

**PASQUOTANK COUNTY, NORTH CAROLINA
NOVEMBER 4, 2013**

The Pasquotank County Board of Commissioners met today in a regular meeting on Monday, November 4, 2013 in Courtroom C in the Pasquotank County Courthouse.

MEMBERS PRESENT:

Jeff Dixon, Chairman
Joseph S. Winslow, Jr., Vice-Chairman
Lloyd E. Griffin, III
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Frankie Meads

MEMBERS ABSENT:

None

OTHERS PRESENT:

Rodney Bunch, Interim County Manager
R. Michael Cox, County Attorney
Karen Jennings, Clerk to the Board

The meeting was called to order at 7:00 PM by Chairman Jeff Dixon. Commissioner Lloyd Griffin gave the invocation and Vice-Chairman Joe Winslow led in the Pledge of Allegiance to the American Flag. Chairman Dixon welcomed everyone present including Board of Education Member Harvey Beasley, City Councilors Johnnie Walton and Michael Brooks, and City Manager Rich Olson.

1. PRESENTATION OF ANNUAL FOREST SERVICE REPORT:

Chairman Dixon recognized Mr. Robb Davis, County Forest Ranger, to highlight a report on the North Carolina Forest Service's activities and accomplishments in Pasquotank County for the 2012-13 fiscal year. Mr. Davis reported that the new brush truck has been received. Fire suppression courses have been completed for all of the county volunteer fire departments, and Weeksville and Nixonton fire departments each applied for and received a \$1,000 grant from the Forest Service's 50-50 Program. Mr. Davis stated that he wrote 19 forest management plans for landowners covering over 800 acres. He said he and his smoke chaser collected 2,567 pounds of seeds for their nursery. He advised that he conducted 26 inspections for logging and water quality during the past fiscal year, conducted 33 information and education programs, and helped city residents with advice and support with regard to trees and disease problems. The Board thanked Mr. Davis for his report.

2. PUBLIC HEARING ON BUSINESS INVESTMENT PROGRAM GRANT AGREEMENT WITH THOMPSON THRIFT DEVELOPMENT, INC.:

Chairman Dixon declared the meeting to be a public hearing on the proposed Business Investment Program grant agreement with Thompson Thrift Development, Inc. He recognized City Manager Rich Olson who explained that he met with both the City Council and the Board of Commissioners on several occasions to discuss the proposed BIP grant agreement with Thompson Thrift Development. He outlined the proposed tri-party agreement between the city, the county and Thompson Thrift for the development of phase 1 consisting of approximately 23 acres located on Halstead Boulevard just east of Wal-Mart. He said phase 1 consists of a 175,000 square foot development including several out-parcels. The development will eventually employ between 225 and 275 people and it is estimated that the cost of construction will be \$22 to \$28 million. Mr. Olson advised that Thompson Thrift has three letters of intent signed: one by Hobby Lobby; one by Ross; and one by TJ Maxx to locate in the shopping center upon the completion of construction. The construction is proposed to begin in June 2014 and be completed the following year. Mr. Olson stated that under the agreement Thompson Thrift will continue to pay the city and county the existing tax rate on a per acre basis. As a requirement of the agreement Thompson Thrift will pay their annual tax liability and then the city and the county will grant back to the company 100% of the taxes they pay over a period of up to 15 years or until \$2.2 million has been paid to the company. Mr. Olson said under G.S. §158-7.1 some information needs to be provided for the record. He stated that over a ten-year period the anticipated sales tax revenue from this development is about \$6 million. The city will receive roughly \$1.4 million of the sales tax revenue and the county will receive roughly \$4.5 million

over that same ten-year period. As indicated in the agreement the amount to be granted to Thompson Thrift is a maximum of \$2.2 million.

At the absence of further comments the public hearing was closed and members of the Board asked questions which were addressed by Mr. Olson.

Motion was made by Lloyd Griffin, seconded by Joe Winslow to approve the proposed Business Investment Program Grant Agreement between the City, the County and Thompson Thrift Development, Inc. The motion carried unanimously.

3. COMMENTS FROM FLORENCE CARVER:

Chairman Dixon recognized Ms. Florence Carver of 109 Jason Drive to address the Board. Ms. Carver explained that she is speaking on behalf of the educators in the Elizabeth City-Pasquotank County Schools, and also for other residents and concerned citizens who are deeply opposed to the STEM charter school. She said they are against the way it was implemented by not getting the public's input, and from the funds that have been applied for toward the school. She stated that she knows the funds could have been steered another way to the public school system. Ms. Carver explained that she has taught all day long and was at school from 7:00 AM until 6:10 PM today. She said she is here because she feels that this is a slap in the face to educators who do not understand why this is being done. She stated that she understands there will be approximately 420 students enrolling in the STEM school and they will be trained for a couple of businesses. She asked how many jobs are open in those businesses when one of the businesses is laying people off. She stated that petitions are currently being circulated and they are just getting started and will keep on until somebody will listen to them and understand that they don't want this STEM school. She suggested if a STEM program is wanted, it should be in the public school system.

4. COMMENTS FROM DR. JOHNNY HOUSTON:

Chairman Dixon called on Dr. Johnny Houston. Dr. Houston stated that he was at the meeting when the Board voted to approve the 4-2-1 plan to restructure the Board of Commissioners. He said at the time he understood this would be turned over to the attorneys to look at various aspects as to what had to be done to implement the plan and he assumes that is going on. He stated that he believes there are a lot of things that will have to be clarified. He said he was a little concerned when he recently read another perspective in the newspaper. He asked if the Commissioners have an expected date to receive a report on this process, what the issues are, and what needs to be done in order to move the plan forward.

Chairman Dixon stated that there has been some confusion that the motion to adopt the 4-2-1 plan was probably not clear enough and probably did not have enough depth. He informed Dr. Houston that the Board will hold a work session on November 18 at 3:00 PM to clarify the process moving forward.

Commissioner William Sterritt, Chairman of the Governance Committee, reported that the Governance Committee that actually spearheaded the drive for the 2-2-2-1 plan that ended up being the 4-2-1 plan is meeting this Thursday at 3:00 PM in the Hugh Cale Commissioners Board Room. He said the agenda includes a presentation by County Attorney Mike Cox and GIS Director Julie Stampler on the 4-2-1 plan. In addition there will be guests at the meeting who are interested on where this process is going. Commissioner Sterritt said hopefully what will unfold will be a recommendation from the Governance Committee to the full Board as to what the direction should be. He stated that the members of the committee hope to continue on a course to make sure this happens. He added that the committee does not want to divide the community and wants everyone to contribute to the welfare of the county as a whole. He said he hopes this change will enable that to happen.

5. COMMENTS FROM COMMISSIONER PERRY:

Commissioner Cecil Perry recalled when the Board had a discussion regarding the STEM school, he attempted to make some expressions, but he could plainly see that everyone on the Board had already made up their minds about the STEM school. He said he knew that people would not be in favor of having a STEM school at Elizabeth City State University because they would feel that everyone in the community would not have the opportunity to attend the school. He stated that the STEM idea is a good idea to teach science, technology, math, and engineering. He said the Board needs to look carefully at what it is doing because the location of the STEM school will create a tremendous problem. He stated that not bonding with the School System is another

concern of the people in the community who often wonder why this proposal could not have originated in the schools. He said he also has a concern that members of the Board are not talking to one another, not sharing everything with one another, and are not expressing their opinions to one another. He noted that the Board needs to make sure what it supports is in the best interests of the community. Commissioner Perry added that a recent article regarding the 4-2-1 plan and a public referendum has resulted in distrust.

Commissioner Sterritt stated that the slowness of getting this underway can be attributed to several things including the retirement of the County Manager. County Attorney Mike Cox said the hospital lease process has also been time-consuming. He advised that because this is a 4-2-1 plan it does not fit the statutory provisions and will have to go to the General Assembly whether or not a referendum is attached. He said nothing can be done about it at this time.

Chairman Dixon added that because Pasquotank County is now represented by two members of the House of Representatives, it creates issues. He said there have been a lot of changes in Raleigh and there are a lot of issues to work through.

Chairman Dixon also commented on the STEM school. He explained that he and the Mayor have been leading the charge. He said personally he does not care where the STEM school goes, however the School System has failed twice to start a STEM school in Pasquotank County and there are only about six counties in the entire state that do not have access to a STEM school. He stated that he feels Pasquotank County is being economically deprived because it does not have a STEM school. He said there are about 900 kids who do not want to go to the schools in Pasquotank County and they either go to private schools, church schools, or are home-schooled. He stated that Pasquotank County is losing \$4.5 million in ADM money because of the loss of these students. He said if a STEM school can be started and just 100 of those 900 students attend the STEM school that would be \$1 million in ADM money that would flow to Pasquotank County. Chairman Dixon said they are not trying to deprive anybody, but are just trying to get some of these students back into the school system. He stated that he hopes the STEM school at River Road Middle School proposed by the Board of Education is successful this time. He added if it happens he would support it 100%, but would like to see an aviation attachment because the area needs an aviation work force.

6. COMMENTS FROM COUNCILMAN JOHNNIE WALTON:

Chairman Dixon called on City Councilman Johnnie Walton to address the Board. Councilman Walton said at the last joint meeting with the City Council Chairman Dixon stated that the county would not be paying for STEM school costs that would benefit the surrounding counties. He stated that the newspaper said the county would be paying for those things. Chairman Dixon responded that the article in the newspaper was wrong.

7. COMMENTS FROM COUNCILMAN MICHAEL BROOKS:

Councilman Michael Brooks noted that it would not be called a STEM school, but would be a STEM curriculum at a charter school. He said this is why it could not be implemented into the public school system.

Chairman Dixon stated that he would be glad to answer anyone's questions if they would just contact him personally.

8. AMENDMENTS TO THE AGENDA:

Chairman Dixon asked if there were any amendments to the agenda. Vice-Chairman Joe Winslow requested that the agenda be amended to add the following items recommended by the Finance Committee at its meeting today to the consent agenda: 1) Approval of bid from Bay Mechanical Inc. to replace HVAC water piping loop at the Health and Social Services Building; and 2) Adoption of reimbursement resolution for HVAC system at the Health and Social Services Building.

Motion was made by Joe Winslow, seconded by Cecil Perry to amend the agenda to add the two items recommended above by the Finance Committee to the consent agenda. The motion carried unanimously.

Vice-Chairman Winslow also requested that the agenda be amended to add to new business a recommendation from the Finance Committee to change the rate structure for water bills to reduce the amount of water received for the minimum rate.

Motion was made by Joe Winslow, seconded by Cecil Perry to amend the agenda to add to new business the recommendation from the Finance Committee to change the rate structure for water bills. The motion carried unanimously.

9. APPROVAL OF CONSENT AGENDA:

The Board considered the following consent agenda:

a. Approval of Minutes of October 21, 2013 Commissioner Meeting

b. Approval of Tax Releases and Refunds

Releases:

	County	City
1. Venturi Gianni	178.23	

Refunds:

1. Gloria Gillespie	102.27
2. Wayne Lynn Gibson	219.93

Solid Waste Fees:

Owner's Name	Parcel ID Number	Reason for Release
Vernetta M. & Carl Fields	P139-39	House vacant 5+ years
Verlin E. Williams	P80-4A	Vacant since 2002
Woodworks LLC	P120-32	Vacant since 2011

c. Approval of Bid for HVAC Piping for Health and Social Services Building

The Finance Committee has recommended that the Board accept the bid from Bay Mechanical Inc. in the amount of \$223,000 to replace the water piping loop for the HVAC system in the Health and Social Services Building.

d. Adoption of Reimbursement Resolution for Health and Social Services Building HVAC Project

The Finance Committee has recommended that the Board adopt the following resolution declaring the county's intention to reimburse itself from the proceeds of a tax-exempt financing for expenditures in connection with the repair and replacement of the HVAC system at the Health and Social Services Building:

RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE COUNTY OF
PASQUOTANK, NORTH CAROLINA, DECLARING ITS INTENTION TO REIMBURSE
SAID COUNTY FROM THE PROCEEDS OF A TAX-EXEMPT FINANCING
FOR CERTAIN EXPENDITURES IN CONNECTION WITH THE REPAIR AND
REPLACEMENT OF THE HVAC SYSTEM AT THE
HEALTH AND SOCIAL SERVICES BUILDING

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

WHEREAS, the County will pay, after the date hereof, certain expenditures in connection with the repair and replacement of the HVAC piping system at the Health and Social Services Building; (the "Project"); and

WHEREAS, the Board of Commissioners for the County (the "Board") has determined that certain moneys to be advanced after the date hereof by the County to pay such expenditures (the "Expenditures") are available only for a temporary period and it will be necessary to reimburse the County for the Expenditures from the proceeds of an installment financing pursuant to Section 160A-20 of the North Carolina General Statutes, as amended (the "Tax-exempt Financing");

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. The Board hereby declares the County's intent to reimburse the County with the proceeds of the Tax-exempt Financing for the Expenditures made after the date hereof. The County reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Tax-exempt Financing.

Section 2. Each Expenditure will be (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Tax-exempt 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 County so 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 County.

Section 3. The maximum principal amount of the Tax-exempt Financing expected to be entered into with respect to the Project is \$223,000.

Section 4. The County will make a reimbursement allocation, which is a written allocation by the County that evidences the County's use of proceeds of the Tax-exempt 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 County 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 entering into a financing and not the year of expenditure) and expenditures for construction projects of at least five years.

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

ADOPTED the 4th day of November, 2013 by the Pasquotank County Board of Commissioners.

Motion was made by Joe Winslow, seconded by Cecil Perry to approve the Consent Agenda as amended. The motion carried unanimously.

The following tax releases have been approved by the Finance Officer:

Releases:

		County	City
1.	Sarah Mary Gillis	65.90	
2.	Justin Donald Fisher	22.68	17.82
3.	Myron Isaac Simmons	30.30	23.81
4.	Robert Winzola Burnham	10.88	8.69
5.	Mark Kevin Ashworth	31.90	25.47
6.	Ernest Wilson Evans	29.64	23.67
7.	Ainslie Kirland Jones	82.46	
8.	Edward Roscoe Elliott	24.18	19.31
9.	Timothy Darnell White	4.15	3.32
10.	Joshua Joseph Green	8.63	
11.	Darlene Forehand Webster	6.63	
12.	Casondra Mozella Ferguson	8.80	7.03
13.	James Richard Knight, Sr.	10.73	8.57
14.	Barbara Jennings Riddick	6.79	
15.	Dennis Andrew Elliott	21.42	
16.	Joseph Ryan Saxman	24.77	
17.	David Ron Disbennett	4.88	3.84
18.	George Melvin Gilbert, Jr.	28.54	
19.	George Francis Craig	15.50	
20.	Christina Mopie Boaze	21.17	16.63
21.	Rogae Jose Kinen	31.37	24.50
22.	Rebecca O'Kelly Davis	92.61	72.77
23.	Hazel Tadlock Godfrey	21.04	
24.	Paul Kechese Nwamara	44.35	34.85
25.	Sarah Elizabeth Bachman	111.79	
26.	Harold William Winkleman	2.21	1.73
27.	Chris Demond Stokley	15.66	12.50
28.	Ashley Marie Arnold	97.22	82.62
29.	Candice Denise Edwards	7.75	6.19
30.	Ramon Maurice Harmon	96.16	81.77
31.	Sean Christopher Edwards	48.24	43.51
32.	Michael L. Odonnell	46.43	
33.	Nicholas James Gall	4.22	
34.	Joseph Ryan Saxman	32.29	
35.	Kurt Allen Klein II	40.30	32.18
36.	Antonio Coray Felton	8.62	6.88
37.	Emily Felicia Santora	34.60	27.62
38.	Kina Shanee Bowe	12.52	10.00
39.	Jack Lyndon Featherston	55.43	

10. ADOPTION OF RESOLUTION AUTHORIZING LEASE AGREEMENT WITH SUNTRUST:

The Board needs to adopt a resolution to authorize the county to enter into an agreement with SunTrust for financing \$400,000 for the purchase of five patrol cars and seven defibrillators. The Board had previously accepted the proposal from SunTrust to finance the equipment at an interest rate of 1.745% plus \$350 in fees, however the resolution is required as part of the closing documents. Interim County Manager Rodney Bunch explained that the resolution is a formality because SunTrust has already been provided with a copy of the certified Board minutes to show that the Board did take action.

Motion was made by Joe Winslow, seconded by Cecil Perry to adopt the following resolution authorizing the lease agreement with SunTrust for financing \$400,000 for the purchase of patrol cars and defibrillators. The motion carried unanimously.

RESOLUTION OF GOVERNING BODY

At a duly called meeting of the governing body of Lessee held in accordance with all applicable legal requirements, including open meeting laws, on the 4th day of November, 2013, the following resolution was introduced and adopted:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER LEASE AGREEMENT, EQUIPMENT SCHEDULE NO. 03, AN ESCROW AGREEMENT, AND RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the governing body of Pasquotank County, NC ("Lessee") desires to obtain certain equipment (the "Equipment") described in Equipment Schedule No. 03 to the Master Lease Agreement (collectively, the "Lease") between SunTrust Equipment Finance & Leasing Corp. ("Lessor") and Lessee, the form of which has been available for review by the governing body of Lessee prior to this meeting; and

WHEREAS, the Equipment is essential for the Lessee to perform its governmental functions; and

WHEREAS, the funds made available under the Lease will be deposited with SunTrust Bank (the "Escrow Agent") pursuant to an Escrow Agreement between Lessor, Lessee and Escrow Agent (the "Escrow Agreement") and will be applied to the acquisition of the Equipment in accordance with said Escrow Agreement; and

WHEREAS, Lessee has satisfied the legal requirements, including those relating to any applicable public bidding requirements, to arrange for the acquisition of the Equipment and the execution and delivery of the Lease and the Escrow Agreement; and

WHEREAS, Lessee proposes to enter into the Lease with SunTrust Equipment Finance & Leasing Corp. and the Escrow Agreement with Lessor and Escrow Agent substantially in the forms presented to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LESSEE AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of the Lease and the Escrow Agreement (collectively, the "Financing Documents") in substantially the forms presented to this meeting and incorporated in this resolution are in the best interests of Lessee for the acquisition of the Equipment.

Section 2. The Financing Documents and the acquisition and financing of the Equipment under the terms and conditions as described in the Financing Documents are hereby approved. The Interim County Manager of Lessee and any other officer of Lessee who shall have power to execute contracts on behalf of Lessee be, and each of them hereby is, authorized to execute, acknowledge and deliver the Financing Documents with any changes, insertions and omissions therein as may be approved by the officers who execute the Financing Documents, such approval to be conclusively evidenced by such execution and delivery of the Financing Documents. The Clerk to the Board of Lessee and any other officer of Lessee who shall have power to do so be, and each of them hereby is, authorized to affix the official seal of Lessee to the Financing Documents and attest the same.

Section 3. The proper officers of Lessee be, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution and the Financing Documents.

Section 4. Pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), Lessee hereby specifically designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

Section 5. this resolution shall take effect immediately.

11. APPROVAL OF CHANGE IN RATE STRUCTURE FOR THE SALE OF WATER:

Interim County Manager Rodney Bunch explained that the Finance Officer has completed the draft information for the 2012-13 audit. The bond covenants for the Water System bond require a minimum debt coverage ratio of 1.20 and the current debt coverage ratio is 1.06 based on revenues and expenditures for the Water System. In order to comply with the bond requirements it has been proposed that the water rate schedule be changed to reduce from 2,000 gallons to

1,000 gallons the amount of water received for the \$15 minimum rate. The rate per thousand gallons would remain the same. The Finance Committee has recommended that the Board approve the new rate schedule as follows:

<u>Residential Rate</u>	
0 to 2,000 gallons (Minimum Rate)	\$15.00
0 to 1,000 gallons (Minimum Rate)	\$15.00
2,000 gallons to 5,000 gallons	\$6.00
1,001 gallons to 5,000 gallons	\$6.00
5,001 gallons to 10,000 gallons	\$7.00
10,001 gallons to 20,000 gallons	\$8.00
20,001 gallons to 30,000 gallons	\$9.00
30,001 gallons and over	\$10.00
<u>Commercial Rate</u>	
0 to 2,000 gallons (Minimum Rate)	\$15.00
0 to 1,000 gallons (Minimum Rate)	\$15.00
2,000 and over	\$6.00
1,001 gallons and over	\$6.00

Commercial Rates apply to non-residential customers

Commissioner Lloyd Griffin asked if any consideration was given by the Water Committee to using 1,500 gallons as the minimum. Mr. Bunch stated that this was not given any consideration because most other entities' rates are based on 1,000 or 2,000 gallons and it was felt that 1,000 would best fit.

Motion was made by Gary White, seconded by William Sterritt to approve the proposed change in the rate structure for the sale of water effective December 1, 2013. The motion carried by a five to two margin with Commissioners Winslow and Griffin voting against the motion.

12. COMMERCE PARK FARMLAND:

Commissioner Frankie Meads said the Board has previously discussed putting out the farmland in the Commerce Park for bid. He asked the status of that. Mr. Bunch responded that this week he spoke with the farmer who has been renting the farmland to insure that he completes the work required in the lease and he made it clear that requests for bids would be sent out in the next month or so. He said he would run an advertisement in the newspaper and contact farmers who have previously bid on the farm lease.

13. REPORT FROM INTERIM COUNTY MANAGER:

Mr. Bunch reported to the Board that the ribbon-cutting ceremony for the EMS Administration Building has been confirmed for November 21 at 11:00 AM. He said staff will be moving into the building over the next few days.

14. CALENDAR:

The Clerk reviewed the calendar of upcoming meetings and events.

15. REPORTS FROM COMMISSIONERS:

Commissioner William Sterritt invited all Commissioners to attend the meeting of the Governance Committee this Thursday at 3:00 PM.

Commissioner Perry stated that he attended a meeting at church last night where Deputy James Adams was recognized. He said a lot of public officials were at the meeting.

Vice-Chairman Winslow stated that he is not an educator and all he cares about is children and them having an opportunity, regardless of their color. He said he understands the STEM program is a good program in whatever way it has been implemented in other places. He said if it will give a child an opportunity to have a better life so he will one day be able to feed and

clothe his family, he is all for it, and if it won't, he will be against it. He stated that it seems to him the STEM school will provide opportunities for children who would not have an opportunity otherwise, as well as some who might be more fortunate. He said his emphasis is on those who would not be given that opportunity in the general school system or in any other situation besides the STEM program. He added that whether it is implemented in or out of the school system is a technicality to him that needs to be clarified. He said if the STEM program gives a child of any color an opportunity, then he is all for it.

16. REPORTS FROM CHAIRMAN:

Chairman Dixon said at the joint city-county meeting the Community Relations Commission made a presentation and had submitted a proposal for some bylaw changes and some changes in the structure of the CRC. He stated that two County Commissioners are needed to serve on a task force along with two City Council members who will be reviewing the presentation and the proposals that were made at the joint meeting. He said this will be a temporary appointment. He asked Commissioners Sterritt and Perry to serve on the task force along with two City Council members.

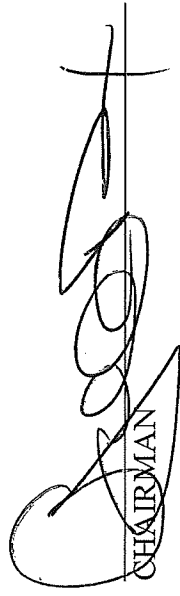
Chairman Dixon reported that every Monday at 9:00 AM a conference call is held with the attorneys that are working with the county and the hospital on the Sentara lease agreement. He advised that the due diligence process is going smoothly, but he cannot yet say if the process is running on schedule for closing by January 1st. He added that the Monday morning conference calls have been very beneficial in keeping everyone up to date.

Chairman Dixon said that a former County Commissioner, Mr. Levin Culpepper, passed away last week. He stated that Mr. Culpepper served as the Mayor of Elizabeth City and also served as a County Commissioner for four years.

Chairman Dixon asked if there was any further business to come before the Board. There being no further business, he asked for a motion to adjourn the meeting.

Motion was made by Gary White, seconded by Joe Winslow to adjourn the meeting. The motion carried unanimously and the meeting was adjourned at 7:55 PM.


CLERK TO THE BOARD


CHAIRMAN