

October 4, 2010

The Randolph County Board of Commissioners met in regular session at 4:00 p.m. in the Commissioners Meeting Room, County Office Building, 725 McDowell Road, Asheboro, NC. Commissioners Holmes, Frye, Haywood, Kemp and Lanier were present. Rev. George Roberson, retired minister, Asheboro, NC, gave the invocation, and the Pledge of Allegiance was led by Randolph County 4-H youth. The Randolph County 4-H youth also recited their pledge to the 4-H flag.

Retirement Recognitions

The Board recognized Fred deFriess, who is retiring from Emergency Services with 30 years of service. Chairman Holmes presented Mr. deFriess with an engraved clock on behalf of the Board.

The Board also recognized Kent Strickland, who is retiring from the Tax Department with 21½ years of service. Chairman Holmes presented Mr. Strickland an engraved clock on behalf of the Board.

Recognition of State Award Recipients

Emergency Services Director Donovan Davis recognized three Emergency Services employees who recently received special recognition at the NC Chapter of the Association of Public-Safety Communications Officials (APCO) Conference. Captain Justine Buxton, RCES technology officer, received a certificate of recognition for her supporting role as a technician. Lieutenant Janet King was selected as the 2010 NC APCO Line Supervisor of the Year. Sergeant Keena Heaton was named the 2010 NC APCO Telecommunicator of the Year.

Public Comment Period

Pursuant to N.C.G.S. § 153A-52.1, Chairman Holmes opened the floor for public comment. No one spoke.

Addition to Consent Agenda

Chairman Holmes announced that *Item K. Approve Contract with Millikan Engineering for the Energy Efficiency Conservation Block Grant (with a \$44,000 cap) and Authorize the Chairman to Execute Contract* had been added to the Consent Agenda.

Approval of Consent Agenda

On motion of Frye, seconded by Kemp, the Board voted unanimously to approve the Consent Agenda, as follows:

- *approve minutes of regular and 2 sets closed session meetings of September 7, 2010;*
- *appoint Bob Cromer to Sandhills Mental Health Board to replace Jim Parker, who resigned;*
- *approve Budget Amendment # 6 for 911 Fund Appropriation, as follows:*

2010-2011 BUDGET ORDINANCE		
<i>Emergency Telephone System Fund—Amendment #6</i>		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Appropriated Fund Balance</i>		<i>\$120,000</i>

<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>E-911 System</i>		\$120,000

- *approve Budget Amendment #7 for Seagrove Water & Sewer Grant Match, as follows:*

2010-2011 BUDGET ORDINANCE		
General Fund—Amendment #7		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Transfer from Economic Development Reserves</i>	\$ 7,500	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Other Economic and Physical Development Approp.</i>	\$ 7,500	

- *approve Budget Amendment #8 for Health Dept. (TANF Funds), as follows:*

2010-2011 BUDGET ORDINANCE		
General Fund—Amendment #8		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Restricted Intergovernmental</i>	\$12,301	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Public Health</i>	\$12,301	

- *approve Budget Amendment #9 for Sheriff's Office, as follows:*

2010-2011 BUDGET ORDINANCE		
General Fund—Amendment #9		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Appropriated Fund Balance</i>	\$ 75,000	
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Sheriff's Office</i>	\$ 75,000	

- *approve Budget Amendment #10 for Day Reporting Center (Gang Assessment Grant and State reductions to JDRC, Restitution & Psychological Assessment budgets), as follows:*

2010-2011 BUDGET ORDINANCE		
General Fund—Amendment # 10		
<i>Revenues</i>	<i>Increase</i>	<i>Decrease</i>
<i>Restricted Intergovernmental</i>	\$ 24,742	
<i>Miscellaneous Revenue</i>		\$8,726
<i>Appropriations</i>	<i>Increase</i>	<i>Decrease</i>
<i>Day Reporting Center</i>	\$ 16,716	
<i>Other Human Services</i>		\$ 700

- *approve Firemen's Relief Fund Appointments: Coleridge- Benny Beck, C.E. Teague; East*

Side- Jim Pell; David Creason; Farmer- Roger King, Steven Hughes; Franklinville- Kyle Dixon, Johnny Hicks; Guil Rand- Dustin Smith, Mike Bradshaw; Level Cross- David Davis, H. Kenneth Adams; Northeast- Larry Williams, William Flowe, Jr.; Randleman- Melissa Blalock, Charles Byerly; Seagrove- Patty Gatlin, Bernard Needham; Sophia- Edwin W. Beeson, Chuck Powell; New Hope (Southwest)- Troy Powell, Wiley Hurley; Staley- Yancy King, Terry Williams; Tabernacle- Darrell Owensby, Joy Ann Sexton; Ulah- Norris Whatley, Ted Scott; Westside- Wesley Garner, James Lamonds;

- adopt Proclamation designating 4H Week (October 3-9, 2010) in Randolph County, as follows:

4-H Week in Randolph County

WHEREAS, 4-H youth across the nation are leading efforts to solve problems in their communities and make a difference for their futures.

WHEREAS, 4-H is the largest youth development organization in North Carolina and the largest in the nation with six million young people.

WHEREAS, 4-H in North Carolina claims 240,926 youth members and 21,221 volunteers, while Randolph County's 4-H program reaches more than 4000 youth and more than 200 volunteers.

WHEREAS, 4-H as part of the NC Cooperative Extension System of NC State University and NCA&T State University is a program where youth learn through opportunities that provide them hands-on experiences in 4-H's mission mandates of science, engineering and technology; healthy living; and citizenship.

WHEREAS, 4-H has connected youth and their communities with the innovative research and resources from our nation's 106 land-grant universities and colleges for more than 101 years;

NOW, THEREFORE, the Randolph County Board of Commissioners, do hereby proclaim October 3-9, 2010, as National 4-H Week in Randolph County. I urge the people of this community to take advantage of the opportunity to become more aware of this special program that enhances our young people's interests in their futures as part of Randolph County 4-H Youth Development and to join us in recognizing the unique partnership between our county and our state University System.

- appoint Lewis Schirloff to the Randolph County Child Fatality Review/Community Child Protection Team to replace Fred deFriess;
- approve contract with Millikan Engineering for the Energy Efficiency Conservation Block Grant (with \$44,000 cap) and authorize the Chairman to execute the contract.

Additions to New Business Agenda

Chairman Holmes announced that the following items had been added to the New Business section of the agenda: *Item J. Request to Accept National Association of Drug Diversion Investigators Grant and Related Budget Amendment—Allen McNeill and Item K. Closed Session—[N.C.G.S.143-318.11(a)(4)].*

Request and Approval of Letter of Support for Certificate of Need Application for Additional Dialysis Stations in Randolph County

Jim Swann, Director of Market Development and Certificate of Need with Fresenius Medical Care, d/b/a Bio-Medical Applications of North Carolina, Inc., made a request for a letter of support to the State for Bio-Medical Applications' Certificate of Need (CON) application for the relocation and expansion of their existing Asheboro dialysis facility. He said that the existing facility currently has 27 dialysis stations and has been approved for nine more stations. The

current CON application is for 10 additional stations. He said that Fresenius' plans would add \$2.6 million to the County's tax base, with payroll and benefits exceeding \$1.4 million in the first year. Mr. Swann said that DaVita, Inc. has also applied for a CON for 10 additional stations in Asheboro.

On motion of Haywood, second by Kemp, the Board voted unanimously to approve a letter of support to the State endorsing the need for 10 additional dialysis stations in Randolph County.

Tourism Development Authority Annual Report

Tammy O'Kelley, Director of Tourism for Randolph County, reported on the TDA's activities during the past year, which included utilizing marketing initiatives aimed at a family friendly core audience with appreciation for southern hospitality. The TDA increased consumer awareness of the Heart of North Carolina as a destination by marketing the greater areas of Archdale, Asheboro, Randleman, and Seagrove; created a new interactive Web site and added social networking sites on Facebook, MySpace, and Twitter; capitalized on public relations efforts in order to realize the full potential of the Heart of North Carolina's unique attractions combined with our strategic location; and relocated the TDA's offices and visitors bureau services to the Historic Randolph County Courthouse on Worth Street in downtown Asheboro. With the release of the United States Travel Association's 2009 Economic Impact of Travel, the overall nationwide numbers on tourism indicate that tourism spending decreased by 7.9% for the nation as a whole from the prior year of 2008, with a decrease of 7.4% in North Carolina. Randolph County tourism spending decreased by 6.9%. As is true for most industries, 2009 was the most difficult year in decades for the tourism industry; however, indications are that North Carolina and Randolph County's tourism industry is faring just as well as or better than the nation as a whole.

The Official 2009 Heart of North Carolina Visitors Guide was the primary fulfillment piece provided to potential travelers to and within the state. This 48-page publication featured an annual events calendar, places to dine, distinctive shopping, famous faces and unique places, things to do, area maps, a complete directory of Seagrove potteries with maps, places to stay, and other tourism-related local area information.

The Heart of NC Visitors Bureau continued to execute existing programs as well as adding advertising methods with TV and radio marketing programs designed to further position the Heart of North Carolina as an overnight, drive-to destination and analyzed and adjusted programming to match the needs of the TDA's audience.

Public Hearing and Approval of Dept Service Payment on EDC's W. Randleman Business Park

Bonnie Renfro, Randolph County Economic Development Corporation President, said the Randolph County EDC purchased a 47.3-acre tract of land in Randleman for development of a Business Park in 2000. This purchase was financed by the EDC through a bank loan. During 2008-2009, the EDC drew \$218,650 from the credit line for site improvements to 20 acres and purchased an additional 3.32 acres. The EDC invested \$22,378.17 from its operating budget to fund environmental services, permitting and engineering for this project. The 20-acre tract can accommodate one or more industrial facilities totaling 350,000-400,000 square feet. The bank loan has an outstanding balance of \$821,265.04; interest is paid annually on September 1. In 2000, the Board of Commissioners agreed to consider assistance with debt service on an annual

basis. Ms. Renfro requested consideration of an allocation for this year’s debt service payment of \$31,411.64 to be paid from the Economic Development Reserve Fund.

At 5:12 p.m., the Board adjourned to a duly advertised public hearing. No one spoke, and Chairman Holmes closed the public hearing.

On motion of Kemp, seconded by Frye, the Board voted unanimously to approve the \$31,411.64 payment of interest on the Randolph County EDC West Randleman Business Park and to approve Budget Amendment #11 effecting the transfer from Economic Development Capital Reserve Fund, as follows:

20010-2011 BUDGET ORDINANCE		
General Fund—Amendment #11		
Revenues	Increase	Decrease
<i>Transfer from Economic Development Reserve</i>	\$ 31,412	
Appropriations	Increase	Decrease
<i>Other Economic & Physical Development</i>	\$ 31,412	

Economic Development Project

Bonnie Renfro, EDC President, said that a manufacturing and distribution company wishes to relocate and expand its business to a currently vacant industrial facility (empty since 2007) located at 3803 Comanche Road in the City of Archdale. J. L. Darr, the building owner, is seeking grant assistance for permanent renovations and repairs to the building. A breakdown of the company wishing to relocate to Archdale is as follows:

- Investment: \$1,700,000 relocated equipment
 \$700,000-\$800,000 in new equipment
- Jobs: 25 new jobs & 46 existing jobs will be relocated

Ms. Renfro said that the NC Rural Center offers a Building Reuse Grant funded at \$12,000 per new full-time job to fund up to 50% of the cost of permanent renovations and repairs to a vacant industrial or commercial facility. The grant is structured as a forgiven loan whereby the City of Archdale would lend the grant proceeds to the building owner to complete the renovations. If the new job commitment is met, the loan is forgiven. Jobs must be created within 18 months of the grant award and retained for six months. Commitment is 25 new jobs for this project. If approved, Archdale would enter into an agreement with the NC Rural Center to administer the grant and complete a loan agreement with J.L. Darr & Sons LLC for grant proceeds. A local government match is required. Ms. Renfro said that the project budget is \$398,945 and requested that the City of Archdale and the County each contribute \$10,000.

At 5:18 p.m., the Board adjourned to a duly advertised public hearing. No one spoke, and Chairman Holmes closed the public hearing.

On motion of Frye, seconded by Haywood, the Board voted unanimously to approve a \$10,000 economic incentive match for a building reuse grant to be administered by the City of Archdale and to approve Budget Amendment #12 to effect the fund transfer from the Economic Development Reserve Fund to the General Fund for disbursement, as follows:

2010-2011 BUDGET ORDINANCE		
General Fund—Amendment #12		
Revenues	Increase	Decrease
<i>Transfer from Economic Development Reserve</i>	\$ 10,000	
Appropriations	Increase	Decrease
<i>Other Economic & Physical Development Appropriations</i>	\$ 10,000	

Annual Report of the Child Fatality Prevention/Community Child Protection Team (CFPT/CCPT)

MiMi Cooper, Public Health Director, gave an annual report of the combined Child Fatality Prevention Team and Community Child Protection Team in accordance with NCGS 143-576.1(a)(2). The CFPT/CCPT met 10 times during the past year (July 09 -June 10) and reviewed 15 child deaths and reviewed 11 current cases of children under the protection of Social Services. The purpose of the Child Fatality Prevention Team is to review the deaths of all children to determine if system problems exist that contribute in any to the delay of or lack of services that might have prevented the death. In this way, services can be improved/added that will prevent problems for families in the future. While there were no system problems identified during this reporting period, the team asked that information be distributed to the community on fire safety, the importance of smoke detectors and resources for free or low cost smoke detectors. The purpose of the Community Child Protection Team (CCPT) is to review current cases selected by the DSS staff that are particularly complex or that the caseworker would like a review of the services provided. The CCPT reviewed 11 cases concerning children during the past year (July 09-June 10). The following gaps/recommendations were identified: 1) Parenting classes needed for parents of children who are developmentally disabled/mentally retarded; 2) Long-term in-home services are needed for parents of children with developmental disabilities; 3) Peer counselors/mentors are needed for teens; 4) Mental health services are unavailable or inadequate to meet severe/chronic needs of parents and children. When services are available, the family’s lack of cooperation and level of utilization of mental health services negatively impacts their level of success.

The CCPT also reviews any deaths to children who were in the custody of DSS at the time of death or had had contact with the agency in the 12 months previous to the child’s death. There was one death of a child who had been reported to DSS. That intensive review is scheduled for October 2011.

Approval to Use Law Enforcement Restricted Funds & Approval of Related Budget Amendment

Allen McNeill, Sherriff’s Office Business Manager, requested that the Commissioners approve the following purchases using Law Enforcement Restricted Funds for the Sheriff’s Department. Funds are appropriated from restricted law enforcement revenues collected in prior years.

- Purchase of two single purpose narcotics canines @ 3,500.00 each = \$7,000.00
- Purchase of one complete vehicle camera/recording system = \$5,818.00

On motion of Frye, seconded by Haywood, the Board voted unanimously to approve the purchase of two narcotics canines, and the purchase of one complete vehicle camera/recording system for a total of \$12,818, using Law Enforcement Restricted Funds and to approve Budget Amendment # 13, as follows:

2010-2011 BUDGET ORDINANCE		
General Fund—Amendment #13		
Revenues	Increase	Decrease
Appropriated Fund Balance	\$ 12,818	
Appropriations	Increase	Decrease
Sheriff's Office	\$ 12,818	

Approval of Grant Acceptance for Sheriff's Office and Related Budget Amendment

Allen McNeill, Sheriff's Office Business Manager, said that the Sheriff's Office has been approved for a grant from the National Association of Drug Diversion Investigators, Inc. (NADDI) for \$5,000. Mr. McNeill asked for the Board's approval to accept the grant and to use grant funds for the purchase of equipment that will be used to make presentations to various groups about the dangers of prescription drug abuse.

On motion of Frye, seconded by Haywood, the Board voted unanimously to accept the NADDI grant in the amount of \$5,000 and authorized the Sheriff's Office to use the funds to purchase presentation equipment that will be used to educate various groups about the dangers of prescription drug abuse and to approve Budget Amendment #14, as follows:

2010-2011 BUDGET ORDINANCE		
General Fund—Amendment #14		
Revenues	Increase	Decrease
Restricted Intergovernmental	\$ 5,000	
Appropriations	Increase	Decrease
Sheriff	\$ 5,000	

Update on Regional Landfill Project

David Townsend, III, Public Works Director, gave a brief update on the County's proposed regional landfill. He said that several state inspectors have visited the proposed site to do preliminary inspections; they did not identify any potential problems. Mr. Townsend said that his department continues to work with our consultants at Golder Assoc. to meet all requirements. He said that he plans to bring some contracts for test drilling before the Board in November.

Adoption of Debt Policy and Fiscal Policy

On motion of Haywood, seconded by Kemp, the Board voted unanimously to adopt Fiscal and Debt Policies, as presented, and as follows:

FISCAL POLICY

Most County programs are considered critical to the quality of life of our citizens, with nearly all required under state and/or federal law. In addition, many outside organizations, including public schools and our community college, depend on significant financial support from the County. In

recognition of these responsibilities, a certain level of reserve funds are necessary as part of prudent fiscal policy.

Fund balances are maintained in all funds as reserves for emergencies, to provide resources during periods when disbursements exceed cash deposits, to provide flexibility in financing nonrecurring capital or operating costs, to satisfy bond rating agencies, and to generate investment earnings.

Governmental reporting standards identify fund balances by the following classifications:

- *Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.*
- *Restricted – includes amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.*
- *Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. It will be the policy of the County that commitments can only be made by the Board of County Commissioners through resolution or ordinance.*
- *Assigned – includes amounts that are constrained by the government’s intent to be used for specific purposes. This intent can be expressed by any Board action or by the County Manager.*
- *Unassigned – includes all other residual fund balances in the General Fund.*

Under state law, only a portion of fund balance is available for appropriation. G.S. Statute 159-8 defines fund balance available for appropriation as “cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next proceeding the budget year.”

The Board of Commissioners recognizes the importance of maintaining an adequate fund balance level in the General Fund and has the following objectives:

- *As required under the Local Government Budget and Fiscal Control Act, Randolph County will adopt an annual balanced budget ordinance, one that minimizes the appropriation of fund balance;*
- *Revenues and expenditures shall be budgeted at realistic levels that accurately project County operations, in order to avoid shortfalls;*
- *The County shall refrain from funding continuing expenses with one-time revenues (except for a clearly defined emergency purpose, such as during severe budget distress);*
- *For cash flow purposes, the level of unassigned fund balance should never fall below 16% (two months expenditures).*

In order to accommodate these prudent fiscal objectives, Randolph County shall maintain the year-end General Fund unassigned fund balance that is available for appropriation at a level of twenty percent (20%) of the subsequent year’s total General Fund Expenditures budget. This percentage represents the equivalent of two and one-half months of operating expenses.

Any amounts remaining in the fiscal year-end General Fund unassigned fund balance in excess of 24% of the approved subsequent year's budgeted expenditures shall be committed for capital purposes and shall be maintained in a separate capital reserve fund. These committed funds, along with the interest earned thereon, will be available for appropriation by the Board of Commissioners in a subsequent fiscal year to fund construction of capital projects, unexpected capital equipment needs which have not been budgeted, or debt service payments. The primary purpose of the reserve will be to provide resources for significant construction and other projects included in the Capital Improvement Plan.

DEBT POLICY

I. Introduction

The Randolph County Debt Policy is intended to provide practical guidelines, parameters and procedural requirements for the issuance and management of debt. Randolph County desires to establish debt management criteria that:

- *Provides financing for essential capital needs in a timely manner*
- *Manages its debt obligations to meet demands for capital facilities*
- *Preserves the County's strong fiscal position*
- *Ensures sufficient flexibility to meet future obligations or opportunities*

Many of the processes for approval, sale and repayment of debt are controlled by various North Carolina statutes. The laws and regulations pertaining to debt issuance for most of North Carolina local governments include:

CHAPTER 159 LOCAL GOVERNMENT FINANCE

Subchapter IV Long-Term Financing

Article 4 Local Government Bond Act

Article 5 Revenue Bonds

Article 5A Capital Appreciation Bonds

Article 6 Project Development Financing Act

Article 7 Issuance and Sale of Bonds

Article 8 Financing Agreements and Other Financing Arrangements

Article 9 Bond Anticipation, Tax, Revenue and Grant Anticipation Notes

CHAPTER 160A CITIES AND TOWNS

§ 160A -20 Security interests

II. Use of Debt Financing

Debt is only to be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current or budgeted resources. Debt is not to be used for operational needs. Debt financing can include general obligation bonds, revenue bonds, certificates of participation, lease/purchase agreements, special obligation bonds, or any other financing instrument allowed under North Carolina statutes. Randolph County will seek to utilize the least costly/most appropriate form of financing for its project needs.

III. Capital Planning and Debt Determination

The County Manager and Finance Officer review capital requests from departments, public schools and other agencies and evaluate feasibility of the projects, priority in relation to other needs, optimal timing, possible funding options, and future budgetary effects. If the project moves forward as a recommendation, the Board of Commissioners then consider the proposal, including any debt to be issued. Debt financing will be considered in conjunction with the approval by the Board of the County's Capital Improvement Program (CIP).

Debt financing may also be considered for items that normally do not go through the CIP. Occasionally, certain expensive items are included in departmental requests, and are not funded as current year operating expenditures. These critical items may be financed through installment purchase debt, with Board approval. Finally, any capital item, because of its critical or emergency need where timing was not anticipated in the CIP or budgetary process, or is mandated immediately by either State or Federal requirements, may be considered for debt financing.

IV. Debt Affordability

The County will use an objective, analytical approach to determine the amount of debt to be considered for authorization and issuance. This process involves the comparison of generally accepted standards of affordability to the current County values. These measures shall also be judged against the necessity of

and the benefits derived from the proposed projects. These standards and guidelines shall include the following:

Debt Per Capita

This ratio measures the burden of debt placed on the size of the population supporting the debt and is widely used by analysts as a measure of an issuers' ability to repay debt. This measure will be maintained with a target below \$1,000 and a ceiling of \$1,200.

Debt as Percentage of Assessed Valuation

This ratio measures debt levels against the property tax base which generates the tax revenues that are the main source of debt repayment. This ratio is to be targeted at 1.3% with a ceiling of 1.5%. North Carolina state law permits local governments to issue debt up to 8% of the total assessed valuation.

Debt Service as Percentage of Operational Budget

Debt Service payments are the legal obligation of the county, principal and interest paid to retire our obligations. The County must be able to support those payments yet continue to be able to respond to any changing priorities. This ratio reflects the County's budgetary flexibility to change spending and respond to economic downturns. This ratio is targeted at a level of 13% with a ceiling of 15%.

By establishing maximum debt ratios (ceilings or floors) and target debt ratios over a period of time the County is demonstrating that there is a limit above which the County will not issue additional debt in order to control its debt service burden. The County is committing to either decrease capital spending or to find other funding sources rather than create an excessive debt burden on future budgets. The County will update its analysis of debt affordability annually along with a review of comparable AA rated counties in order to monitor and control its debt effectively.

V. Debt Structure

Debt will be paid off in a timeframe that is less than the useful life of the asset or project acquired through the financing. General obligation bonds will be generally competitively bid with no more than a 20-year life. Negotiated or private placements, however, may be used where allowed when complex financing or structure is a concern with regard to marketability. The County will primarily issue fixed rate debt in order to lessen interest rate risk over the life of the issue. Variable rate debt may be considered under certain limited circumstances, with analysis of the cost savings weighed against interest rate risk.

Debt service for each issue will be structured in an attempt to level out the County's total debt service payments. Randolph County will seek to structure the debt repayment using equal principal payments. This method results in declining debt service costs over the term as annual interest expense is reduced. This provides additional borrowing capacity sooner than with a fixed payment schedule. This structuring assists in minimizing the interest payments over the life of the issue. Structuring must take into consideration current conditions and practices in the municipal finance market.

Debt sales will be scheduled based on expected cash needs for construction or acquisition of projects. The size of financings will be determined by the cost of the assets being acquired, including all issuance costs. The time of the sale will be determined based on existing cash resources and construction cash draw down requirements. Projects should be expected to be completed within two years after the sale of debt, in a manner to satisfy the two year exception under IRS arbitrage rules.

For most debt issuances, the actual structure and sale is conducted by the underwriter in conjunction with the Local Government Commission (LGC), a division of the Office of the State Treasurer. The LGC

provides financial guidance to local governments considering a debt issuance, and must approve all provisions including terms, structure, collateral, and repayment.

VI. Credit

The County will seek to maintain its current Aa3 bond rating from Moody's Investor Service and AA-bond rating from Standard and Poor's on its general obligation debt and maintain the highest possible ratings on other financing instruments, if rated. Credit enhancements will only be used when necessary for cost-effectiveness and/or marketability. The County will maintain good communications with bond rating agencies about its financial conditions and operations with information being sent to the rating agencies as requested.

VII. Interest Rate Savings - Refunding of Outstanding Debt

The County will monitor the municipal bond market for opportunities to obtain interest savings by refunding or advance refunding outstanding debt. The estimation of net present savings should be, at a minimum, in the range of 2.5 - 3%, of the refunded maturities before a refunding process begins.

VIII. Arbitrage Rebate Reporting and Covenant Compliance

The County will maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the County's outstanding debt issues. Additionally, general financial reporting and certification requirements included in debt issue documents are monitored to ensure compliance with all covenants.

IX. Continuing Disclosure

The County will provide on-going disclosure information to established national information repositories and maintain compliance with disclosure standards promulgated by state and national regulatory agencies.

X. Selection of Financial Consultants and Service Providers

The County will provide for solicitation and selection for securing all professional services required in connection with any debt issues, including bond counsel and underwriting. This selection will focus on the particular experience and expertise necessary, will be made in order to secure such services at competitive prices to the County, and will continue on an on-going basis as long as quality of service is maintained.

XI. Legality

The County must receive an opinion acceptable to the market from a nationally recognized law firm that any financing transaction complies with applicable law and all agreements in connection with any financing are legal, valid and binding obligations of the County.

XII. Public authorities

Certain public authorities can be created by Randolph County but are considered separate and autonomous from the County. Due to the autonomy of such authorities, any debt issued by the authorities is not considered debt of the County. An authority so created by Randolph County is the Industrial Facility and Pollution Control Financing Authority. The Authority has issued a wide variety and substantial number of bonds and notes for the purpose of economic development. The debt issued by the Authority is considered no commitment debt by the County.

XIII. Administration and Implementation

The County Manager and the Finance Officer are responsible for the administration and issuance of debt, including the completion of specific tasks and responsibilities included in this policy.

Closed Sessions—Economic Development & To Consult With Attorney

At 5:55 p.m., on motion of Frye, seconded by Kemp, the Board voted unanimously to go into closed session to discuss matters relating to the location or expansion of business in the area, pursuant to N.C.G.S. 143-318.11(a)(4) and to consult with our attorney to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action pursuant to N.C.G.S. 143-318.11(a)(3)

Regular Session Resumed

At 6:14 p.m., the Board returned to regular session.

Addition to Agenda

Chairman Holmes announced that *Item L. Action from Closed Session* would be added to the agenda.

Action from Closed Session

On motion of Frye, seconded by Kemp, the Board voted unanimously to enter into an agreement with Energizer to share in the cost of excavating misplaced solid waste at the County landfill and to directly contract with an outside contractor for the service and to approve Budget Amendment #15, which appropriates Landfill Closure Fund monies for this purpose, as follows:

2010-2011 BUDGET ORDINANCE		
Landfill Closure Fund—Amendment #15		
Revenues	Increase	Decrease
<i>Appropriated Fund Balance</i>	\$ 100,000	
Appropriations	Increase	Decrease
<i>Landfill Post-Closure Expenditures</i>	\$ 100,000	

Recess

At 6:15 p.m., the Board took a short recess.

Rezoning Public Hearing

At 6:40 p.m., the Board adjourned to a duly advertised public hearing to consider rezoning requests. Hal Johnson, Planning Director, presented the following requests, and Chairman Holmes opened the public hearing for comments on each request and closed it before taking action on the requests.

1. GARY MORRIS, Sophia, North Carolina, is requesting that 2.03 acres located at 1827 Benton Road Extension, Back Creek Township, be rezoned from RM to RBO-CD. Tax ID# 7743299656. Secondary Growth Area. The proposed Conditional Zoning District would specifically allow the construction of a 65' x 100' building to operate a towing business. The Planning Board reviewed this request at public meeting on September 14, 2010, and recommended unanimously that this request be approved with appropriate buffers. The Planning Board found the following policies within the 2009 Growth Management Plan that support determination of consistency with the adopted plan with this recommendation:

Policy 4.3 *Individual Rural Business or Highway Commercial rezoning decisions will depend upon the scale of the proposed development as it relates to the specific site and location weighed against the impacts to adjoining rural land uses.*

Policy 4.6 *Compatible land uses such as rural neighborhood retail and service establishments located close to general residential areas should be considered during the rezoning process with the general goal of reducing automobile travel distances and promoting better livability in the community.*

Gary Morris, applicant, said that any stored vehicles would be kept inside the building.

On motion of Frye, seconded by Haywood, the Board voted unanimously to approve the request of Gary Morris, as determined consistent with policies contained within the adopted Growth Management Plan and as outlined in the Planning Board recommendations.

2. REQUEST FOR SMALL AREA PLAN: All parcels on Jerico Road, SR 1412, Tabernacle/Back Creek Townships, extending 1000 ft. from the center of Jerico Road. The proposed Small Area Plan would include a minimum of 3-acre lots; 50 ft. building setbacks; 200 ft. lot width on Jerico Road frontage; and a lot width to depth ratio of no depth greater than 4 times the width. Existing parcels less than 3 acres would be exempt from these proposed rules. Mr. Johnson said that there had been only one Small Area Plan approved since the adoption of the Growth Management Plan: an area adjoining the Birkhead Wilderness area. Mr. Johnson said that although the land around Jerico Road has some unique features, the Growth Management Plan contains sufficient tools to protect many of the concerns of the Jerico Road property owners. The Planning Board reviewed this request at public meeting on September 14, 2010, and recommended unanimously that this request be denied. The Planning Board found the following policies within the 2009 Growth Management Plan that support determination of consistency with the adopted plan with this recommendation:

Policy 8.4 *The County should approach land use and economic development decisions, not as isolated individual issues, but as part of a larger interconnecting framework of building sustainable growth within Randolph County.*

Policy 6.13 *Conventional Residential subdivisions are anticipated of similar housing characteristics to the community.*

Charlie Game, 1616 Savannah Dr., Sophia, spoke in support of the request and asked those in attendance who supported the request to stand.

Approximately 35 people stood in support of the request.

Mr. Game said that the requested Small Area Plan covers 3 miles of Jerico Road and spans 718.4 acres. Currently, the area is zoned as a Secondary Growth Area. Mr. Game said that no one to whom he has talked is aware of being allowed to speak on the proposed Growth Management Plan before it was adopted in 2002. If they had been aware, they would have argued that Jerico Road should have been designated as a Rural Growth Area. He said that recently, he and Jerico Road residents met with Planning Dept. staff regarding options available to pursue in order to protect Jerico Road. They decided to request that Jerico Road be designated as a Small Area Plan. He said that the Concerned Citizens and Neighbors of Jerico Road have collected

signatures of all 104 property owners along Jerico Road except for two property owners who could not be contacted and three developers; these signatures represent support of the proposed Small Area Plan.

Karen Safrit, 1813 Jerico Road, asked the Board to approve the request in order to protect Jerico Road from overly aggressive development. She said that the Jerico Road community is not opposed to growth--only to irresponsible, overly aggressive growth.

Jynne Rich, 906 Jerico Road, said that she was standing in for Ed Rich, who is the Rich Family historian; Mr. Rich was scheduled to speak about the Great Indian Trading Path that runs straight across Jerico Road. She said that the trading path is a historically documented trail that ran from Virginia to Georgia and compares to a modern day Interstate I-85.

Jenny York, 1851 Jerico Road, spoke about environmental issues, including the area around Caraway Creek that is considered a natural heritage area by the State. She said that the wildlife, water table and aquifers need to be protected. She also said that it was apparent at the Planning Board meeting (where the Board voted to recommend that the Commissioners reject this request) that A) the Board members actually supported the impetus behind the proposal, and B) they voted against it because they did not want to set a precedent in the county for other neighborhoods to make such requests. She said that since the Planning Department presented the Small Area Plan as an option, using the argument that approving the plan would set a precedent would indicate a major failure in the system. She argued that the request should be viewed on its own merits. She also expressed concern that the Planning Board put the interests of two developers over the interests of an entire community.

Joe Rawley, 2252 Jerico Road, said that the request is not a radical request and commented on the two policies that the Technical Review Committee cited in support of the Planning Board's recommendation to deny the request. He said that the fact that more than 100 people support this request supports Policy 8.4: "The County should approach land use and economic development decisions, not as isolated individual issues, but as part of a larger interconnecting framework of building sustainable growth within Randolph County." Regarding Policy 6.13: "Conventional Residential subdivisions are anticipated of similar housing characteristics to the community," Mr. Rawley argued that this policy supports a Small Area Plan for Jerico Road. He said that there are very few areas in Randolph County with many residences along a 3-mile stretch of road that there are no crossroads along that 3-mile stretch. He asked the Board's support of their request.

Ann Poole, 756 Jerico Road, said that she co-owns Caraway Alpacas on Jerico Road and that eight generations of her family have lived on this road. It was her father's desire for his descendants to live on this land. She said that she currently owns 31 alpacas and fosters others, as needed. Over 500 visitors a year tour her farm, including members of the Student Lift program. Fort Bragg also uses the land for training. Many visitors return again and again to visit the area because it's so scenic and beautiful. Some folks take their vacations to visit the area, including visitors from Laos, Cambodia, Greece and Sweden. A former New York resident now lives in the area. There are two working horse farms and honeybee keepers along Jerico Road. They share the land with deer, squirrels, rabbits, hawks and other wildlife and noted that the

wildlife was there first. Ms. Poole also mentioned the Indian Trail that runs across the road and noted that arrowheads can still be found. There are springs that never go dry. She said that no one of whom she is aware is opposed to growth, but they just want to be able to continue to live in harmony with the nature there. She asked the Board to consider the present and the future of the community.

Jenny York spoke again, saying that she was filling in for Pat Trucilla, who was unable to attend this meeting. She said that Ms. Trucilla became part of the Concerned Citizens and Neighbors of Jerico Road recently after traveling along the road, she became aware of how scenic and beautiful the area is. Ms. York said that Ms. Trucilla lives in a restricted subdivision and supports the Small Area Plan for Jerico Road.

Jynne Rich spoke again, saying that she and her husband have lived on Jerico Road for 26 years. She has come to realize that there are a lot of folks who have the same passion for the land that she and her family do. She asked the Board to protect the integrity of the land. They are not asking for no development, just some restrictions.

Terry Tysinger, 2098 Jerico Road, said that he and his wife have lived on Jerico Road for over 30 years. His wife runs a horse boarding farm called Sunshine Farm. He said that the oldest house in the county is located on Jerico Road. He said that he isn't against growth altogether. In fact if there was no growth, he couldn't sell any lumber, which is his business. He believes in being responsible and encourages select lumbering, not clear-cutting. He can see three mountains from his home and has sat on the porch for as long as 20 minutes without seeing a vehicle pass his house. He said that if one voice can take a flag out of a graveyard, surely the Board of Commissioners can help with this.

Paul Dalton, Jr., 1614 Nighthawk Rd., said that all the water on both sides of Jerico Road and from the new development on Earnhart Road runs down onto his property. He spoke about the owls that come every year to his property to mate. He also mentioned all the game trails where deer travel. If more development comes in, he is sure that it will negatively impact the deer. He hopes to be able to divide his property so that his sons can live there upon his death. Mr. Dalton said that the quality of water has worsened since the newest subdivision was built. He also mentioned the blind spots along Jerico near Earnhart Rd.

Larry McKenzie, 1087 Bunting Rd., Asheboro, said that he was not against the residents of the area, but that in 2007, he met with Planning staff to make sure that the land was zoned such that he could eventually build a subdivision on a tract of land that he was considering buying. He was told that the subdivision he planned to build would be suitable for the area since it was in a Secondary Growth Area, so he bought the property. He said that you have to be able to trust government when you invest money into something. To change the plan now would be a slap in the face. He agrees with the current plan and abides by it.

Bobby Earnhart, 1825 Mountain Meadow Drive, Asheboro, said that he bought a large tract of land along Jerico Road based on the guidelines in the Growth Management Plan. He said that a developer needs to be able to depend on government. He said that the neighbors on Jerico Road are good people and he doesn't want to offend or argue with them. Building subdivisions is his

livelihood. He also said that if the Commissioners approved this Small Area Plan, many other neighborhoods would likely ask for the same thing.

Commissioner Frye said that he thinks there needs to be a compromise or the same issue will continue to come back.

Commissioners Lanier, Kemp and Haywood voiced their support for keeping the Growth Management Plan as is in order to protect developers.

Commissioner Kemp moved to deny the request for a Small Area Plan for Jerico Road. Commissioner Lanier seconded the motion.

Commissioner Haywood said that he sympathized with the Jerico Road property owners, but the County has been operating for a long time under the current Growth Management Plan, and it wouldn't be fair to developers to start making changes to the Plan now.

Commissioner Frye said that he thinks there is room for change in the Plan for the Jerico Road area that would help the area without hardship.

On previous motion (above) of Kemp, seconded by Lanier, the Board voted 4-1, with Frye opposing, to deny the request for a Small Area Plan for Jerico Road, as determined consistent with policies contained within the adopted Growth Management Plan and as outlined in the Planning Board recommendations.

Adjournment

At 8:25 p.m., there being no further business, the meeting adjourned.

J. Harold Holmes, Chairman

Darrell L. Frye

Phil Kemp

Stan Haywood

Arnold Lanier

Cheryl Ivey, Clerk to the Board