrian	2011	City	0226750	\$244.89	Assessment adjustment of real property per Board of Equalization and Review.
Summer, Neal	2011	BCFD	0218797	\$108.75	Assessment adjustment of personal property.
Taksa, Brandon C	2011	ELFD/ELSD	0219451	\$115.42	Assessment adjustment of real property per Board of Equalization and Review.
Westside House of Prayer	2011	HCFD	0199910	\$3,250.87	Exempt property.
Woodard 7 Sharp Racing Inc.	2009-2011	DFD/ELSD	0192763	\$4,490.32	Did not own business personal property as of 1/1/2009.

LINCOLN COUNTY TAX DEPARTMENT
MOTOR VEHICLES

REQUEST FOR REFUNDS

PERIOD COVERED (JUNE 20, 2011-JULY 3, 2011)

G.S.#105-381(B) ALL REFUNDS MORE THAN \$100.00
(and) #105-325 including (A) (6)

NAME	YEAR	DIST	A/C#	AMOUNT	REASON
BONHAM, GEORGE C. JR.	2010	PCFD	0206589	381.12	PRO-RATED BILL
			TOTAL	\$381.12	

LINCOLN COUNTY TAX DEPARTMENT
ANNUALS

REQUEST FOR REFUNDS

PERIOD COVERED (JULY 04, 2011-JULY 17, 2011)

G.S.#105-381(B) ALL REFUNDS ANNUAL MORE THAN \$100.00
(and) #105-325 including (A) (6)

NAME	YEAR	DIST	A/C#	AMOUNT	REASON
Kennedy, Linda D.	2010	N321	0074301	364.41	Sold prior to tag/tax year
			TOTAL	\$ 364.41	

**ORDINANCE #2011-12: 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 2012 Budget by approving Ordinance #2011-11 on June 20, 2011; 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 2012 Budget previously adopted is hereby amended as follows:

Section 1. That the budget amendments attached hereto, and incorporated herein by reference as Exhibit A to Ordinance #2011-12, are hereby approved and adopted as amendments to the FY 2012 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 1st day of August, 2011.

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

ATTEST:

Amy S. Atkins
Clerk to the Board

EXHIBIT A to Ordinance #2011-12

Budget Amendments numbered 2 through 10, inclusive.

RESOLUTION #2011-43
RESOLUTION AMENDING THE CLASSIFICATION AND COMPENSATION PLAN
FOR LINCOLN COUNTY, NORTH CAROLINA

WHEREAS, the Board of County Commissioners previously has adopted a Classification and Compensation Plan for Lincoln County, North Carolina, which was prepared by Condrey and Associates, Inc; and

WHEREAS, the County Manager is charged with assuring the Plan remains current and up to date; and,

WHEREAS, requested the adoption of the job description for the Building Attendant for Senior Services, and

WHEREAS, the County Manager and the Human Resources Director have reviewed the request and have recommended the classification changes;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED, that the Position Classification and Compensation Plan for Lincoln County North Carolina is hereby amended as follows:

- Amend to include the Building Attendant for Senior Services job description for the part time position approved in the FY2011-2012 budget at a pay grade of 6.

That this amendment shall become effective on _____ 2011.

Adopted this _____ day of _____ 2011

LINCOLN COUNTY

By: _____
Alex Patton, Chairman
Board of Commissioners

ATTEST:

Amy S. Atkins, Clerk to the
Board of Commissioners

New Business/Advertised Public Hearings: Chairman Patton announced that this was the date, Monday, August 1, 2011, and the time, 6:30 P.M., which was advertised in the Lincoln Times-News on May 27 and June 3, 2011.

Zoning Public Hearing – Randy Hawkins:

Conditional Use Permit No. 302 – George Tucker, applicant: Randy Hawkins presented the following information concerning CUP #302.

The applicant is requesting a conditional use permit to place a Class C (singlewide) manufactured home in the R-S (Residential Suburban) district. The proposed home is a

1991 model with a shingled roof and vinyl siding. A Class C manufactured home is a conditional use in the R-S district. The applicant is planning to live in this home while he builds an addition that would completely enclose it and look like a stick-built house.

The proposed 4.5-acre site is located on the west side of Old Lincolnton-Crouse Road about 600 feet south of Hwy. 150 in Howards Creek Township. It is surrounded by property zoned R-S. Land uses in this area are primarily residential, including manufactured homes, with some business uses along Hwy. 150. The Lincoln County Land Use Plan designates this property as part of a Suburban Residential area, suitable for primarily single-family housing.

Chairman Patton opened the public hearing concerning CUP #302 – George Tucker, applicant.

George Tucker stated that he would like to move the mobile home to this location since he has spent a lot of money remodeling the inside. He said he plans on adding onto the mobile home, doubling the size, adding a breezeway and three car garage. He said it will look just like a house when completed.

Keith Johnson asked how long construction will take. Mr. Tucker said he has everybody lined up to start as soon as this request is approved so he is hoping to be finished by the end of the year.

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

Conditional Use Permit No. 303 – Bob Stilp, applicant:

The applicant is requesting a conditional use permit to sell vehicles in the B-G (General Business) district. The proposed site is an existing multi-tenant commercial development. A site plan has been submitted as part of the application. Under the plan, the number of vehicles displayed for sale would be limited to eight. The sale of vehicles is a conditional use in the B-G district.

The 0.86-acre parcel is located at 4317 N. Hwy. 16, on the west side of Hwy. 16 about 200 feet south of Mundy Road. This property is located in the Eastern Lincoln Development District. It is adjoined by property zoned B-G and R-SF (Residential Single Family). Land uses in this area include business and residential. The NC 16 Corridor Vision Plan recommends that commercial activities be concentrated in nodes.

For property in the Eastern Lincoln Development District, Section 2.5.1.K of the Unified Development Ordinance requires that an outdoor sales area for vehicles be buffered from the road by trees and shrubs and a fence meeting certain standards. Vegetation must be provided at a rate of at least two canopy trees, two understory trees and 12 shrubs per 100 feet. The fence must be 3 to 6 feet in height and constructed of ornamental iron or other metal works, masonry columns of wood, decorative block or similar materials. Chain link, vinyl or wood fencing is not permitted.

Under the Unified Development Ordinance, the minimum parking requirement for this 5,520-square-foot development is 19 spaces (one space per 300 square feet of floor area). The development has 30 regular spaces. The development would still meet the parking requirement if eight spaces are used for vehicle display

Commissioner Arena asked where the vehicle spaces would be. Randy Hawkins stated that they are to the right side of the property.

Chairman Patton opened the public hearing concerning CUP #303 – Bob Stilp, applicant.

Bob Stilp, applicant, said he deals in specialized vehicles and does not need much space. He wants to keep it small-scale. He said the area that will be used is off to the side and isn't used currently.

Lee Killian stated that he has property within 400 to 500 feet of this property and it is fine with him for this gentleman to use this property like this.

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

Zoning Map Amendment No. 586 – Dorothy Sherrill, applicant:

The applicant is requesting the rezoning of 2.0 acres from B-G (General Business) to RSF (Residential Single-Family). The applicant resides on this property.

This property is located at 3250 N. Hwy. 16, on the east side of Hwy. 16 about 500 feet south of Denver Drive. It is adjoined by property zoned I-G (General Industrial), B-N (Neighborhood Business) and R-SF. Land uses in this area include residential and business. The Lincoln County Land Use Plan designates this property as part of the NC 16 Corridor and calls for a redevelopment plan that promotes the further mixing of land uses but in a more orderly and planned manner. The NC 16 Corridor Vision Plan calls for concentrating commercial activities in nodes.

Staff recommends approval. This property is used residentially and is adjoined by property zoned R-SF.

Chairman Patton opened the public hearing concerning Zoning Map Amendment No. 586 – Dorothy Sherrill, applicant.

Dorothy Sherrill, applicant, said she has lived in this house since 1955. She said she wants this zoned back to residential because she cannot pay the taxes on it. She said she is a widow on Social Security.

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

Zoning Map Amendment No. 588 – Lincoln County Planning and Inspections Department, applicant:

Staff is proposing the rezoning of 250 acres from CU P-R (Conditional Use Planned Residential) to R-SF (Residential Single-Family). This property was rezoned from R-SF and R-20 to CU P-R in 2005 to permit a major residential development. The approved development plan, as amended in 2006, called for 385 lots for single-family homes.

However, the Board of Commissioners revoked the conditional use permit in June due to violations of the permit. With the revocation, the current zoning designation has no basis. The proposed rezoning would restore the property to a general zoning district.

Because most of the property was previously zoned R-SF and because R-SF and R-20 are similar districts, staff is proposing that the entire property be rezoned to R-SF.

This property is located on the south side of Webbs Road, west side of Burton Lane and north side of Blades Trail. It is adjoined mainly by property zoned R-SF and R-20. Land uses in this area are predominately residential. The Lincoln County Land Use Plan designates this property as Suburban Residential.

Chairman Patton opened the public hearing concerning ZMA #588.

Rudy Bauer stated that they fought years ago about driveways coming out on Blades Trail. He said if they sell this property like this, driveways can empty out on Blades Trail. He said there needs to be conditions that there can only be a number of entrances into that development. He asked who will inspect the holding ponds if this is broken into individual lots. He said with the rezoning they can put modular homes on the property.

Walter Fields stated that this property has a long history. He said infrastructure has been invested in and there are recorded lots. He said he understands the benefits and desire to clean up the zoning, but has been trying to figure out if we are better off with the zoning in place. He said this creates more confusion and devalue the property further.

Anne Michael presented the Board with flash drives containing a powerpoint slideshow. She asked for the Board to continue the Burton Creek acreage with the conditions of the UDO, consider the limited access onto Burton Creek, continue to consider a 30' buffer between the development and Blades Trail, consider not allowing the sale to a LLC, bond issues, and conditions placed on the land. She said the community wants a viable planned design that is monitored and financed by worthy developer.

Charles Krawitz, Fifth Third Bank, objected to rezoning at this time while the appeal is in place. He asked for a decision to be delayed until the appeal can run its course.

FCS Centennial History Book Presentation: Kevin Starr introduced Dot Harris, President of Extension Community Association County Council, who presented the Board with copies of the FCS Centennial History Book.

Public Hearing - Proposed Industrial Development Incentive Grant for New Industry and Motion to Adopt Resolution #2011-44: Resolution to Adopt Economic Incentive Grant Agreement: Crystal Gettys presented the following information to the Board concerning proposed Industrial Development Incentive Grants for Lincolnton Furniture Company:

**RESOLUTION TO ADOPT ECONOMIC INCENTIVE
GRANT AGREEMENT WITH LINCOLNTON FURNITURE COMPANY**

WHEREAS, the Lincoln County Board of Commissioners verily believes that it is in the best interests of the citizens of Lincoln County to encourage and support economic development within Lincoln County through the recruitment of new industries to the County and the expansion of existing industries in the County; and

WHEREAS, Lincolnton Furniture Company has developed plans for a new manufacturing facility in Lincoln County; and

WHEREAS, the Board of Commissioners wishes to encourage such development by means of offering incentives to aid in such efforts;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED AS FOLLOWS:

1. The Lincoln County Board of Commissioners hereby approves the Lincoln County Incentive Grant Agreement (attached hereto as Exhibit A and incorporated herein by reference) among Lincoln County and Lincolnton Furniture Company.

2. The Chairman of the Board of Commissioners and the Clerk to the Board are hereby authorized to sign all necessary documents on behalf of Lincoln County in order to effectuate this transaction.

3. This resolution shall become effective upon adoption.

This 1st day of August, 2011.

Alex Patton, Chairman
Lincoln County Board of Commissioners

ATTEST:

Amy S. Atkins, Clerk to the Board

LINCOLN COUNTY INCENTIVE GRANT AGREEMENT

NORTH CAROLINA

LINCOLN COUNTY

THIS AGREEMENT is made and entered into as of the 1st day of August, 2011, by and between LINCOLN COUNTY, a body corporate and politic (hereinafter referred to as "the County"), and Lincolnton Furniture Company, an North Carolina corporation (hereinafter referred to as "Lincolnton Furniture");

WITNESSETH:

WHEREAS, Lincolnton Furniture has developed plans to operate a new manufacturing facility in Lincoln County, North Carolina; and

WHEREAS, Lincolnton Furniture will renovate the existing facility on such property to be occupied by Lincolnton Furniture under a long-term lease agreement; and

WHEREAS, the Board of Commissioners of Lincoln County verily believes that the location of new industries and the expansion of existing industries is vital to the economic health of Lincoln County and to the welfare of its citizens; and

WHEREAS, the Board of Commissioners wishes to encourage such development by means of offering incentives to recruit new industries and to aid in expansion of existing industries; and

WHEREAS, such incentives are predicated on the notion of expanding Lincoln County's tax base and providing additional jobs for Lincoln County's citizens that pay wages higher than the current prevailing average hourly wage in the particular industry; and

WHEREAS, the Board of Commissioners has determined that it is appropriate and in the best interests of Lincoln County and its citizens to offer incentives in the form of both cash grants and assistance with making public services available; and

WHEREAS, the Board of Commissioners believes that it is appropriate and reasonable to expect Lincolnton Furniture to bind itself to the County to produce certain results in conjunction with the project described herein as conditions of the incentives being offered by the County;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein set forth, the parties hereby agree as follows:

1. On or before December 1, 2011 Lincolnton Furniture shall begin renovations/installation of equipment in the facility on such site.
2. Within two years of the date of this agreement, Lincolnton Furniture shall make an investment upon such site in building and equipment of \$2,700,000., of which \$1,925,000 will qualify for incentives under the Lincoln County Industrial Incentive Grant Policy.

3. Within two years of the date of this agreement, Lincolnton Furniture shall provide at such site at least 120 new jobs paying average weekly wages of \$500 per week.

4. In consideration of the performance of the aforesaid obligations by Lincolnton Furniture, the County will provide cash grants to Lincolnton Furniture of \$7,482.00 per year for a five-year period. One full year after the project's completion, such cash grants will be paid to Lincolnton Furniture 30 days after their tax payment for the then current year has been received by Lincoln County and after the company has notified Lincoln Economic Development Association their taxes have been paid. This amount represents a Level I grant under the Lincoln County Industrial Development Incentive Grant Policy for New and Existing Industries.

5. In the event that the value of the investment actually made by Lincolnton Furniture pursuant to this agreement is greater or less than the aforementioned contract amount, the incentive grants to be provided hereunder will be adjusted upward or downward on a pro-rata basis.

6. Lincolnton Furniture specifically agrees that in the event that all or any portion of this agreement or any incentive grant or payment to be made hereunder is declared to be unconstitutional, illegal, or otherwise enjoined by a court of competent jurisdiction, Lincolnton Furniture shall indemnify and hold harmless Lincoln County and its Board of Commissioners, individually and collectively, from any loss or liability and shall reimburse Lincoln County by the amount of any such grant or payment received by Lincolnton Furniture.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

COMPANY

By: _____
President

ATTEST:

Secretary

(Corporate seal)

LINCOLN COUNTY

By: _____
Alex Patton, Chairman
Board of Commissioners

ATTEST:

Amy S. Atkins
Clerk to the Board of Commissioners

State of _____ - County of _____

I, the undersigned Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that _____ he is the _____ of _____ a _____ corporation, and that by authority duly give and as the act of such entity, _____ he signed the foregoing instrument in its name on its behalf as its act and deed. Witness my hand and Notarial stamp or seal, this _____ day of _____, 2008.

My Commission Expires: _____ Notary Public

NORTH CAROLINA

LINCOLN COUNTY

This the _____ day of _____, 201_____, personally came before me Amy S. Atkins, Clerk to the Board of Commissioners of Lincoln County, North Carolina, who being by me duly sworn says that she knows the common seal of the County of Lincoln, North Carolina and is acquainted with Alex Patton, who is the Chairman of the Board of Commissioners of Lincoln County, North Carolina, and that she, the said Amy S. Atkins, is the Clerk to the Board of Commissioners of Lincoln County, North Carolina, and saw the Chairman of the Board of Commissioners of Lincoln County, north Carolina, sign the foregoing instrument and affix said seal to said instrument and that she, the said Amy. S. Atkins, signed her name in attestation of said instrument in the presence of said Chairman of the Board of Commissioners of Lincoln County, North Carolina.

My Commission Expires: _____ Notary Public

Chairman Patton opened the public hearing concerning the proposed Industrial Development Incentive Grant for Lincolnton Furniture Company.

Being no speakers, Chairman Patton closed the public hearing.

UPON MOTION by Commissioner Mitchem, the Board voted unanimously to adopt Resolution #2011-44: Resolution to Adopt Economic Incentive Grant for Lincolnton Furniture Company.

Public Comments:

Robert Avery asked about a Lincoln County survey and carpooling to Raleigh for appeals.

Mike Davis said the Board is breaking the law by not allowing appeals of the Board of Equalization and Review to the Board of Commissioners.

Wesley Deaton reviewed the specific amendment made for Lincoln County on this subject. There was an exception made for Lincoln County in 2000.

Water and Sewer CIP Engineer Selections: Burns Whittaker presented the following information:

On July 15, 2011, a selection committee was convened for the purpose of reviewing the proposals received from firms wishing to provide engineering services for three CIP projects as described below.

The following were on the committee: Mr. George Wood Lincoln County Manager and Mr. Barry McKinnon Lincoln County Sr. Utility Engineer.

The Selection committee makes the following recommendations:

St James Church Water Line: This is a carryover project from the 2011 Budget. Scope is to install a 12" Water Line along St James Church Road from Business 16 to the west side of Highway 16 Bypass. This will improve flow by providing a much needed loop in the Denver area to prevent large areas being out of water in case of a water main break on Business 16.

Proposals were received from twenty-six engineering firms. Of these, two were non-conforming. After reviewing the remaining twenty-four, the Selection Committee recommends the firm of CES, Inc. of Denver to provide the engineering services on this project. The combination of good experience with similar work and being a local firm was the deciding factor in the selection. Gavel and Dorn, LLC was recommended as the alternate firm.

UPON MOTION by Commissioner Arena, the Board voted unanimously to approve the recommendation of CES, Inc. for the St. James Church water line.

Repairs to the Water Treatment Plant: This project is in the 2012 Budget. The scope is to provide engineering services to identify and prioritize needed repairs and improvements to the WTP and to prepare construction documents, permitting and construction administrative services to execute the work. The scope includes replacement the existing inefficient sludge handling process as well as to re-work chemical feeds, electrical issues, etc.

Proposals were received from ten engineering firms. After reviewing the proposals, the Selection Committee recommends the firm of Goodwyn. Mills and Cawood, Inc. to perform the work. This firm assisted the County with the recent repairs of the 36" Water Main at the plant and is currently providing excellent service on the Airport Sewer project. They have performed similar projects and have the experience and personnel to perform the work as required. The Board recommends McGill and Associates as the first alternate and Willis Engineers as the second alternate.

UPON MOTION by Commissioner Robinson, the Board voted unanimously to use Goodwyn, Mills and Cawood, Inc. for the renovations at the Water Treatment Plant.

Mothballing of Forney Creek Wastewater Treatment Plant: This is a stated goal to save O&M costs. Scope is to provide an engineering report on alternatives available to the County as to the disposition of the Forney Creek WWTP.

Comparison of cost to continue to operate the plant, cost to upgrade the plant, and the cost and feasibility to mothball the plant will be considered. Pending results of the study, the engineer may be directed to proceed with preparing necessary documents, as necessary, to implement the chosen alternative.

Proposals were received from eleven engineering firms. After reviewing the proposals the Selection Committee recommends the firm of WK Dickson, Inc. to perform the work. The selection is based on WK Dickson's extensive knowledge of the Forney Creek WWTP and its relationship to the new Killian Creek WWTP.

The Selection committee recommends McGill and Associates as first alternate and Willis Engineers as second alternate.

UPON MOTION by Commissioner Klein, the Board voted unanimously to approve the recommendation of WK Dickson, Inc. to perform the work at Forney Creek Wastewater Treatment Plant.

Approval only authorizes the Public Works Director to enter into negotiations with the firms and to return to the BOC with contracts for further approval by the BOC.

Motion to Adopt Resolution #2011-45: Resolution Withdrawing from the Gaston-Lincoln Library Regional Library and Creating the Lincoln County Library System: Mr. Wood presented the following information:

The Gaston Lincoln Regional Library was formed by a joint resolution and agreement of the two counties in December, 1963. The current organizational structure is that each county funds its own libraries within their respective county budgets. Gaston County has the main library and nine branches. Lincoln County has the Jonas Main Library, and two branches. Then, the Regional Library Board receives NC State Aid to Libraries (\$450,178 in FY 2011). That money is used to provide services to both libraries such as cataloging, and other back office operations. Several regional library employee salaries are paid from this funding as well. The State Library has recognized this as a regional library since 1963, with the Gaston County librarian recognized as the regional library director, and Lincoln County's director as merely a branch supervisor of the region. Consequently, all dealings with the State Library are through the regional library director, and not through the Lincoln County library director.

The State Library, a division of the NC Department of Cultural Affairs, finalized some pending administrative regulations that became effective April, 2011. Those regulations essentially made our regional library non-compliant with the two possible organizational structures recognized by the State Library. That recognition is essential in order to qualify for State Aid to Libraries. The two acceptable organizational structures are: 1) a fully regional library, governed by a regional library board established by agreement of the two counties, and appointed by the commissioners. That regional library board would make all of the decisions on operating the combined library system. The funding allocations would be as the two counties agreed in a new intergovernmental agreement. 2) split into two totally separate county libraries, each with its own library advisory board, and a library director. Each would then get a separate allocation of State Aid to Libraries, and would use that money to provide the services each now gets from the Regional Library. So, in essence, under this option we would either replace the current regional library services with in-house staff, or contract for some of these services either with outside vendors, Gaston County, or another nearby library.

In discussions with the State Librarian, both counties have been given a deadline of August 31, 2011 to make a decision on which of these two organizational structures to create. We would remain under the current agreement throughout FY 2012, and still be eligible for State Aid to Libraries in what the State calls a “transitional” year. Beginning July 1, 2012 (FY 2013), we

would either be a fully regionalized library system, or two separate county library systems. So, whatever you decide, we have about 10 months to work on the details of implementing the new system. But, the State Library must be notified of your decision, and Gaston County's decision on the organizational structure no later than August 31, 2011.

Given this short timeframe, we had asked that you appoint a committee to study this issue and make a recommendation. That committee was created several months ago, and consists of the following: Commission Vice-Chairman George Arena, Commissioner Carl Robinson, Library Advisory Board Chairwoman Rebecca Powell, Librarian Jennifer Sackett, and County Manager George Wood. The committee has met twice, the first time to get a detailed background and discussion of the issues involved. Several members have met twice with Gaston County officials to discuss the details. In addition, Commissioner Arena, Ms. Sackett and Mr. Wood made a visit to both Orange County and Chatham County to study how they managed this process. Chatham County split away from a regional library system that included Alamance County about five years ago, and has taken all of the back office operations in-house. Orange County is currently part of the Hyconechee Regional Library System, which also includes Person and Caswell counties. They have decided also to split into three separate county libraries, and are in the same transitional stage as Lincoln and Gaston counties. Both were an excellent source of information on what would be necessary to split into two separate libraries, as well as the pros and cons of staying in a regional library system.

After discussing all of the information gathered, the committee is recommending that the Board of Commissioners end Lincoln County's participation in the Gaston Lincoln Regional Library System effective June 30, 2012, and become certified by the State Library as an independent county library system so that it would be eligible for continued State Aid to Libraries. It is our understanding that Gaston County's staff is going to recommend splitting the region as well. Below is a discussion of the major issues in both options, and the financial implications.

Regional Library System Option:

A regional library system would entail a number of key issues. The first is the relative voting strength of the two counties. Gaston County has a population of about 206,000, and Lincoln County has about 78,000. That translates to a 73% to 27% split. It is not realistic to think that Gaston County would agree to a 50%/50% split in votes on the proposed regional library board. If that is the case, while Lincoln County would have some representation on the new board, it would not be sufficient to offset the voting strength of Gaston County if we felt strongly on a particular issue. So, the general direction and policies for a new regional library would be determined generally by Gaston County.

Second, there is the issue of maintenance of effort in order to qualify for State Aid to Libraries. Given serious budget cutbacks in library services by Gaston County over the last two budgets, they are below the maintenance of effort. This can affect the level of State Aid we would be eligible for as a region. If we were separate county libraries, each county would stand on its own. To refresh your memory, the Gaston County Manager's budget recommendation was to close six of the nine library branches in FY 2012. While the Board of Commissioners did not go that far, they did cutback the hours at all branch libraries to three days per week.

Third, while we would get about \$59,000 more in State Aid to Libraries if we remain a regional library, some of that will be eaten up by the new requirement that neither county's finance director can be the finance officer for the new regional library. Consequently, there would be the added cost of this finance officer and a separate audit. Currently, the regional library is audited as a part of the Gaston County annual audit. In addition, each county now prepares payroll and administers the benefits for its employees. When those employees become regional library employees, the regional library will have to pay someone to do those functions, and the other HR functions. The regional library also has used the services of the Gaston County Attorney. That would have to be provided in the new budget as well. Gaston County currently does not charge the regional library for office space in its main library, but it should be expected that Gaston would want some amount factored into any new agreement for that.

Fourth, the State of NC has reduced its funding levels for State Aid to Libraries as the economic downturn has continued. For example, in FY 2012, the reduction is 13%. Whatever expenses are not met by this reduced revenue have to be covered by Gaston and Lincoln counties out of their budgets. Consequently, the financial incentive to remain in a regional system continues to shrink, while the bureaucratic mandates for additional costs continue to expand.

County Library System

The primary issue in favor of a county library system is that the citizens of this county, through their Board of Commissioners, would retain control of all major issues affecting library services. This would include the annual budget, capital improvements, staffing, hours of operation, expanded technology, renovations of facilities, and operating policies. This cannot be overstated. Lincoln County's population in 2011 is over 78,000 and grew by over 14,000 in the last decade. In the 1960 Census it was 28,814 near the time the original agreement was signed. The demand for adequate library services is growing along with the population, not declining. A regional agreement would put the Board of Commissioners in a far more limited position to determine how those needs would be met in the best interests of Lincoln County.

Second, independent county library systems qualify for state grants for various library needs. Under a regional library, grants can only be obtained by the region. This grant ability gives us the opportunity to target money specifically needed in Lincoln County's system.

Third, by remaining a part of the county staff, we can better control personnel costs in future years. They would be under the same personnel regulations and benefits as other county employees.

Fourth, we can forgo the added costs of a separate finance director and HR function. The financial accounts for the library would continue to be maintained by the Lincoln County finance director. The only added work would be to account for State Aid to Libraries paid directly to Lincoln County instead of the region, and for any state grants for libraries. There would be no separate audit either.

Fifth, there is a concern about whether we would be able to maintain availability of the resources our patrons have as a regional library. However, we believe that can be addressed through interlibrary loan, and possibly by working out an arrangement with Gaston County on a mutual waiver of out-of-county fees for library membership and access.

Sixth, it would avoid the situation Mecklenburg County's commissioners faced two years ago when an independent library board made decisions about library closures in reaction to county budget reductions that the Board of Commissioners and County Manager did not agree with. Having a county library system operate as a department of county government would prevent that. You would be the ultimate decision-makers in such a situation.

Financial Considerations

The primary financial considerations are replacing those services that the regional library now provides our system; and making an assessment what additional costs would be required under a new regional library system. The first spreadsheet shows the estimated expenses to provide those services now provided by the regional library system. As you can see, net of expenses we already budget for, the increase would be \$174,789. Bear in mind that we have estimated these costs, but have confirmed a number of them. We believe we have captured the additional costs.

The second spreadsheet compares the additional expenses to provide either a County Library System or a Regional Library System. The County Library System begins with the FY 2012 Operating Budget of \$1,010,661. It then adds in the \$174,789 net additional operating expenses from the first spreadsheet. That provides total expenses of \$1,185,450. However, as a County Library System, we would get some of the money that currently goes to the Regional Library System. In FY 2011, that would have been \$135,786. However, the State Legislature cut State Aid to Libraries by 13%, so we have used the figure of \$118,134 in additional revenues to offset these additional expenses. The net impact would be \$1,067,316.

That is about \$18,003 more than the Regional Library System. Again, we start with the FY 2012 Operating Budget of \$1,010,661. We then add in \$18,000 for our estimated $\frac{1}{2}$ of the newly-required Finance Officer and \$3,000 for our $\frac{1}{2}$ of the newly-required audit. As noted above, the State Legislature cut State Aid to Libraries by 13% for FY 2012, so we would have to fund that difference from our county budget. For Lincoln County's portion, that would be \$17,652. The net impact would be \$1,049,313.

There are some one-time costs shown separately, of some \$32,268 (first spreadsheet on the third page). These will be more than offset by Lincoln County's share of the current fund balance in the Regional Library (total amount about \$125,000). In addition, the State Library has encouraged us to apply for state grants to offset some of these costs. Chatham County got a grant of over \$90,000 to help with its change to a county library system.

A few more points need to be emphasized. 1) The recent history of State Aid to Libraries is one of continued cutbacks by the State Legislature. We don't see this trend changing any time soon. The State has made large cuts in the k-12 educational system in FY 2012, and will be under pressure next year to restore some of that funding. 2) The issue of maintenance of effort at the

two counties' local level can have a negative effect on the amount of State Aid to Libraries. Again, the recent trend is not favorable from a regional library perspective, but would be if Lincoln County were judged separately as a county library system. 3) Any cutbacks to State Aid to Libraries from either the State Legislature or a failure of maintenance of effort would require additional General Fund appropriations from both counties to make up the difference, or service cutbacks. 4) We have had to make some assumptions about how a new regional library agreement would set out the makeup of the board, and the formulas for funding. The numbers shown for the impact from a Regional Library System may actually end up costing more than shown depending on actual negotiations. 5) It appears that Gaston County staff has reached the same conclusion, and is prepared to recommend splitting the regional library into two separate county libraries. If that is the case, and Gaston County votes to pull out, then there would be no regional library option. The same is true for them if you vote to pull out. 6) While the County Library System will cost more, that can be offset by direct eligibility for state grants for the first time.

Either option will cost more than the current system, primarily because we lost \$17,652 in State Aid to Libraries in FY 2012 compared to FY 2011. In addition, we cut back a position in the FY 2012 Budget at about \$48,620. Those two items together total \$66,272. That would have covered the \$56,655 in additional expenses not covered by the State Aid to Libraries (\$174,789 - \$118,134). So, for FY 2013 if the library began operating as an independent county library, it would cost us about what it cost us in FY 2011.

I want to stress that we are not recommending the change to a county library system because of any dissatisfaction with the current system. Lincoln County and Gaston County have had a 48 year association providing library services. We have a very high professional regard for the regional library director, Mrs. Cindy Moose. But the State's new regulations do not make the current system an option. The closest option to what we have is actually two separate county library systems that then use the State Aid to Libraries funding to provide some services jointly. We would simply be changing that part to either provide it in-house, or contract with another entity. The cost figures shown are to provide it all in-house. However, we would have 10 more months to evaluate whether we can get a better price by contracting some of these services to Gaston or another county library system. Remember, we would operate under the existing agreement for the remainder of FY 2012.

Given the small expense difference; the eligibility for state grants to offset most of that difference; the negative trends for both State Aid to Libraries and regional maintenance of effort; and most importantly the ability to make independent decisions on library services in the future; we believe the move to a separate County Library System is the best option for Lincoln County. The attached Resolution would disband and withdraw from the Gaston-Lincoln Regional Library System, and create the Lincoln County Library System as outlined in this report. If, in the alternative, you decide to remain in the Gaston-Lincoln Regional Library System, we can prepare a Resolution to that affect for the August 15th meeting.

UPON MOTION by Commissioner Robinson, the Board voted unanimously to adopt Resolution #2011-45: Resolution Withdrawing from the Gaston-Lincoln Regional Library and Creating the Lincoln County Library System.

RESOLUTION #2011-____: A RESOLUTION DISBANDING AND WITHDRAWING
FROM THE GASTON-LINCOLN REGIONAL LIBRARY AND CREATING THE
LINCOLN COUNTY LIBRARY SYSTEM

THAT WHEREAS, the Board of Commissioners previously had entered into an agreement with the Gaston County Board of Commissioners in December, 1963 to create the Gaston-Lincoln Regional Library; and

WHEREAS, the State Library has adopted new administrative regulations that the State Librarian has determined do not allow for the organizational structure that the Gaston-Lincoln County Library operates under, and consequently, the State of North Carolina will not recognize it as a regional library after June 30, 2012 for purposes of State Aid to Libraries' distributions to local libraries; and

WHEREAS, the State Librarian has set a deadline of August 31, 2011 for each county to notify her office whether we will be forming a new regional library structure that conforms to the new administrative regulations; or in the alternative, will be disbanding the current regional library system and returning to two separate county libraries; and

WHEREAS, the transition to either option will take place effective July 1, 2012, giving the two counties about 10 months to put everything in place for this transition; and

WHEREAS, the staffs of the two counties have discussed the matter on several occasions, and the Lincoln County Board of Commissioners has previously appointed an ad hoc committee to study the matter and make a recommendation to the Board; and

WHEREAS, members of that committee have travelled to both Orange County and Chatham County to study their efforts in similar moves; and

WHEREAS, the committee has recommended that the Board of Commissioners vote to disband the Gaston-Lincoln Regional Library and create the Lincoln County Library System as a department of Lincoln County Government;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of Lincoln County, North Carolina as follows:

Section 1. That the Board hereby votes to disband the Gaston-Lincoln Regional Library System, to create the Lincoln County Library System, and to file the necessary documents with the State Librarian's Office to become a recognized NC county library system for purposes of State Aid to Libraries and to exercise all other rights and duties of such county libraries to be effective on July 1, 2012.

Section 2. That the Chairman, County Manager, Librarian, and County Clerk are hereby authorized and empowered to execute on behalf of the Lincoln County Board of Commissioners all documents necessary to carry out the intent of this Resolution.

Section 3. That this resolution shall become effective immediately upon its adoption.

Adopted this 1st day of August, 2011.

Alex E. Patton
Chairman, Board of Commissioners

Attested by: Amy S. Atkins
Clerk to the Board

Motion to Adopt Resolution #2011-46: Reimbursement Resolution – Repairs to Water Treatment Plant: UPON MOTION by Commissioner Klein, the Board voted unanimously to approve Resolution #2011-46: Reimbursement Resolution.

REPAIRS TO WATER TREATMENT PLANT 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 repairs to water treatment plant (the "Project"), 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 the Installment Financing for the Expenditures with respect to the Project made on and after June 15, 2011. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Financing.

Section 2. Each Expenditure [was and] 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 Installment Financing expected to be issued for the Project is \$750,000.

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 Installment Financing 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 15th day of August, 2011.

Alex E. Patton, Chairman
Board of Commissioners

ATTEST:

Amy S. Atkins
Clerk to the Board

EXHIBIT A

DESCRIPTION OF PROJECT

Capital Improvement Program – Construction and repairs of the following public works projects at water treatment plant including alum sludge handling process, replacement of chemical pumps and meters, chemical tanks, motor repairs, filter upgrades and other equipment repairs.

Motion to Adopt Resolution #2011-47: Reimbursement Resolution – Radio Equipment: UPON MOTION by Commissioner Arena, the Board voted unanimously to approve Resolution #2011-47: Reimbursement Resolution.

RADIO EQUIPMENT 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 [has paid, beginning no earlier than June 15, 2011 and] will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the acquisition and installation of phase II of the public safety radio system revamping project (the "Project"), 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 [previously advanced no more than 60 days prior to the date hereof and] 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 the Installment Financing for the Expenditures with respect to the Project made on and after [June 15, 2011, which date is no more than 60 days prior to] the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Financing.

Section 2. Each Expenditure [was and] 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 Installment Financing expected to be issued for the Project is \$760,000.

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 Installment Financing 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 15th day of August, 2011.

Alex E. Patton, Chairman
Board of Commissioners

ATTEST:

Amy S. Atkins

EXHIBIT A

DESCRIPTION OF PROJECT

Capital Improvement Program – Acquisition and installation of mobile, portable and related radio equipment for sheriff, fire, EMS, Rescue and various emergency service agencies. The radios and related equipment are to improve communications with various agencies and improve emergency services.

Motion to Adopt Resolution #2011-48: Reimbursement Resolution – Airlie Industrial Park: UPON MOTION by Commissioner Robinson, the Board voted unanimously to approve Resolution #2011-48: Reimbursement Resolution.

**AIRLIE INDUSTRIAL PARK
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 [has paid, beginning no earlier than June 15, 2011 and] will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the construction and installation of roads, water lines, sewer lines, force mains, collection lines and any other necessary infrastructure needed to serve an industrial park off Highway 16 and Optimist Club Road (the "Project"), 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 [previously advanced no more than 60 days prior to the date hereof and] 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 the Installment Financing for the Expenditures with respect to the Project made on and after [June 15, 2011, which date is no more than 60 days prior to] the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Financing.

Section 2. Each Expenditure [was and] 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 Installment Financing expected to be issued for the Project is \$2,000,000 for phase II.

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 Installment Financing 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 minimis 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 15th day of August, 2011.

Alex E. Patton, Chairman
Board of Commissioners

ATTEST:

Amy S. Atkins
Clerk to the Board

EXHIBIT A

DESCRIPTION OF PROJECT

Capital Improvement Program – Construction of roads, water lines, sewer lines, force mains, pump stations, collection lines, and any other infrastructure needed to serve the proposed Airlie Industrial Park off highway 16 and Optimist club road in Lincoln County.

Commissioner Mitchem asked how the Attorney knew to have the information concerning tax appeals. Mr. Wood said he sent an email out this afternoon and copied the Board on it

Commissioner Arena asked for more information on how other counties handle tax appeals.

Closed Session: **UPON MOTION** by Commissioner Arena, the Board entered Closed Session pursuant to § 143-318.11(a) 3)To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged.

The Board returned to open session and Chairman Patton announced that no action was taken in closed session.

UPON MOTION by Commissioner Arena, the Board voted unanimously to approve the Settlement and Release Agreement with Lovingood, Inc.

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

Amy S. Atkins, Clerk
Board of Commissioners

Alex E. Patton, Chairman
Board of Commissioners