

MONDAY, JUNE 2, 2008

The Pender County Board of Commissioners met in regular session on Monday, June 2, 2008 at the Pender County Public Assembly Room, 805 South Walker Street, Burgaw, North Carolina.

MEMBERS PRESENT: Chairman James David Williams, Jr., presiding; Vice Chairman Jimmy Tate; and Commissioners Norwood Blanchard, George Brown and F.D. Rivenbark.

MEMBERS ABSENT: None.

OTHERS PRESENT: Paul Parker, Interim County Manager; Glenda Pridgen, Deputy Clerk to the Board; other staff and members of the Press and public.

CALL TO ORDER

Chairman Williams called the meeting to order at 4:00 p.m. and thanked and welcomed all attending the meeting.

INVOCATION

Commissioner Tate offered the Invocation.

PLEDGE OF ALLEGIANCE

Commissioner Williams led the Pledge of Allegiance.

PUBLIC INFORMATION

Chairman Williams welcomed Mr. Parker back as Interim County Manager, welcomed Patrick Davenport as new Planning Director and gave a brief history of Mr. Davenport's background. Mr. Davenport said he had ridden around the county over the weekend and that he was impressed with the beaches, rural area, etc.; that he hopes to make a difference for the betterment of the county; and that he appreciates the Board of Commissioners for having him.

1. Proclamation by the Pender County Board of Commissioners Commending Robert Heriot Clarkson, Jr. for Achieving the Eagle Scout Award.

Chairman Williams called Mr. Clarkson forward and read and presented him with the Proclamation and presented him with a county pin. Mr. Clarkson thanked the Board.

2. Results of Actuarial Study Concerning Post Employment Benefits (GASB 43 & 45).

Finance Officer David McCole gave the results of the December 31, 2006 actuarial study concerning post employment benefits (health care benefits paid to employees after retirement). He said Pender County uses a "pay as you go" plan, as does most government entities; that the actuary relied on data provided by the employer and the Local Governmental Employees' Retirement System; that the actuary performed tests for consistency and reasonability; that the annual required contribution was determined in accordance with the accounting requirements under GASB Statement No. 43 and GASB Statement No. 45; that the valuation was based on an assumed interest rate of 4%; that costs were determined using the Projected Unit Credit Actuarial Cost Method; and that the annual service cost is the present value of the portion of the projected benefit attributable to participation service during the upcoming year, and the accumulated postretirement benefit obligation is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Mr. McCole said he recommends the County stay with the pay as you go plan. No formal action was taken by the Board.

CONSENT AGENDA

Mr. Williams presented the five items on the Consent Agenda and asked for any questions or discussion. There being none, Mr. Rivenbark made a motion to approve the Consent Agenda as presented, Mr. Tate seconded the motion and the Board voted unanimously to approve the Consent Agenda as follows:

3. Approval of Minutes for the April 24, 2008 Continued Meeting, May 5, 2008 Regular Meeting, May 9, 2008 Continued Meeting, May 16, 2008 Continued Meeting, and May 19, 2008 Budget Work Session.
4. Resolution Approving Tax Releases and Refunds to the Individuals Listed Herein.
5. Resolution Approving the County's Local Match for Two New Vans Acquired through North Carolina Department of Transportation to Provide Transportation Services in Pender County: \$9,118.44.
6. Budget Ordinance Amendment to Approve Increase in Vehicle Replacement Revenues and Expenditures for Fiscal Year 2007-2008: \$13,800.
7. Resolution by the Pender County Board of Commissioners: 2008 Elder Abuse Awareness Month - June, 2008.

RESOLUTIONS

8. **Public Meeting & Resolution to Request Approval of a Final Application Requesting Grant Funds in the Amount of \$700,000 to the North Carolina Public Beach and Coastal Waterfront Access Program.**

Parks & Recreation Director Dee Turner explained that this item is for the Board of Commissioners' approval of Pender County's final application requesting grant funds in the amount of \$700,000; that \$700,000 is the most we could apply for; that the WAMI money we applied for earlier will take care of the required match; and that it will cost nothing to the County. Mr. Brown made a motion to approve the resolution, Mr. Rivenbark seconded the motion and it was unanimously approved.

9. **Resolution Approving the Selection of Grant Administrator and Execution of Administration Contract for the 2008 CDBG Scattered Site Grant.**

Planner Jeff Jowett explained that with the assistance of the selected consulting firm, Pender County intends to apply for the 2008 Scattered Site Community Development Block Grant through the North Carolina Division of Community Assistance; that requests for proposal for administrative services were mailed to six firms, the RFP was advertised in the Pender Post and Topsail Voice and posted on the Pender County website; that three proposals were received and based on cost-effectiveness, expertise and experience in the field and their close proximity to Pender County, Holland Consulting Planners were recommended award of the contract; that a public hearing was held on May 19, 2008 to receive public comment on the County's intention to apply for the grant and it was unanimously approved by the Board for staff to apply; and that the Board of Commissioners is requested to approve the selection of a grant administrator and authorize execution of an administration contract, subject to final approval by the North Carolina Division of Community Assistance. Mr. Rivenbark made a motion to approve the resolution, Mr. Blanchard seconded the motion and it was unanimously approved.

10. **Resolution to Declare One County-Owned Vehicle as Surplus and Transferring Title to Pender Adult Services.**

Mr. Parker said the purpose of this resolution is to declare an already surplussed vehicle as surplus. Mr. Williams added that it is also transferring ownership of it. Mr. Blanchard made a motion to approve the resolution, Mr. Rivenbark seconded the motion and it was unanimously approved.

11. **Resolution Authorizing Consent of Contract Assignment: New Hanover County Water & Sewer Conveyance Agreements to the Cape Fear Public Utility Authority.**

Mr. Williams noted that County Attorney Trey Thurman is ill and won't be attending the meeting.

Mr. Mack explained the resolution. He said that on July 1, 2008, the Utility operations of both the City of Wilmington and the County of New Hanover will be consolidated into the Cape Fear Public Utility Authority; that Pender County currently has agreements with New Hanover County to convey the sewer generated in the Rocky Point area to the New Hanover County wastewater collection system via a pipeline under the Northeast Cape Fear River and then on to the City of Wilmington where it is treated at the Northside Treatment Plant; that as of July 1, 2008, with this authorization, Pender County will be contracting with the new Authority for sewer conveyance; and that the Board of Commissioners of Pender County is requested to approve the assignment of all contracts currently with New Hanover County for water/sewer conveyance to the new Cape Fear Public Utility Authority, effective July 1, 2008. Mr. Williams wanted clarification that this in no way prevents Pender County from making any future interlocal agreements with New Hanover County; Mr. Mack said it is his understanding that the Authority will want

to be a part of any future agreements. Mr. Rivenbark made a motion to approve the resolution, Mr. Blanchard seconded the motion and it was unanimously approved.

SCOTTS HILL WATER & SEWER DISTRICT

The Board convened as the Scotts Hill Water & Sewer District at 4:29 p.m.

12. Resolution Authorizing Execution of Reimbursement Resolution for Scott's Hill Water Projects.

Mr. Mack explained that Pender County intends to construct a water distribution system in the Scott's Hill Water & Sewer District, financed primarily by General Obligation Bonds approved by voters in November of 2006; that this funding will be supplemented with other county funding as needed; that the County intends that any funds expended in advance of the bond sale be deemed eligible for reimbursement from the financing proceeds; and that approval of this resolution is required for reimbursement and is recommended by Bond Counsel. Mr. Brown made a motion to approve the resolution, Mr. Rivenbark seconded the motion and it was unanimously approved.

PENDER COUNTY WATER & SEWER DISTRICTS

Mr. Williams clarified that the Board can address this item as the Pender County Board of Commissioners and the Board reconvened at 4:30 p.m.

13. Resolution Authorizing Execution of Reimbursement Resolution for Pender County Water Projects.

Mr. Mack explained that Pender County intends to construct a 2 Million Gallon Per Day (MGD) surface water treatment plant, financed primarily by General Obligation Bonds approved by voters in November of 2006; that this funding will be supplemented with other county funding as needed; that the County intends that any funds expended in advance of the bond sale be deemed eligible for reimbursement from the financing proceeds; and that approval of this resolution is required for reimbursement. Mr. Brown made a motion to approve the resolution, Mr. Rivenbark seconded the motion and it was unanimously approved.

DISCUSSIONS

14. Drainage Issues: Black River and Sills Creek and County in General.

Administrative Assistant Melinda Knoerzer highlighted a memo she had sent to the Interim County Manager with respect to these drainage issues. A copy of the full memo is attached to these minutes and incorporated herein by reference as Exhibit A. Mr. Tate asked what are the problems specifically pertaining to Sills Creek and Ms. Knoerzer said mostly Alligator Weed and the way the water flows. Ms. Knoerzer said they had pretty much identified the problems and they need to know what to do now. Mr. Tate said the Board had already approved the formation of a task force to study drainage issues. Ms. Knoerzer said they would continue to work on this and Mr. Tate asked her to keep him informed of their progress. A video was then shown of the Black River taken on May 23, 2008. Jason Turner of Pender Soil and Water Conservation explained that the video is showing the old course of the river and how it has taken on a new course; that part of the river is nothing but vegetation and dirt and is impassable; that sediment and aquatic weed are the big issues; that there is no channel bottom and when you start to clean up you need a channel; that some agencies may not let us touch the river; and that it's going to be a challenge, even with a task force at work. Mr. Tate said speaking to urgency, if we don't do something now, the problems will escalate and that the task force needs to develop a strategic plan and bring it back to the Board. Ms. Knoerzer said that former Planning Director Joey Raczowski was trying to get an updated Stormwater Management Plan before he left; that this is an important step of the process; that she will proceed to get the Task Force together; and that they will proceed to get a formal resolution together.

15. Discussion of Water Capacity Fees.

Mr. Mack explained that the Board established county-wide water and wastewater capacity fees in August of 2005; that Capacity Fees (also called impact or facility fees) are a charge or assessment imposed against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development; that these fees were initially established based on the current cost range of water and wastewater treatment in 2005 and have been subsequently increased in three separate resolutions to the current rate of \$4.00 per gallon for water capacity and \$20.00 per gallon for wastewater capacity; that both rates are based on consumption estimates in the NC Administrative Code; that based on these standards, a 3/4" water tap will be assessed based on 360 gallons per day of usage at a minimum and this would equate to a Capacity Fee charge of \$1,440 for a standard three-bedroom house; that commercial capacities vary based on their

planned use; that for new home construction, these fees are to be paid before the Building Permit is issued and for existing homes that did not sign up and/or deposit the \$120 tap fee, the Capacity Fee is to be paid at the time of application for water/wastewater service; and that this information is included in the proposed Water and Sewer Ordinance and public comment will be received at the Public hearing on the Ordinance on June 16, 2008. Mr. Blanchard asked if there are users that haven't paid and if so, how many. Mr. Mack said he would assume there are users that haven't paid and that he doesn't know how many. He said there are new parcels that may not be paying; that there is no enforcement mechanism in place; and that the collection process had some problems. Mr. Blanchard asked if they can find out if there are non-paying users and Mr. Mack responded they can go back to the books and check each one. Mr. Tate said he is concerned why fees weren't collected. Mr. Mack noted that Capacity Fees are set aside for Capital Improvements alone. Mr. Brown said he's getting lots of calls from people who are concerned that the fees were implemented without giving proper notice to the public. He asked that when these capacity fees were implemented, was it set that they applied to everyone and Mr. Parker responded that Capacity Fees were initially intended for residential and commercial developers; however the intent was eventually to move toward collecting this fee from all new connections. Mr. Brown asked how the public found out about capacity fees and if they were given advanced notice. Mr. Parker said there was no stipulation put on who was to pay Capacity Fees. He said there had been three capacity fee increases since it was first implemented all of which were done by resolution, in open session and reported in the minutes. Mr. Blanchard instructed staff to bring back copies of all the relevant resolutions. All Board members agreed that any increase in fees should be advertised well before implementing the fees; Mr. Williams said maybe we need to advertise it now. In response to a question by Mr. Brown, Mr. Mack said there were twenty-one sign-ups since the latest fee increase – with ten being residential and eleven non-residential. Mr. Brown asked if we could go back and reimburse fees to the ten residents and re-advertise and give residents a certain number of days to sign-up before the new fees are implemented. Mr. Williams expressed legal concerns about this; Mr. Brown said we can consult with the Attorney; and Mr. Williams said we can do our homework and discuss at the next meeting. The Board re-iterated the need to advertise well ahead of time before implementing any new or increased fees.

APPOINTMENTS

16. Resolution Approving Appointment of Citizen to the Housing Initiative Board and/or Tourism Development Authority.

Chairman Williams explained that Ms. Barbara Baker is applying for a position on the Pender County Housing Initiative Board and/or a position on the Tourism Development Authority. Mr. Williams suggested we "let things settle down a little more on the TDA" and run the ad again. It was the consensus of all Board members to re-advertise the TDA position. Mr. Tate made a motion to appoint Ms. Baker to the Pender County Housing Initiative Board, Mr. Rivenbark seconded the motion and it was unanimously approved.

17. ITEMS FROM THE COUNTY MANAGER/ COUNTY ATTORNEY/COUNTY COMMISSIONERS

Chairman Williams said there is potential for a contract with New Hanover County but we will wait for the County Attorney's input.

Mr. Tate said he has a community meeting in Northern Pender County on Thursday in collaboration with citizens, county staff and others, and invited all Commissioners to attend. Mr. Tate also said he had met with the Corps of Engineers and DWQ staff concerning Willard drainage problems, that he will take a tour with staff on June 17th to look at drainage issues in Penderlea; and that he will be speaking at Mt. Pisgah Baptist Church in Burgaw on Sunday and invited all to attend.

Mr. Williams commended the Board for having a successful budget work session earlier in the day and commended the Board on a healthy discussion and doing a good job.

PUBLIC COMMENT

Mr. Lofton Cox of Tabor City commended the board on having open meetings. His concerns were that his family owns property at 780 River Birch Rd.; that they had been coming there for seventeen years to camp out; that previous family members had obtained septic permits before giving them this property long ago; that because of complaints made by other citizens they are now being told they are out of compliance because they're in a flood zone; and that

Code Enforcement Officer Ralph Kays said they already know about these zoning issues but they never do anything unless they get complaints. He wanted to know why Rochester Amusements on Highway 53 is allowed to have campers in a flood zone and they are not, and said he is appealing to the Board's good judgment to "grandfather" the property that was already there before the area was zoned FA, Flood Area. Mr. Williams said there are issues with "grandfathering" flood areas, such as insurance issues.

Mr. Doug Norment of Wilmington spoke in agreement with Mr. Cox. He said he's in the same situation as Mr. Cox; that one lady is targeting him but everyone else in the area is being affected; that campers don't devalue the property as insinuated; and that he hopes the Board will grandfather the campers/trailers already in the area before the rezoning.

Mr. Brown asked if folks living in the flooded area who chose not to have their homes bought out by FEMA but instead continued to remain on their land are any different than these folks with the campers.

Mr. Greg Shipton of Rocky Point spoke about other counties allowing citizens to do work to offset some of the costs of their property taxes and about having four-day workweeks for county employees during the summer months and asked if the Board had ever considered these issues. Mr. Williams said there would be liability issues.

Mr. Leon Lewis of Rocky Point spoke about the addition of impact fees to signing up for water. He said he went to the Utilities Department in April but wasn't ready to sign up because he had things to do with his property. He said staff told him he could come back at anytime but didn't tell him that impact fees would be added later. He said it should be advertised and people should know before they go to sign up and that he thought impact fees were for commercial only. Mr. Brown thanked Mr. Lewis.

A break was taken at 5:45 p.m. and the meeting reconvened at 7:00 p.m.

ADDENDUM

Mr. Williams announced that there is a "little housekeeping" matter that needs to be taken care of: Staff had prepared a resolution to approve appointment of Interim County Manager Paul Parker as Clerk to the Board. Mr. Tate made a motion to approve the resolution, Mr. Brown seconded the motion and it was unanimously approved.

PUBLIC HEARING

18. Public Hearing on Pender County Fiscal Year 2008-09 Submitted Budget.

The public hearing opened at 7:08 p.m. Mr. McCole reviewed some of the highlights from the earlier 2:00 p.m. Work Session: additional funding requests and cuts that were made. Mr. Williams said the most significant changes that had been made since the May 19th Work Session was the addition of \$250,000 for four School Resource Officers and a commitment of \$100,000 per year to Cape Fear Community College at Surf City, rather than the recommended \$50,000.

School Board Chairman Tom Roper thanked the Board for allowing him to speak, for funding the additional School Resource Officers and spoke on the Schools' needs. Mr. Roper said that with the County's continued growth, there is still not enough funding for maintaining the Schools; that they don't have discretionary funds for academics, painting, plumbing, and wiring; that they haven't added a plumber or painter for ten years; that they have a desperate need to add central office staff; and that one of the major needs is to include clerical support for high school counselors to free them up to help students find scholarships and for drop-out prevention. He said they are appreciative of what the Board is recommending, but would like them to consider these other requests. Mr. Williams said the Board will consider the requests, but positions requested by other departments had been cut and the Board can't raise the tax rate at this time. He said out of the \$250,000, \$24,000 came from Fund Balance and the rest came from cutting new position requests. Mr. Tate was concerned about West Pender School's Arts programs and asked if they could make the current part-time arts teacher full-time. Mr. Roper said that in their initial budget, they did consider making this a full-time position. Mr. Brown asked about the status of the \$200,000 surplus that was previously considered to be given to the Schools but eventually went to DSS. Mr. McCole said the \$200,000 hasn't been fully spent but we won't know for sure how much until the books are closed out. He said he is keeping in

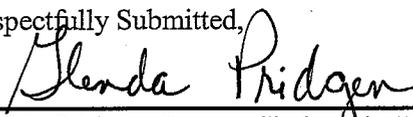
contact with DSS staff concerning this. Mr. Tate asked where the greatest need is and Mr. Roper said maintenance, clerical and counselors are the highest priorities.

Ms. Sue LoRusso of Hampstead said the Animal Control Facility is growing as well as other areas of the County. She suggested the Board consider getting inmates to help with cleaning the facility and possibly building a new facility, training animals, etc. She

ADJOURNMENT

ADDENDUM

Respectfully Submitted,



Glenda Pridgen, Deputy Clerk to the Board

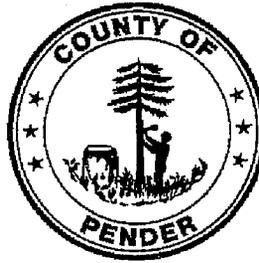
Reviewed By:



Melinda Knoerzer, Deputy Clerk to the Board

County of Pender
www.pender-county.com

Board of Commissioners
J. David Williams, Jr., Chairman
Jimmy T. Tate, Vice-Chairman
George Brown
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David McCole, Interim County Manager

MEMO

TO: INTERIM COUNTY MANAGER
FROM: MELINDA KNOERZER
DATE: MAY 13, 2008
RE: DRAINAGE ISSUES: BLACK RIVER AND SILLS CREEK AND COUNTY
IN GENERAL

In response to a request made by Commissioner Tate during a presentation featuring two (2) Water Resources Grants on the Atlantic Intracoastal Waterway in Hampstead, I contacted NC Division of Water Resources to inquire if this grant program could be used for inland streams. Mr. John Sutherland, Chief of the Water Projects Section responded, "Yes, the Water Resources Development Project Grant program has a category called *stream restoration* that includes clearing and snagging of streams. The state cost-sharing amount is 66 and 2/3 percent. As examples, we recently have given grants to Jones and Onslow Counties to do snagging of the Trent River and New River respectively." He then pointed me to the grant information at www.ncwater.org.

In addition, Mr. Jeff Bruton of NC Division of Water Resources responded as follows: "The North Carolina General Assembly awarded Pender County a cost-share grant last August (August 9, 2007) in the amount of \$100,000 to remove blockages in the Black River. To date, however, the grant has been inactive because the Division of Water Resources (DWR) has not received a project application from the County. A complete application package is required prior to disbursement of any grant funds. The contact for the Black River project is Jason Turner with the Pender County Soil and Water Conservation District (910-259-9123 #3) and I am sending him a copy of this email. Rather than submitting an application to DWR and competing for new grant funds, if the County's priorities for the removal of blockages from inland streams has changed, the County may wish to consider submitting the required application along with a request that the award for the Black River project be used for the new project. If the County desires to request new funding for a project, the application deadline for the Fall 2008 grant cycle is July 1, 2008.

I spoke with Jason Turner this morning who advises that following two (2) trips down the Black River with state regulatory agencies and engineers (NRCS, Beaver Control, Corps), he is awaiting a cost estimate to complete some clearing on the Black River and expects a response in the near future. DWR has indicated that if there is funding leftover, this could be diverted to another water resources project within the County, but that would have to be evaluated in the application process.

In addition to Sills Creek – which has been recently studied and is determined to be a “clearing and snagging” project, there is also Rockfish Creek which requires the removal of sedimentation – a much more involved process. Mr. Turner advises that Corps and DENR permits are required to undertake this dredging project. In addition to these three (3) locations, Soil and Water Conservation and Mr. Bob Murray with the Beaver Management Assistance Program advise that there are additional creeks and streams throughout the county that affect drainage to the point where homes and agricultural land are or could be affected.

As such, it appears that we need to determine how to confront these issues. If there is funding left over after the Black River, a determination must be made as to “where” best to utilize the resources. There has been talk, over the past few months regarding a “Drainage Advisory Committee” (unofficial title) consisting of USDA Soil and Water Conservation, Beaver Management, Public Works (trackhoe and past experience with drainage projects in the County) and Planning – to name only a few. This committee could assess damage and rank/prioritize projects. These projects would require the dedication of sufficient staffing to insure success and to identify, secure and administer grant funding. In addition, this project would require some level of County funding.

In the interim, if there is a group of landowners along Sills Creek that might be willing to organize and undertake this project and pay the 44 1/3 % required for the match, we will need to identify that group and meet with them to determine if it would be feasible to gather the required information in time to submit application for their own grant on or before July 1, 2008. If there is not a project engineer and a strongly organized property owners association with at least one leader, this project could become very staff intensive.

Once the cost estimates are in on the Black River, this information will be supplemented. I wanted to let the Board know that this is the status at this time.