

**Pitt County Board of Commissioners  
Greenville, North Carolina  
Monday, October 05, 2009 Minutes**

The Pitt County Board of Commissioners met on Monday, October 05, 2009 at 9:00 AM in the Commissioner's Auditorium, Pitt County Office Building, 1717 W 5th Street, Greenville, North Carolina.

**Board Members Present:**

Melvin McLawhorn, Chairman  
Kenneth Ross, Vice Chairman  
Mark Owens, Jr., Commissioner  
David Hammond, Commissioner  
Beth Ward, Commissioner  
Eugene James, Commissioner  
Tom Johnson, Commissioner  
Jimmy Garris, Commissioner  
Ephraigm Smith, Commissioner

**Staff Present:**

Scott Elliott, County Manager  
Melonie Bryan, Deputy County Manager/ Chief Financial Officer  
Patricia Staton, Clerk To the Board  
Michael Taylor, Deputy County Manager / Chief Information Officer  
Janis Gallagher, County Attorney  
Lisa Woodard Overton, Assistant County Attorney  
Florida Hardy, Human Resources Director  
James Rhodes, Planning Director  
Phil Dickerson, County Engineer  
Noel Lee, Emergency Management Director

**Call to Order**

Meeting Notes

Chairman McLawhorn called the meeting to order and welcomed everyone.

**Invocation and Pledge**

Meeting Notes

The Invocation was given by Commissioner Eugene James. The Pledge of Allegiance was led by Commissioner Beth Ward.

**Approval of Agenda**

**Meeting Notes**

## **Staff Recommendation**

Commissioner Tom Johnson added a request to have the ABC Board report to the Board of Commissioners at the October 19, 2009 meeting.

### **Motion:**

Approval of agenda adding a request ABC Board report to the Board of Commissioners at the October 19, 2009 meeting.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Commissioner Eugene James.

Motion passed unanimously.

## **Presentation**

*Presentation of the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009 - Melonie Bryan*

### **Information Provided with the Agenda**

Bryan Starnes with the accounting firm of Martin Starnes & Associates will be present to review the June 30, 2009 financial statements with the Board of Commissioners. Mr. Starnes will be available to answer any questions the Board members may have.

This report has been submitted to the Local Government Commission (LGC) for review and comment. Additionally, it will be submitted to the Government Finance Officers Association (GFOA) for consideration in the annual "Certificate of Achievement for Excellence in Financial Reporting" awards program. The County has received this award for the past 19 years and staff believes these financial statements continue to meet the high standards imposed by the LGC and GFOA.

Pitt County's Comprehensive Annual Financial Report can be viewed by the public in the Clerk to the Board of Commissioners' Office at 1717 West 5th St. Greenville, NC 27834.

## **Staff Recommendation**

Accept report as presented.

## **Manager's Comments**

Concur with recommendation to accept CAFR for FY 08-09.

## **Meeting Notes**

Ms. Melonie Bryan introduced Mr. Bryan Starnes with the accounting firm Martin Starnes & Associates. Mr. Starnes presented a PowerPoint presentation on the Pitt County financial statements ending June 30, 2009.

Mr. Starnes stated Mental Health and Medicaid expenditures have continued to phase out of each annual budget. He stated there will be only minimal costs for either program reflected in the FY09-10 activities of the County. He stated the impact of January 2008 revaluation reflected in the taxes included in the FY08-09 budget. This revenue source includes both sales taxes and register of deeds fees. He stated while overall total for the "Other Taxes & Licenses" dropped as compared to previous year, there are several points to remember: Change from 2007

high again reflects the loss of state and federal funding for Mental Health services. He stated it also reflected the County's commitment to a "flat" budget and being mindful of the current economic climate. He stated much of the Public Safety increase is directly attributed to planned expenditures in personnel services – new positions for the 192-bed addition at the Detention Center. He stated there were increases in operating costs such as utilities, fuel/maintenance costs for the patrol vehicles and operations at the detention center also included in this category. He stated over the past 3 years the closure of our single county Mental Health program and the close-out of their financials along with the graduated reduction in Medicaid participation had dropped the Human Services expenditures. He stated Mental Health services are still available in Pitt County via East Carolina Behavioral Health and the County continues an annual contribution to them.

Mr. Starnes stated Pitt County should see another reduction next year as 2009 was the final year with any Medicaid participation on the part of the County. He stated the budget reflects funding for a growing student population and the opening of new facilities. He stated while the Fund Balance did decrease, it did not appear to be due to overspending. He stated it is apparent that the Board, management and staff took steps to address the economic impacts by cutting budgets and decreasing the fund balance that was originally appropriated to cover costs to minimize use of fund balance and to try and fund the budget within current revenues. He stated part of the use of fund balance can be tied to specific actions such as the final passage of restricted Mental Health funds to ECBH (\$550,000), planned expenditures for the Sheriff and Public Health (~\$300,000) and the balance to the economic conditions of last fiscal year with lower fees collected in areas such as Register of Deeds – fees negatively impacted by the downturn. Mr. Starnes answered questions from the Board.

Mr. Elliott asked Mr. Starnes to explain why a jurisdiction would need a Fund Balance in terms of cash flow. Mr. Starnes stated a Fund Balance is needed in a county because the majority of the revenues come from property taxes. He stated property taxes are not paid twelve months a year. From a cash flow stand point the \$130 million dollar worth of expenses are incurred twelve months at a time and if a county runs their Fund Balance down there would be times when there would not be enough money to pay the bills. Mr. Starnes said another thing to remember is storms are not exclusive and having Fund Balance will allow a county to get services back up and running from a cash flow stand point.

Chairman McLawhorn thanked Mr. Starnes and Ms. Bryan for providing the report.

**Motion:**

Accept report as presented.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Commissioner Beth Ward.

Motion passed unanimously.

**Employee Recognition**

*Employee Service Awards - Florida Hardy*

**Information Provided with the Agenda**

Employees with 5, 10, 15, 20, 25 and 30 years of service with Pitt County are recognized by the Board of County Commissioners each quarter. Employees who reach these 5-year milestones

during a quarter are honored at the next regularly scheduled Commissioner's meeting following that quarter.

**Staff Recommendation**

No Recommendation

Meeting Notes

Chairman McLawhorn, Mr. Elliott and Ms. Florida Hardy recognized employees for their years of service to Pitt County.

**Reception**

**A reception was held at this time**

**Public Addresses to the Board**

**No one spoke.**

**Items for Report**

*Manager's Report - Scott Elliott*

**Information Provided with the Agenda**

Next Meeting Dates;

October 19th - 6pm - Regular Meeting

November 2nd - 9am - Regular Meeting

Dedication of Whitehurst Softball Field, District Park, October 14th @ 10:30am

Update on EPA'S 2008 Ozone Standard Issue (Attainment vs. Non-Attainments vs. Unclassifiable)

Oasis Celebration, October 13th, 8:30 am, CS&R.

Disposition of construction trailer at Detention Center

**Meeting Notes**

Mr. Elliott reviewed the next meeting dates and announced there would be a dedication of the softball field at the District Park. It is to be named after Ed Whitehurst, Sr., on October 14, 2009. Mr. Elliott also reminded the Board of the Oasis celebration on October 13, 2009 at 8:30 am.

Mr. Elliott updated the Board on the ozone standard issue. He said it is a pollutant in the air that causes smog and respiratory ailments in people. The Federal Environmental Protection Agency (EPA) sets the standard for the allowable amount of ozone in the air. In 2008, the EPA set a stricter standard, reducing the amount of allowable ozone emissions from .08 to .075. Pitt County measures the ozone in the air through a monitor located at the County Office Park. Pitt County's ozone measurements were within the .08 standard, but did not meet the new classification .075 standard. If a County is not in compliance, the EPA will require costly

remediation measures, mostly impacting industries that emit ozone into the air through smokestacks. While Pitt County wants to assure good air quality for its citizens, it does not want to negatively impact businesses in challenging economic times. Mr. Elliott said in March, 2009, Pitt County was successful in getting the State of NC Department of Air Quality (DAQ) to recommend to the EPA that Pitt County be “unclassified” with regard to an ozone, which would avoid a finding of non-compliance (also called non-attainment) and costly remediation by the EPA. However, in August, 2009 the EPA decided to review the allowable ozone standard again and it is likely that the standard will become even stricter (lower) than the .075. The new standard is expected to be set in August, 2010. Consequently, the successful efforts made by the County in March, 2009 will no longer be relevant to the EPA and County staff is concerned that Pitt County will not be in compliance with a stricter standard. The Board requested that the Manager contact the NCACC and NACo about this issue.

Mr. Elliott spoke about the temporary construction next to the Detention Center that was being considered for use as a video visitation center. He said at this time the video visitation need is being met within the Detention Center. Mr. Elliott said he will report back to the Board if there is another use for the trailer.

*Department Spotlight - Legal Department - Kiara Jones*

**Information Provided with the Agenda**

The Office of Public Information, in conjunction with Pitt County Legal, has produced the Legal department spotlight. Department spotlights are short videos produced to highlight functions and services of Pitt County departments.

Spotlights are used to communicate with citizens and provide information about County departments that citizens may or may not already be aware of. The spotlights also run regularly on Suddenlink Communications PittTv, Channel 13.

**Staff Recommendation**

Recommend approval of spotlight

**Meeting Notes**

Ms. Kiara Jones introduced the department spotlight on the Legal department and stated department spotlights are short videos produced to highlight functions and services of Pitt County departments.

**Items for Consent**

**Motion to approve items for consent.**

**Motion made by Commissioner Jimmy Garris.**

**Motion seconded by Vice Chairman Kenneth Ross.**

**Discussion:**

**Commissioner Ephraigm Smith asked to be excused from voting on the consent agenda because he is named in the tax refund item as receiving a refund. The Board accepted the request. The Board voted Commissioner Smith abstained.**

*Budget Amendment - CJPP Grant - Additional Funds \$4,798 (No County Funds) - Melonie*

Bryan

**Information Provided with the Agenda**

The Criminal Justice Partnership Program (CJPP) grant funding in the amount of \$131,976 was approved with the adoption of the budget. The legislature authorized additional funding for the CJPP. The additional funding totals \$4,798.

This grant provides funds for services contracted with PORT Human Services.

**Staff Recommendation**

Approved attached budget amendment as submitted.

See Appendix 1

**Manager's Comments**

Concur with recommendation to approve budget amendment.

**Motion:**

Approved attached budget amendment as submitted.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Vice Chairman Kenneth Ross.

Motion passed unanimously.

*Budget Amendment - CIT Grant - \$3,584 (Sheriff's Department)(No County Funds) - Melonie Bryan*

**Information Provided with the Agenda**

This budget amendment appropriates unspent balance of \$3,584 from the CIT grant in order to refund East Carolina Behavioral Health. No local money involved.

**Staff Recommendation**

Approve budget amendment as presented.

See Appendix 2

**Manager's Comments**

Concur with recommendation to approve budget amendment.

**Motion:**

Approve budget amendment as presented.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Vice Chairman Kenneth Ross.

Motion passed unanimously.

*Budget Amendment - Sheriff's Office - Federal Asset Seizure Funds \$5,963 and State Excise Tax Funds \$6,737 (No County Funds) - Donna Preston*

**Information Provided with the Agenda**

The Sheriff's Office has received \$5,963 from the U S Marshal Service as an equitable sharing payment for federal seizures and \$6,737 from the State of NC for state excise taxes collected.

These are restricted funds and must be used for law enforcement purposes.

**Staff Recommendation**

Staff recommends approval of budget amendment as presented.

See Appendix 3

**Manager's Comments**

Concur with recommendation to budget amendment.

**Motion:**

Staff recommends approval of budget amendment as presented.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Vice Chairman Kenneth Ross.

Motion passed unanimously.

*Tax Administration Refunds - Cathy Booker*

**Information Provided with the Agenda**

Ten (10) refunds for the period of September 11, 2009 through September 23, 2009 that are greater than \$100 and require individual Board of Commissioners approval are attached.

**Staff Recommendation**

To approve the Tax Administration refunds as presented and direct staff to process the refunds.

See Appendix 4

**Manager's Comments**

Concur with recommendation to approve tax refunds.

**Motion:**

To approve the Tax Administration refunds as presented and direct staff to process the refunds.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Vice Chairman Kenneth Ross.

Motion passed unanimously.

*Budget Amendment - Workers Comp - \$243,000 - Melonie Bryan*

**Information Provided with the Agenda**

The attached budget amendment establishes funding to pay for extraordinary claims that are now due related to case settlement and partial disability ratings.

**Staff Recommendation**

Approve budget amendment as presented.

See Appendix 5

**Manager's Comments**

Concur with recommendation to approve budget amendment.

**Motion:**

Approve budget amendment as presented.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Vice Chairman Kenneth Ross.

Motion passed unanimously.

*Award of Financing - Computer System Upgrades - Melonie Bryan*

**Information Provided with the Agenda**

At the September 21, 2009 Board meeting, the Board approved the budget for the tri-annual computer system upgrades. At that time, staff was waiting for the bids for the financing to arrive. Staff is now ready to award as we have solicited proposals from area banks and received three (3) responses.

It is the recommendation of staff to award the financing to Wachovia based on their rate being the lowest proposal received. The quotes received were as follows:

Wachovia	3.36%
BB&T	3.83%
RBC	3.38%

The loan will be for \$430,000 at 3.36% with a term not to exceed 42 months. We will make semi-annual payments beginning April 2010. The debt service will be covered within the annual operating budget of the MIS department as this is a planned improvement to our computer systems. Resolution directing staff to consummate this transaction attached for consideration.

**Staff Recommendation**

Move approval of the attached Resolution as presented and direct the County Attorney, County Manager and Deputy County Manager - Chief Financial Officer to execute all documents related to this transaction.

See Appendix 6

**Manager's Comments**

Concur with recommendation to approve the financing of computer system upgrades.

**Motion:**

Move approval of the attached Resolution as presented and direct the County Attorney, County Manager and Deputy County Manager - Chief Financial Officer to execute all documents related to this transaction.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Vice Chairman Kenneth Ross.

Motion passed unanimously.

*Approval of Minutes - Patricia Staton*

**Information Provided with the Agenda**

August 17, 2009 - Regular Meeting  
September 21, 2009 - Regular Meeting

**Staff Recommendation**

Approval of August 17, 2009 and September 21, 2009 minutes as submitted.

**Manager's Comments**

Concur with recommendation to approve minutes.

**Motion:**

Approval of August 17, 2009 and September 21, 2009 minutes as submitted.  
Motion made by Commissioner Jimmy Garris.  
Motion seconded by Vice Chairman Kenneth Ross.  
Motion passed unanimously.

**Items for Discussion**

*New Office Building and Storage for the Sheriff's Office - Phil Dickerson*

**Information Provided with the Agenda**

As directed by the Pitt County Board of Commissioners, the staff has begun the planning process for a new building for the Sheriff's Office. The following is a schedule that can lead to the beginning of construction in the Summer of 2010:

Programming (reliminary) (Identify specific needs)	Start: Already started Complete: November 1, 2009
Hire Architect	Start: October 1, 2009 Complete: December 1, 2009
Prepare Contract Documents	Start: December 15, 2009 Complete: April 1, 2010
Financing	Start: January 1, 2010 Complete: June 1, 2010
Construction	Start: July 1, 2010 Complete: April 1, 2011
Complete	July 1, 2011

The above is a reasonable schedule. It can be somewhat accelerated with the cooperation of all stakeholders. It should be pointed out that, under this schedule, some cash expenditures will be necessary in January 2010. By the time construction begins in July 2010, the County will have spent approximately \$250,000 in professional fees and borrowing costs. The total project cost is estimated to be \$2,000,000. If the cost of the building can be included in a borrowing package related to Pit Community College construction, the cost of borrowing can be minimized.

## **Staff Recommendation**

Item for Discussion

## **Meeting Notes**

Mr. Dickerson said at the Boards request staff is moving forward on the request to find a new office building and storage for the Sheriff's office.

Commissioner James asked how staff came up with the \$250,000 it will cost to build and design this building. Mr. Elliott stated staff presented the request for a new building for the Sheriff's office at the August 19, 2009 meeting and the Board directed staff to proceed with planning, but with the stipulation not to commit the county to fund the project. Mr. Elliott said the \$250,000 being proposed is what it will cost to pay an architect to design a building. Mr. Dickerson said it would cost the county more to rent the army reserve building. He said \$250,000 is an estimate, the project will be done as cheap as possible.

Commissioner Owens apologized for not being present at the last meeting when the Board discussed the space for new office building and storage for the Sheriff's Office.

Discussion was held by the Board on the cost of a new facility for the Sheriff's Office.

### **Motion:**

Table the new office building storage facilities for the Sheriff's office.

Motion made by Commissioner Mark Owens, Jr.

Motion seconded by Commissioner Eugene James.

Motion failed

Vote Record:

David Hammond Yes

Beth Ward Yes

Eugene James Yes

Tom Johnson No

Mark Owens, Jr. Yes

Jimmy Garris No

Melvin McLawhorn No

Kenneth Ross No

Ephraigm Smith No

Voting Totals:

Yes: 4 No: 5

### **Motion:**

Include the \$2 million dollars in the package and bring a detailed analysis of the cost for both facilities so the board can make a decision.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Vice Chairman Kenneth Ross.

Motion passed.

Vote Record:

David Hammond Yes

Beth Ward Yes

Eugene James No

Tom Johnson Yes  
Mark Owens, Jr. Yes  
Jimmy Garris Yes  
Melvin McLawhorn Yes  
Kenneth Ross Yes  
Ephraigm Smith Yes

Voting Totals:  
Yes: 8 No: 1

Commissioner Garris challenged Sherriff Manning to think about how the county can operate the new facility with no net increase operating cost than the capital expense.

### **Items for Decision**

*Call for Public Hearing - Pitt County Schools - Limited Obligation Bonds - Melonie Bryan*

### **Information Provided with the Agenda**

The County is preparing to issue bonds in December 2009 to fund projects on four (4) school campuses. This purpose of this public hearing is to allow for comment on the projects. The bond issue is anticipated to be in the range of \$35 million but the actual size of the borrowing will be approved by the Board of County Commissioner once bids have been received. Additional action on this bond issuance will follow the close of the public hearing at your October 19, 2009 meeting. School staff will be on hand at the hearing and the meeting to answer questions.

The four projects in this package are:

D.H. Conley - Renovations/Additions  
Farmville Central - Renovations/Additions  
Eastern Elementary - Renovations/Additions  
New Elementary School - Construction of new facility - Briarcliffe property

### **Staff Recommendation**

Direct staff to advertise and schedule public hearing on the proposed borrowing for October 19, 2009.

### **Manager's Comments**

Concur with recommendation to advertise for public hearing for 10-19-09. Purpose will be to receive public comment regarding the limited obligation bond instrument to be used for borrowing purposes for Pitt County Schools.

### **Meeting Notes**

Ms. Bryan said the purpose of this public hearing is to allow for comment on the projects. The bond issue is anticipated to be in the range of \$35 million but the actual size of the borrowing will be approved by the Board of County Commissioners once bids have been received. Additional action on this bond issuance will follow the close of the public hearing at the October 19, 2009 meeting.

**Motion:**

Direct staff to advertise and schedule public hearing on the proposed borrowing for October 19, 2009.

Motion made by Commissioner Jimmy Garris.

Motion seconded by Commissioner Beth Ward.

Motion passed unanimously.

*Rural Development Center Grant Resolution Chicod Elementary School - Phil Dickerson*

**Information Provided with the Agenda**

Attached is a resolution that must be approved if the County is going to submit a grant application to the Rural Development Center (RDC) by October 15, 2009 for extending sewer service to Chicod Elementary School.

The grant amount is up to \$500,000 or half the project cost. The Board of Education plans to extend the sewer service when Chicod Elementary School is upgraded and enlarged. The \$500,000, if granted, will lower the cost to the County by that amount.

It appears that the larger project encompassing the area around Hollywood Crossroads is unlikely to be funded by RDC at this time. The application will, therefore, be for funding for the School sewer.

**Staff Recommendation**

Authorize Chairman McLawhorn to sign attached resolution.

See Appendix 7

**Manager's Comments**

Concur with recommendation to approve RDC resolution for the Chicod Elementary School sewer project.

**Meeting Notes**

Mr. Dickerson spoke about the rural development center grant. He stated the grant amount is up to \$500,000 or half the project cost. The board of Education plans to extend the sewer service to Chicod Elementary School.

**Motion:**

Authorize Chairman McLawhorn to sign attached resolution.

Motion made by Commissioner Tom Johnson.

Motion seconded by Commissioner David Hammond.

**Discussion**

Commissioner Smith asked where the lines would run. Mr. Dickerson said down highway 43 to Hollywood crossroads. Mr. Dickerson said there will be some opportunity for additional tap-on but that will be in accordance with the City of Greenville and Greenville Utilities policy.

Motion passed unanimously

**Information Provided with the Agenda**

Holocene, LLC has proposed to install 36 solar collectors on the roof of the new addition to the Pitt County Detention Center. The solar collectors will supply hot water to the Center at a price that is equal to or less than the cost of heating the same volume of water with natural gas. Although the lifecycle cost of supplying hot water from solar collectors is normally higher than the cost for conventional fuels, the 65% State and Federal tax credits, now in effect, make a solar hot water heater system viable. Even though the system will be on County property, the collectors must be privately owned to qualify for the tax credits. However, the tax credits benefit the County by allowing the contractor to charge less for the operation of the system.

The solar hot water system will supplement the Detention Center's existing hot water system. It will not replace it. The County will pay Holocene only for the hot water that its system generates. That volume of hot water is estimated to be 43% of the needs of the new facility.

Sections 4 and 5 of the Memorandum of Understanding (MOU) specify two ways that the County may contract for the system. The staff recommends that the County agree to the "Solar Energy Purchase Agreement". There were ARRA funds potentially available to fund 50% of the construction cost of the solar hot water system. However, the staff did not apply for funds for this project for three reasons. The first reason is that there is not substantial cost difference between receiving 50% of the construction cost and receiving part of the benefit of the 65% tax credit that the private owner (contractor) will receive. Second, County staff has no expertise in operating the system. Third, by buying the energy rather than financing the construction, the County will pay for whatever it receives, not what is promised. The attached MOU, if executed by the County, will obligate the County to accept the project if a detailed engineering evaluation shows that the solar collectors will supply 311 million BTU's annually at \$20.90 - \$25.08 per million BTU's. If the engineering evaluation shows the project meets the above criteria and the County elects not to contract with Holocene, the County will owe Holocene \$13,728 for the engineering evaluation.

The contract term will be for six years. After six years, the County can buy the system for 30% of its initial cost or continue to contract with Holocene to supply energy at a reduced rate.

**Staff Recommendation**

That due to the long term savings and environmental benefits associated with contracting for a solar hot water supply at the Pitt County Detention Center, the Pitt County Board of Commissioners authorize its Chairman to execute the Memorandum of Understanding with Holocene LLC.

See Appendix 8

**Manager's Comments**

Concur with recommendation to execute MOU with Holocene, LLC to provide a solar hot water alternative to the newly constructed F-block unit at the Detention Center.

**Meeting Notes**

Mr. Dickerson spoke about Holocene, LLC proposing to install 36 solar collectors on the

roof of the new addition to the Pitt County Detention Center. The solar collectors will supply hot water to the Center at a price that is equal to or less than the cost of heating the same volume of water with natural gas.

**Motion:**

That due to the long term savings and environmental benefits associated with contracting for a solar hot water supply at the Pitt County Detention Center, the Pitt County Board of Commissioners authorize its Chairman to execute the Memorandum of Understanding with Holocene LLC.

Motion made by Commissioner David Hammond.

Motion seconded by Commissioner Tom Johnson.

**Discussion**

Commissioner Ward asked who will maintain the system. Mr. Dickerson said Holocene LLC., will own and maintain the system for the first 6 1/2 years. He said Pitt County employees will be trained to service the system. Commissioner Ward asked what the total cost would be for the 6 1/2 years. Mr. Dickerson said the energy bill is six thousand a year, or \$6,220 a year for six years. Mr. Elliott stated Pitt County will be able to buy the system six years into the agreement. The amount the county will be paying for is 43 percent of the hot water. He said the system has a 20 year life.

Commissioner Garris asked of the total cost of the items listed in the Memorandum of Understanding, if Pitt County is required to do before the equipment is installed. Mr. Dickerson said no. Commissioner Garris requested adding to the agreement one of the responsibilities is to train county employees to operate, maintain and manage the system once the county purchases the system.

Commissioner Garris asked what the cost to the county would be for the items itemized on page 38. Mr. Dickerson said a couple thousand dollars.

Commissioner Owens asked how much water will be used. Mr. Dickerson said about 15 gallons for each inmate. Commissioner Owens said the cost to Pitt County is less right now than it will be when the panels are installed. Mr. Dickerson said right now it is.

Representatives from Holocene, LLC., spoke to the board about the heating system for the detention center. Mr. Charles McCluer, Business Development Manager and Ralph Thompson, President of Holocene Company. Mr. Thompson stated Mr. Dickerson has done a good job of presenting the concepts. He stated it is unlikely costs will be less, most likely costs will go up. The system is very robust and good for the county.

Commissioners Owens asked how many pounds of water is projected and what is the life time expectancy of the panels. Mr. Thompson said 36 pounds of water and 25 years. Commissioner Owens asked what is the projected maintenance of each panel over the 25 year period. Mr. Thompson said generally they are replaced every five to six years. Commissioner Owens asked how the decision was made to recommend 36 pound panels for the jail. Mr. Thompson said there was a combination of factors, which include cost of current energy, what the demand is and a system called the F charter. He said the F charter is an international strategy for understanding solar energy. Mr. Thompson said the next strategy would be to look at the

older facility.

Motion passed

Vote Record:

David Hammond Yes

Beth Ward Yes

Eugene James Yes

Tom Johnson Yes

Mark Owens, Jr. No

Jimmy Garris Yes

Melvin McLawhorn Yes

Kenneth Ross No

Ephraigm Smith No

Voting Totals:

Yes: 6 No: 3

*Appointment to the Convention and Visitors Authority - Patricia Staton*

### **Information Provided with the Agenda**

At the September 10, 2009 City Council meeting, it was unanimously recommended that Kurt Davis of the Jameson Inn be appointed as the County member to fill an unexpired term ending 07/31/2011, replacing Misbah Hashmi who recently resigned.

### **Staff Recommendation**

Motion to appoint Kurt Davis to replace Misbah Hashmi as Hotel Owner/Operator on the Convention and Visitors Authority.

### **Motion:**

Motion to appoint Kurt Davis to replace Misbah Hashmi as Hotel Owner/Operator on the Convention and Visitors Authority.

Motion made by Commissioner David Hammond.

Motion seconded by Commissioner Jimmy Garris.

Motion passed unanimously.

### **Commissioners' Comments**

### **Information Provided with the Agenda**

### **Adjourn**

### **Motion:**

Adjourn meeting at 11:10am.

Motion made by Commissioner Mark Owens, Jr.

Motion seconded by Commissioner Eugene James.

Motion passed unanimously.

Respectfully Submitted,

Patricia A. Staton, CMC  
Clerk to the Board

Appendix 1

**Budget Amendment - CJPP Grant - Additional Funds  
\$4,798 (No County Funds)**

**Pitt County  
Finance**

**Budget  
Amendment  
Request**

**Department:** CJPP Grant

**Date of Request:** 10/5/09

**FY Budget:** 09/10

ACCOUNT NO.	TITLE OF ACCOUNT	INCREASE	DECREASE
243620 436014 09	CJPP Grant	4,798	
245620 512201 09	Contract Salaries	307	
245620 519301 09	Contractual	775	
245620 526000 09	Office Supplies	2,000	
245620 531200 09	Travel General	1,716	

**Department Justification:** (Please provide detailed explanation)

Grant award increase for 09-10 from Criminal Justice Partnership Program contracted to PORT Human Services

If amendment deals with adding, deleting, or modifying a position, County Position No. (& State, if applicable) must be referenced.

**County Position No.** \_\_\_\_\_

**State Position No.** \_\_\_\_\_

APPROVAL	SIGNATURE	DATE
<b>Department Head</b>		
<b>Finance Department</b>		
<b>Human Resources</b>	Required for actions involving Personal Services Accounts	
<b>County Manager</b>	Required for transfers between Personal Services, Operating & Capital account	
<b>Board of Commissioners</b>	Agenda Item No. _____ Reference No. _____	

Appendix 2

Budget Amendment - CIT Grant - \$3,584 (Sheriff's  
Department)(No County Funds)

**Pitt County  
Finance**

**Budget  
Amendment  
Request**

**Department:** Sheriff - CIT

**Date of Request:** 10/05/2009

**FY Budget:** 09-10

ACCOUNT NO.	TITLE OF ACCOUNT	INCREASE	DECREASE
243735 483000	Refund	3,584	
245735 569399	Refund Prior Year	3,584	

**Department Justification:** (Please provide detailed explanation)

Final accounting computation for CIT program. Refund due for money not expended.

If amendment deals with adding, deleting, or modifying a position, County Position No. (& State, if applicable) must be referenced.

**County Position No.** \_\_\_\_\_

**State Position No.** \_\_\_\_\_

APPROVAL	SIGNATURE	DATE
<b>Department Head</b>		
<b>Finance Department</b>		
<b>Human Resources</b>	Required for actions involving Personal Services Accounts	
<b>County Manager</b>	Required for transfers between Personal Services, Operating & Capital account	
<b>Board of Commissioners</b>	Agenda Item No. _____ Reference No. _____	

Appendix 3

**Budget Amendment - Sheriff's Office - Federal Asset  
Seizure Funds \$5,963 and State Excise Tax Funds  
\$6,737 (No County Funds)**

**Pitt County  
Finance**

**Budget  
Amendment  
Request**

**Department:** Sheriff's Office - Fed & State

**Date of Request:** 09/22/09

**FY Budget:** 09-10

ACCOUNT NO.	TITLE OF ACCOUNT	INCREASE	DECREASE
223601-426600	Federal Asset Seizure	5,963	
225601-553002	Communications Equipment	5,963	
223602-426500	State Excise Tax	6,737	
225602-525000	Repairs & Maintenance	6,737	

**Department Justification:** (Please provide detailed explanation)

To appropriate funds received from the Federal and State for taxes and seized assets. These are restricted funds to be used solely for law enforcement purposes.

If amendment deals with adding, deleting, or modifying a position, County Position No. (& State, if applicable) must be referenced.

**County Position No.** \_\_\_\_

**State Position No.** \_\_\_\_

APPROVAL	SIGNATURE	DATE
<b>Department Head</b>		
<b>Financial Services</b>		
<b>Human Resources</b>	Required for actions involving Personal Services accounts.	

<b>County Manager</b>	Required for transfers between Personal Services, Operating & Capital accounts.	
<b>Board of Commissioners</b>	Agenda Item No. _____ Reference No. _____	

Appendix 4

**Tax Administration Refunds**

**Tax Administration Refunds**

**Meeting Date: October 5, 2009**

<i>Payee</i>	<i>Amount</i>	<i>Reference (Bill No. or Parcel No. and Year)</i>
<b>Greenville Utilities Commission</b> (same)	<b>411.45</b> <b>411.45</b>	0000353911-2008-2008-000000 0000353911-2009-2009-000000
<b>Pitt County Tax Collector</b> <b>(Re: Daniels, Virginia)</b>	<b>274.06</b>	0000543511-2008-2008-000000
<b>Pitt County Tax Collector</b> <b>(Re: Conners-Gatreau, Lindsay)</b>	<b>185.35</b>	0000535553-2008-2008-000000
<b>Pitt County Tax Collector</b> <b>(Re: Smith, Stella and/or Smith, Rex S.)</b> (same) (same) (same)	<b>233.08</b> <b>182.37</b> <b>302.95</b> <b>245.46</b>	0000265614-2006-2006-000000 0000265615-2007-2007-000000 0000265615-2008-2008-000000 0000265615-2009-2009-000000
<b>Smith, Ephraigm H.</b> (same)	<b>210.46</b> <b>197.66</b>	0000236672-2007-2007-000000 0000236672-2008-2008-000000

Appendix 5

**Budget Amendment - Workers Comp - \$243,000**

**Pitt County  
Finance**

**Budget  
Amendment  
Request**

**Department:** Workers Comp

**Date of Request:** 10/05/09

**FY Budget:** FY09-10

ACCOUNT NO.	TITLE OF ACCOUNT	INCREASE	DECREASE
852900 499100	Fund Balance Appropriated	243,000	
854020 518600	W/C Claims	243,000	

**Department Justification:** (Please provide detailed explanation)

Clincher of \$150k + \$15k Medicare set aside – BOCC concensus 09/21/09  
50% ppd – knee - \$78k

If amendment deals with adding, deleting, or modifying a position, County Position No. (& State, if applicable) must be referenced.

**County Position No.** \_\_\_\_\_

**State Position No.** \_\_\_\_\_

APPROVAL	SIGNATURE	DATE
<b>Department Head</b>		
<b>Finance Department</b>		
<b>Human Resources</b>	Required for actions involving Personal Services Accounts	
<b>County Manager</b>	Required for transfers between Personal Services, Operating & Captial account	
<b>Board of Commissioners</b>	Agenda Item No. _____ Reference No. _____	

Appendix 6

Award of Financing - Computer System Upgrades

**Resolution Approving Financing Terms**

**WHEREAS:** The Pitt County (“County”) has previously determined to undertake a project for the financing of Computer Equipment, and the Deputy County Manager/Chief Financial Officer has now presented a proposal for the financing of such Project.

**BE IT THEREFORE RESOLVED, as follows:**

1. The County hereby determines to finance the Project through Wachovia Bank, NA in accordance with the proposal dated September 18, 2009. The amount financed shall not exceed \$430,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 3.36%, and the financing term shall not exceed forty-two (42) months from closing.

2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the County are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and a Project Fund Agreement as Wachovia Bank, NA may request.

3. The Deputy County Manager/Chief Financial Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Deputy County Manager/Chief Financial Officer is authorized to approve changes to any Financing Documents previously signed by County officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Deputy County Manager/Chief Financial Officer shall approve, with the Deputy County Manager/Chief Financial Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The County shall not take or omit to take any action the taking or omission of which will cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The County hereby designates its obligations to make principal and interest payments under the Financing Documents as "non-qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3) as the County will issue debt greater than \$30 million this calendar year.

5. The County intends that the adoption of this resolution will be a declaration of the County's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the Wachovia Bank, NA financing described above. The County intends that funds that have been advanced, or that may be advanced, from the County's general fund, or any other County fund related to the project, for project costs and costs related to closing this transaction may be reimbursed from the financing proceeds.

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

Date: October 5, 2009

SEAL

\_\_\_\_\_  
Melvin McLawhorn, Chairman

Attest: \_\_\_\_\_  
Patricia A. Staton, Clerk

Appendix 7

Rural Development Center Grant Resolution Chicod  
Elementary School

**SUPPLEMENTAL PROGRAM  
AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE  
APPLICANT**

**WHEREAS**, In the summer of 2008, the North Carolina General Assembly included a \$50 million appropriation to the North Carolina Rural Economic Development Center in the FY2007-2009 state budget, for the purpose of making grants to rural communities in need of water and wastewater infrastructure improvements; and

**WHEREAS**, Pitt County has need for and intends to construct a wastewater collection system project described as Chicod Elementary School Pump Stations and Force Main; and

**WHEREAS**, Pitt County intends to request grant assistance from the Supplemental Grants Program for the project;

**NOW THEREFORE BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE COUNTY:**

That Pitt County will arrange financing for all remaining costs of the project, if approved for a grant.

That Pitt County will provide for efficient operation and maintenance of the project on completion of construction thereof.

That D. Scott Elliott, County Manager, and successors so titled, is hereby authorized to execute and file an application on behalf of the Pitt County with the NCREDC (Rural Center) for a grant to assist in the construction of the project described above.

That D. Scott Elliott, County Manager, and successors so titled, is hereby authorized and directed to furnish such information as the Rural Center may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Pitt County has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this the \_\_\_\_\_ day of October, 2009 at Greenville, North Carolina.

\_\_\_\_\_  
**SIGNATURE OF CHIEF ELECTED OFFICIAL/AUTHORIZED  
REPRESENTATIVE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
Melvin McLawhorn  
**TYPED NAME**

\_\_\_\_\_  
Chairman of the Board of County Commissioners  
**TYPED TITLE**

**ATTEST:**

(Seal) =

**SUPPLEMENTAL PROGRAM**  
**AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE**  
**APPLICANT**

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*Clerk*

Appendix 8

Proposal to Supply Hot Water to the Detention  
Center (F-Block)

**Memorandum of Understanding  
Pitt County, North Carolina  
And  
Holocene, LLC.**

**THIS AGREEMENT**, entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2009, is by and between Pitt County, North Carolina (hereinafter called “Pitt County”) and Holocene, LLC (hereinafter called “Holocene”).

Pitt County covers 651.58 square miles of prime agricultural land in eastern North Carolina. According to the United States Census, the total population of the county is 152,068. Established in 1760, Pitt County has operated under a County Manager government since 1970. This position is currently held by D. Scott Elliott.

Holocene, headquartered in Raleigh, North Carolina, is an industry leader in renewable energy development with numerous commercial, institutional, and residential projects throughout the US.

**1. Scope of this Agreement**

Pitt County has agreed to engage Holocene in the development of a solar thermal installation to provide domestic hot water for Pitt County Detention Center located at 124 New Hope Road in Greenville. Holocene has prepared a preliminary study based on available information to assess the costs and benefits of such a system. This agreement is to document the parties’ intentions to move forward with the project to completion and to establish the obligations and rights of each party.

**2. Preliminary Findings**

The current system for heating water in the recently constructed addition to the Detention Center uses natural gas from a centralized boiler. By utilizing F-Chart, the industry standard program for solar energy modeling, Holocene has determined that a solar thermal system comprised of 36 collectors on the roof of the complex will create an estimated 311.8 mmBtu of energy annually. This represents 43% of the building’s total domestic hot water demand. The total estimated cost to engineer, purchase and install this system as designed is \$179,274.

In addition to the long term cost savings, this installation will have significant environmental benefits. Preliminary analysis of the energy generated by the solar thermal system indicates a savings of approximately 26 tons of CO<sub>2</sub> per year, assuming a current overall system efficiency of 70%.

Federal Tax Credits, NC Tax Credits, Accelerated Depreciation, and Property Tax Exemptions apply for entities with tax liability.

### **3. Design Scope**

Holocene has created a Manual of Practice for solar thermal systems. This Manual of Practice includes specifications for pumps, collectors, heat exchangers, controls, monitoring, piping, insulation and mounting hardware. Also, the Manual of Practice includes typical details for penetrations and roofing.

The bid-ready design will include solar collector configuration and quantity, pipe sizes and routing, plus sizing and configuration for pumps, controls, heat exchangers and storage tanks. Holocene will provide the energy model results to confirm the design, energy benefit and environmental benefits.

Pitt County is responsible for providing historical energy load data used in this project. Pitt County will also provide existing drawings sufficient for determining the structural capacity of the roof. Pitt County is also responsible for arranging roof connections and penetrations in coordination with the existing roof warranty. The cost associated with these will be borne by Pitt County directly. Holocene will advise on the locations and sizing of roof curbs and roof penetrations necessary for mounting the system and for pipe penetrations.

Holocene and Pitt County agree to perform the work described below in order to further validate the preliminary estimated cost and benefits.

Holocene agrees to the following:

- a) Complete an engineering study sufficient for a firm price offer and confirmation of energy output.
- b) Supply a firm price offer (System Purchase Agreement) for the designed installation.
- c) Supply a financial offer (Solar Energy Purchase Agreement) that embeds the cost of the installation with the benefit of available tax credits, accelerated depreciation, grants, etc.
- d) Conduct a Project Review Meeting at which the commitment to continue the project will be confirmed.

Pitt County agrees to the following:

- a) Provide access to the facility and to utility records necessary to establish the current facility energy use.
- b) Provide architectural, electrical, and mechanical building drawings for temporary use in preparing designs
- c) Provide Holocene with an exclusive period of 60 days to submit the designs, engineering study, System Purchase offer, and a Solar Energy Purchase Agreement.
- d) Timely review and execution of Holocene offer within 30 days of receipt of

- the offer.
- e) Attend the Project Review Meeting where the commitment to continue the project will be confirmed.

In the event that Holocene's firm price offer exceeds 20% of the preliminary estimate stated in this Memorandum of Understanding, Pitt County is free to terminate the project at no cost. If Holocene's firm price offer is within 20% of this preliminary estimate and Pitt County chooses to continue the project to completion, the cost of the engineering study is included in the offer. However, if Holocene's firm price offer is within 20% of the preliminary estimate and Pitt County chooses not to proceed with the project, Pitt County will reimburse Holocene for the cost of the engineering study which is estimated to be \$13,728. (This does not include the value of using the Holocene Basis of Design intellectual property.)

Holocene retains all rights to the project design, drawings, analysis, and pricing until a Holocene contract for the installation is executed. Pitt County agrees to hold the results of the work done under this Memorandum of Understanding in complete confidence unless given written permission from Holocene to share the information with another party. In all cases, Holocene retains exclusive rights to the copy-righted Manual of Practice.

#### **4. Firm Price Offer (System Purchase Agreement)**

At the conclusion of the detailed design phase described in Section 3, Holocene will provide a System Purchase Agreement based on a contract with a one year warranty as well as the manufacturer's warranty on the collectors, pumps, storage and heat exchangers. Holocene will offer an annual maintenance plan with the installer. Also, Holocene recommends a continuous web-based monitoring monthly agreement to provide confirmation of system operation and to document the ongoing benefits of the system.

Holocene estimates the proposed project cost to be \$179,274. The system will produce approximately 311.8 mmBtu per year, based on historical energy demand information provided by Pitt County.

Should Pitt County prefer this payment strategy, the contract will be with Holocene, LLC.

#### **5. Financial Offer (Solar Energy Purchase Agreement)**

Holocene Finance, LLC (hereafter called "Holocene Finance") is the project finance arm of Holocene, and manages the assets, finance, tax credits, and operations. Holocene Finance's Solar Energy Purchase Agreement provides Pitt County with a monthly payment plan based on the amount of energy created by the system. The proposed rate is



**Holocene**

Bright ideas. Real solutions.

\$20.90 per mmBtu, with a minimum annual usage of 311.8 mmBtu over the term of the six year contract. The Solar Energy Purchase Agreement includes the cost of maintenance and monitoring over the life of the contract.

At the end of year six, Pitt County may purchase the system at 30% of the original cost or extend the terms of the Solar Energy Purchase Agreement for an additional 14 years. Should Pitt County prefer this payment strategy, the contract would be with Holocene Finance, LLC.

## **6. Holocene Team**

Holocene was formed by industry leaders in solar thermal systems and construction management services, including strategic enterprise improvement and sustainable project execution.

Ralph Thompson has over 35 years of construction management experience, helping owners, developers, contractors and sustainable industry manufacturers integrate and execute best practices and sustainable strategies into a wide range of projects. Ralph also has decades of supply chain management in the construction industry including design, procurement, contracting and facility management.

Ben Gravely, PhD, also has over 35 years experience providing solar thermal systems of all sizes that are simple, efficient, and durable. He has pioneered the latest engineering strategies to provide the best benefit from solar energy, with a practical maintenance and monitoring approach. He has written computer programs for energy and financial modeling of solar thermal systems. Dr. Gravely is one of the founders of the NC Solar Center and has thousands of installations throughout the US.

Holocene has an alliance with Stantec, an internationally recognized leader in designing sustainable solutions. Holocene has established a Manual of Practice for these systems that standardizes the Specifications and Sourcing for Collectors, Storage, Pumps, Piping, Insulation, and Monitoring. The Manual of Practice also includes standardized details for mounting, penetrations and waterproofing. Of significant importance, the Manual of Practice includes the set up of the F-Chart Modeling software to optimize systems and accurately predict the energy use savings and associated Green House Gas offsets. The use of this Manual of Practice is included in our operation and there is no charge to the project budget. However, the Manual of Practice has copyright protection and remains the property of Holocene.

## **7. Confidentiality**

Pitt County (and any engaged consultants) agrees to treat as confidential all information contained in this Memorandum of Understanding, Holocene's final proposal, and the Holocene Manual of Practice, and to disclose information therein only to those



individuals needing access to the information in furtherance of the project and who will treat this information as confidential.

**8. Exclusions of Responsibility**

Pitt County will be responsible for arranging for the contracting and warranty of all roofing related components.

**9. Entire Agreement**

This Agreement sets forth the entire agreement of the parties as to its subject matter and supersedes all prior agreements, negotiations, representations, and promises between them with respect to its subject matter. This Agreement is binding upon and will inure to the benefit of each party and their respective successors and assigns. This Agreement may not be amended unless the amendment is in writing and signed by authorized representatives of the parties. This Agreement, and any and all disputes directly or indirectly arising out of or relating to this Agreement, shall be governed by and construed in accordance with the laws of the State of North Carolina, without reference to the choice of law rules thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in two (2) or more counterparts, each of which shall for all purposes be deemed an original, as of the day and year first above written.

Pitt County, North Carolina  
Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

Holocene, LLC  
Sign: \_\_\_\_\_  
Date: \_\_\_\_\_