

4

**THE BOARD OF COUNTY COMMISSIONERS
DURHAM, NORTH CAROLINA**

Monday, July 25, 2011

7:00 P.M. Regular Session

MINUTES

Place: Commissioners' Room, second floor, Durham County Government Administrative Complex, 200 E. Main Street, Durham, NC

Present: Chairman Michael D. Page, Vice-Chairman Ellen W. Reckhow, and Commissioners Joe W. Bowser, Becky M. Heron, and Brenda A. Howerton

Absent: None

Presider: Chairman Page

Opening of Regular Session—Pledge of Allegiance. Chairman Page reported that the Board met in Closed Session earlier pursuant to G.S. § 143-318.11(a)(6) to evaluate the performance of elected and appointed officials.

Commissioner Bowser moved, seconded by Vice-Chairman Reckhow, to adjust the salaries of the Register of Deeds, Tax Administrator, County Attorney, and Clerk to the Board as follows:

4.25% increase, effective July 1, 2011, and the directive to Human Resources to perform a market study of those employees' salaries in comparison to others in the position.

The motion carried unanimously.

Agenda Adjustments

There were no adjustments to the agenda.

Announcements

Chairman Page made the following announcements:

- "In Touch with Durham County," the Durham County Television show, airs on Cable TV Channel 8 at 8:30 a.m. and 12 noon daily; 4:00 p.m. on Mondays; and 6:30 p.m. Tuesday-Sundays. Our County Commissioners' meetings are also rebroadcast on Thursdays at 2:00 p.m., Saturdays at 9:00 p.m., and Sundays at 9:00 p.m.

- Neighborhood College provides educational opportunities for Durham citizens to learn about their local governments over a 9-week period. Classes begin on September 8 at 6:30 pm and are held in city and county buildings. The last day to apply for the fall session is July 29. For more information or an application, visit our Durham County website or call Dawn Dudley at 560-0008.
- The Chairman of the Board of County Commissioners will resume office hours for citizens on Wednesday, August 3rd from 2:00 P.M. to 5:00 P.M. Appointments can be made by calling me at 949-4022.

Minutes

Commissioner Howerton moved, seconded by Commissioner Heron, to approve following minutes as submitted:

June 27, 2011 Regular Session
June 14, 2011 Special Budget Worksession

The motion carried unanimously.

Recognition of Outgoing Commissioner Becky Heron

Assistant County Manager Deborah Craig-Ray presented a PowerPoint of Commissioner Heron's service to the County. The presentation highlighted Ms. Heron's accomplishments. The Board presented Commissioner Heron with a plaque and gifts, and thanked for her years of service to Durham County. The plaque read as follows:

PRESENTED TO

Becky M. Heron

*For Significant Contributions Which
Greatly Enhanced the Quality of Life
In Durham County
Through Dedicated Service as a
County Commissioner From
1982-2011*

From Fellow Commissioners

*Michael D. Page, Chairman
Ellen W. Reckhow, Vice Chairman
Joe W. Bowser
Brenda A. Howerton*

July 25, 2011

Recognition – Students Visiting from Mexico

Chairman Page recognized Gayle Harris, Public Health Director. Ms. Harris explained that a relationship developed when she and other members of the delegation visited Mexico last year. A Memorandum of Understanding was drafted to allow students from the University of Puebla State in Mexico to visit North Carolina. On July 1, five dental students and their professor arrived. The students will depart on July 28. They have visited many parts of the State to observe and understand the life conditions of immigrants here.

Dr. Erika Chimal, the accompanying Dentist, thanked the Board and the citizens of North Carolina for having the students visit and learn about life in the State.

Chairman Page and the Board welcomed the students and presented them with mementos from Durham County.

Consent Agenda

Commissioner Bowser moved, seconded by Vice Chair Reckhow, to approve the following consent agenda items:

- a. Approve the 2011 Property Tax Settlement Report. Charge the Tax Collector with 2011 Property Taxes. Authorize the relieving of taxes that are more than 10 years past due and motor vehicle taxes that are more than 2 years past due;
- b. *Accept the property tax release and refund report for June 2011 as presented and authorize the Tax Assessor to adjust the tax records as outlined by the report;
- b1. Approve the contract with Quality PrintPro Inc to design, print, and mail forms for the Tax Administration Department. Contract amount is not to exceed \$120,000 for design, printing, and mailing and \$200,000.00 for postage;
- b2. Renew the contract with Cox & Company to provide support and updates to the Tax Administration Department. Contract amount not to exceed \$124,000.00 for support services and other system enhancements;
- d. Authorize execution of contract with O'Brien/Atkins Associates, P.A. to provide professional services for the programming and master planning of the Detention Center Expansion, in the amount of \$242,000.00, plus a reimbursable amount of \$5,000.00 thus totaling \$247,000.00 and to execute any other related contracts, if necessary, not to exceed the estimated budget of \$250,000.00;
- e. *Approve Budget Ordinance Amendment No. 11BCC000070 to appropriate \$50,000 of Bethesda Fire District Special Revenue Fund fund balance and recognize this transfer to the General Fund in the amount of \$41,500 and the Benefits Plan Fund in the amount of \$8,500 for expenses made in FY 2010-11 only;

- f. *Approve Budget Ordinance Amendment No. 11BCC000071 for the GO Bond refunding in the amount of \$61,750,000;
- g. *Approve Budget Ordinance Amendment No. 12BCC000001 to recognize the technical correction and adjust the FY 2011-12 Budget Ordinance. This correction does not appropriate any additional County dollars;
- h. Approve the amendment of the contract for the Department of Social Services with One Source by \$200,000;
- i. *Approve the Resolution authorizing the issuance of Bond Anticipation Notes for the remaining Bonds approved in the 2007 referendum (\$147,100,000) and the Note Purchase Agreement between the County and Bank of America, N. A;
- j. *Approve the attached agreement and give him the authority to execute the new HOME Consortium Agreement with the City of Durham;
- k. Approve revisions to the Audit Oversight Committee By-Laws;
- l. *Approve Capital Project Amendment No. 12CPA000002 appropriating funds for three new capital projects. For each of the projects, General Fund dollars will fund purchases made before loan funds are available through an interfund loan of that amount and will be reimbursed/repaid once the loan funds become available;
- m. Approve the sale of 300 North Duke Street to Duke University for \$6,800,000, pursuant to the terms of the Purchase and Sale Agreement and authorize the Manager to execute the Purchase and Sale Agreement as well as the proposed Lease Agreement subsequent to the sale;
- n. *Approve Budget Ordinance Amendment 12BCC000002 from the NC HHS in the amount of \$28,477 for the Local Public Health Preparedness.

The motion unanimously passed.

*Document(s) related to this item follow:

Consent Agenda Item No. b. Accept the property tax release and refund report for June 2011 as presented and authorize the Tax Assessor to adjust the tax records as outlined by the report.

Due to property valuation adjustments for over assessments, listing discrepancies, duplicate listings, and clerical errors, etc., the attached report details releases and refunds for the month of June 2011.

Releases & Refunds for 2011 Taxes

Personal	\$ 11,763.64
Registered Vehicles	\$ 17,235.74

Vehicle Fees	\$ 700.00
Total for 2011 Taxes and Fees	\$ 29,699.38

Releases & Refunds for 2010 Taxes	
Real Estate	\$ 51,919.64
Personal	\$ 71,571.68
Registered Vehicles	\$ 21,377.71
Vehicle Fees	\$ 575.00
Total for 2010 Taxes and Fees	\$145,444.03

Prior years' (2005-2009) releases and refunds for June, 2011 are in the amount of \$8,523.54. The total current year and prior years' releases and refunds amount to \$183,666.95.

Consent Agenda Item No. e. Approve Budget Ordinance Amendment No. 11BCC000070 to appropriate \$50,000 of Bethesda Fire District Special Revenue Fund fund balance and recognize this transfer to the General Fund in the amount of \$41,500 and the Benefits Plan Fund in the amount of \$8,500 for expenses made in FY 2010-11 only.

DURHAM COUNTY, NORTH CAROLINA
 FY 2010-11 Budget Ordinance
 Amendment No. 11BCC000070

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2010-11 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>GENERAL FUND</u>			
Other Financing Sources	\$18,883,083	\$41,500	\$18,924,583
<u>BENEFITS PLAN FUND</u>			
Other Financing Sources	\$15,025,896	\$ 8,500	\$15,033,396
<u>SPECIAL REVENUE FUND</u>			
Other Financing Sources	\$ 320,000	\$ 50,000	\$ 370,000

Expenditures:

<u>Function</u>			
<u>GENERAL FUND</u>			
Public Safety	\$46,055,205	\$41,500	\$46,096,705
<u>BENEFITS PLAN FUND</u>			
General Government	\$12,152,456	\$50,000	\$12,160,956
<u>SPECIAL REVENUE FUND</u>			
General Government	\$ 1,676,063	\$50,000	\$ 1,726,063

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 25th day of July, 2011.

Consent Agenda Item No. f. Approve Budget Ordinance Amendment No. 11BCC000071 for the GO Bond refunding in the amount of \$61,750,000.

DURHAM COUNTY, NORTH CAROLINA
FY 2010-11 Budget Ordinance
Amendment No. 11BCC000071

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2010-11 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<u>DEBT SERVICE FUND</u>			
Other Financing Source	\$43,565,517	\$71,955,824	\$115,521,341

Expenditures:

<u>Function</u>			
<u>DEBT SERVICE FUND</u>			
General Government	\$43,811,699	\$71,955,824	\$115,767,523

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 25th day of July, 2011.

Consent Agenda Item No. i. Approve the Resolution authorizing the issuance of Bond Anticipation Notes for the remaining Bonds approved in the 2007 referendum (\$147,100,000) and the Note Purchase Agreement between the County and Bank of America, N. A.

RESOLUTION PROVIDING FOR THE ISSUANCE OF
NOT EXCEEDING \$147,100,000 GENERAL OBLIGATION PUBLIC
IMPROVEMENT BOND ANTICIPATION NOTES, SERIES 2011

WHEREAS, the County of Durham, North Carolina (the "County") in the past has issued its general obligation bonds to provide funds for capital projects in advance of the incurrence of the project costs to be paid from such funds; and

WHEREAS, the County desires to provide funds for certain capital projects on a more efficient basis under appropriate circumstances by issuing its general obligation bond anticipation notes from time to time as needed to pay project costs that have been actually incurred or to reimburse itself for the payment of such costs and by issuing its general obligation bonds from time to time to pay such notes when due and not otherwise paid, thereby borrowing fewer funds and borrowing a portion of such funds at interest rates which are generally lower than interest rates for such bonds; and

WHEREAS, the Bank of America, N.A. (the "Bank") purchased such notes in 2008 and has offered to purchase such notes again as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the County, as follows:

The Board of Commissioners for the County (the "Board of Commissioners") has determined and does hereby find and declare:

That orders authorizing \$8,680,000 Community College Bonds, \$4,180,000 Museum Bonds and \$194,240,000 School Bonds of the County were adopted by the Board of Commissioners on July 23, 2007, each of which orders was approved by the vote of a majority of the qualified voters of the County who voted thereon at a referendum duly called and held on November 6, 2007.

That \$1,000,000 of said Community College Bonds, all of said Museum Bonds and \$54,280,000 of said School Bonds have been issued as \$25,980,000 General Obligation Bonds, Series 2010A, dated October 28, 2010, of the County, consisting of \$921,250.80 of said Museum Bonds and \$25,058,749.20 of said School Bonds, and as \$34,020,000 Taxable General Obligation Bonds (Build America Bonds), Series 2010B, dated October 28, 2010, of the County, consisting of \$1,000,000 of said Community College Bonds, \$3,258,749.20 of said Museum Bonds and \$29,761,250.80 of said School Bonds.

That the County has issued and sold to the Bank a General Obligation Public Improvement Bond Anticipation Note, dated September 9, 2008, maturing on August 1, 2011 and outstanding in the principal amount of \$22,480,874.25 (the "2008 Note"), in anticipation of the receipt of the proceeds of the sale of a like amount of the balance of said School Bonds.

That, except for the 2008 Note, no notes have been issued in anticipation of the receipt of the proceeds of the sale of the balance of said Community College Bonds or said School Bonds and that it is necessary to provide for the issuance of notes in anticipation of the receipt of the proceeds of the sale of the balance of said Community College Bonds in an amount not exceeding \$7,680,000 and the balance of said School Bonds in an amount not exceeding \$139,420,000, provided that the aggregate principal amount of such notes outstanding at any time does not exceed \$60,000,000, as provided in this resolution (this "Resolution").

That it is convenient to consolidate for the purpose of their issuance the notes referred to hereinabove in an aggregate principal amount not exceeding \$147,100,000, provided that the principal amount of such notes outstanding at any time does not exceed \$60,000,000.

In anticipation of the receipt of the proceeds of the sale of a like amount of the respective bonds referred to hereinabove, the issuance of notes of the County in an aggregate principal amount not exceeding \$147,100,000 is hereby authorized, provided that the principal amount of such notes outstanding at any time does not exceed \$60,000,000. Such notes shall be issued as a single note of the County registered as to principal and interest in the name of the Bank, shall evidence an initial advance of funds by the Bank to the County in the amount of \$22,480,874.25 (the "Initial Advance") as well as each Additional Advance (as hereinafter defined), shall be designated "General Obligation Public Improvement Bond Anticipation Note, Series 2011" and shall be dated the date of delivery thereof (the "Note"). The Note shall mature on August 1, 2014 (the "Maturity Date"), subject to the right of prior redemption as hereinafter provided, and shall bear interest at a variable rate as hereinafter provided. Both the principal of and the interest on the Note shall be payable in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

The County shall use the Initial Advance to pay the outstanding principal amount of the 2008 Note at its maturity.

The County may request the Bank to make advances of funds to it to be evidenced by the Note in addition to the Initial Advance. Each such additional advance by the Bank (each, an "Additional Advance") shall constitute the purchase by the Bank of a portion of the principal amount of the notes authorized to be issued by this Resolution. For each request for an Additional Advance, the County shall submit to the Bank, at least four (4) Business Days (as hereinafter defined) prior to the requested date of disbursement, a completed written disbursement request (an "Advance Request"). Each Advance Request may be delivered by electronic mail and shall state the amount of the Additional Advance and the requested date of delivery thereof, provide such other information and be in such form as required by the Bank and be executed by the manual or electronic signature of the County

Manager, the Finance Director of the County, the Deputy Finance Director of the County or the Assistant Finance Director of the County (each, an "Authorized Officer"). The proceeds of each Additional Advance shall be used by the County solely to pay or to reimburse itself for the payment of the project costs to be funded by the notes authorized to be issued by this Resolution as shall be determined by the County, provided that not more than \$7,680,000 in aggregate amount of such proceeds may be used to pay or to reimburse the County for the payment of project costs that are within the purpose for which said Community College Bonds were authorized and that not more than \$139,420,000 in aggregate amount of such proceeds may be used to pay or to reimburse the County for the payment of project costs that are within the purpose for which said School Bonds were authorized. The County shall not submit Advance Requests to the Bank more frequently than monthly. Subject to compliance by the County with the terms and conditions of this Resolution, the Bank shall make an Additional Advance to the County and send a written confirmation thereof (which may be delivered by electronic mail) to the Commission within four (4) Business Days of the receipt by it of an Advance Request. The Initial Advance and Additional Advances shall not exceed \$147,100,000 on a cumulative basis, and the principal amount of the Note outstanding at any time shall not exceed \$60,000,000. If the Note is redeemed in whole or in part as hereinafter provided, then the outstanding principal amount of the Note shall be reduced accordingly and the County may request the Bank to make Additional Advances in an aggregate amount up to the amount by which the principal amount of the Note was reduced by such redemption of the Note. The term "Business Day" means a day on which the Bank, at its principal corporate offices in Charlotte, North Carolina, is not required or authorized by law to remain closed.

The Initial Advance and Additional Advances shall be evidenced by the Note. The County hereby authorizes the Bank to endorse on the schedule attached to the Note the date and the amount of each Additional Advance made by the Bank to the County hereunder and the date and the amount of each redemption of the Note by the County; provided, however, that any failure by the Bank to make any such endorsement shall not affect the obligations of the County hereunder or under the Note in respect of such Additional Advance or redemption. The County shall pay to the Bank the aggregate amount of the Initial Advance and all Additional Advances (collectively, the "Amount Advanced") on the Maturity Date, subject to the right of prior redemption.

The Note shall bear, and the County shall pay, interest from the date of the Note on the outstanding principal amount thereof equal to the Amount Advanced at the Interest Rate (as hereinafter defined). Accrued (and theretofore unpaid) interest on the outstanding principal of the Note shall be due and payable (i) in arrears on the first Business Day of each calendar month, beginning with the first such day to occur after the date of delivery of the Note and (ii) on the date when the principal of the Note shall be due (whether at maturity or by redemption prior to maturity), but only to the extent accrued. Each such date for the payment of interest is herein called an "Interest Payment Date."

The term "Interest Rate" means a floating rate of interest based on 65.1% of LIBOR (as hereinafter defined) plus .70% per annum calculated on a 30/360 accrual basis from and including the date of the Note. The Interest Rate shall not exceed eighteen percent (18%) per annum. For the purpose of this definition, "LIBOR" means the rate per annum equal to the British Bankers Association LIBOR Rate ("BBA LIBOR"), as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as selected by the Bank from time to time) at approximately 11:00 a.m. London time two (2) London Banking Days (as hereinafter defined) before the day this Resolution takes effect and before the first day of each subsequent month for deposits in United States dollars of amounts equal to or comparable to the outstanding principal of the Note (for delivery on the first day of each interest period) with a thirty-day term. If LIBOR is not available at such time for any interest period for any reason, then another rate for such interest period will be determined by such alternate method as reasonably selected by the Bank. A "London Banking Day" is a day on which banks in London are open for business and dealing in offshore dollars. The Interest Rate shall be adjusted on the first day of each month to include the applicable LIBOR rate at the time of such adjustment. Interest shall continue to accrue on the principal of the Note until such interest is paid. In the event that the County fails to pay the interest on or principal of the Note within fifteen (15) days of the due

date thereof, the County shall pay to the Bank a late payment charge equal to four percent (4%) of the delinquent payment.

Upon determining the applicable Interest Rate for each interest period commencing on the first day of a month following the date of delivery of the Note, the Bank shall immediately notify the County of such Interest Rate by electronic mail addressed to the Assistant Finance Officer of the County. The Bank shall also notify the County not less than fifteen (15) days before each Interest Payment Date of the amount due on such Interest Payment Date, such notice to be given in writing by first-class mail, postage prepaid, and addressed to the Assistant Finance Officer of the County.

The principal of the Note shall be payable to the Bank as the registered owner of the Note on the registration books of the County hereinafter provided for upon the presentation and surrender thereof at the office of the Note Registrar (as hereinafter defined) as the same shall become due and payable on the Maturity Date or any prior redemption date and the interest on the Note shall be payable to the Bank as the registered owner of the Note as the same shall become due and payable on the respective Interest Payment Dates as hereinafter provided.

Unless otherwise instructed by the Bank, the County shall pay the principal of and the interest on the Note as they become due and payable by 5:00 P.M. on the respective payment dates, by wire transfer to Bank of America, N.A., as custodian, in accordance with wire transfer instructions to be provided to the County by the Bank.

The County acknowledges that the Bank is providing the Amount Advanced at the Interest Rate based on the premise that the interest on the Note received by the Bank under this Resolution is excludable from the gross income of the Bank for purposes of federal income taxation and exempt from all State of North Carolina ("State") income taxes based on federal and State laws in effect as of the date of delivery of the Note. The Bank understands, however, that the interest on the Note may be included in certain computations (including those used in calculating the alternative minimum tax liability of corporations). If, as a result of any action or failure to take any action by the County, the interest on the Note received by the Bank shall be finally determined to be included in the gross income of the Bank by the Internal Revenue Service, any federal administrative agency or any court, then the Interest Rate and the remaining interest payments on the Note will be adjusted upward to provide for the payment of interest by the County at taxable rates which will preserve the Bank's after-tax economic yield with respect to the obligation of the County to make payments of principal of and interest on the Note. Such increased interest shall be due from and after the date as of which the Internal Revenue Service or any such agency or court determines that the interest received by the Bank is included in the gross income of the Bank.

If an event specified above in the immediately preceding paragraph occurs, the County agrees, to the extent permitted by law, to indemnify and hold harmless the Bank from any cost and expense incurred as a result thereof, specifically including without limitation all administrative expenses arising in connection with the amendment of the Bank's income tax returns. The Bank shall deliver to the County a certificate as to the amounts of such adjustments of the Interest Rate and the remaining interest payments on the Note or cost or expense incurred by the Bank as a result of an event specified in the immediately preceding paragraph, setting forth in reasonable detail the basis therefor and the manner of calculation thereof, as soon as practicable after the Bank becomes aware of such event, which certificate shall be conclusive (absent manifest error) as to the amounts set forth therein. In determining such amounts, the Bank may use any reasonable averaging and attribution methods.

The County shall also pay to the Bank a facility fee in arrears on September 30, 2011 and thereafter quarterly on the last Business Day in each December, March, June and September thereafter equal to .15% of the Unused Commitment Amount (as hereinafter defined) on each day during the Unused Commitment Calculation Period (as hereinafter defined) next preceding such quarterly payment date (the "Commitment Fee"). The Commitment Fee shall be calculated on the basis of the actual number of days elapsed and a 360-day year, including the date of the Note but not the Maturity Date.

The term "Unused Commitment Amount" means, as of the date of determination, \$60,000,000 less the sum of the Initial Advance and all Additional Advances plus all redemptions of the Amount Advanced as of such date.

The term "Unused Commitment Calculation Period" means each of the following periods:

the period from and including the date of the Note through September 29, 2011;
the period from and including the last Business Day in each September, December, March and June to and including the day next preceding the last Business Day in each December, March, June and September, whichever first occurs following the first day of such period; and
the period from and including the last Business Day in June 2014 to but excluding the Maturity Date.
Unless otherwise instructed by the Bank, the County shall pay the Commitment Fee as it becomes due and payable by 5:00 P.M. on the respective payment dates, by wire transfer to Bank of America, N.A., as custodian, in accordance with wire transfer instructions to be provided to the County by the Bank. The Bank shall notify the County not less than two (2) days before each date on which a Commitment Fee is due of the amount due on such date, such notice to be given by electronic mail, confirmed by first-class mail, postage prepaid, and addressed to the Assistant Finance Officer of the County.

The County may, at its option, from time to time, with any available funds, redeem prior to the Maturity Date the Note in whole or in part on any Interest Payment Date, at a redemption price equal to one hundred percent (100%) of the outstanding principal of the Note to be redeemed, plus accrued interest thereon to the date of such redemption, upon not less than thirty (30) days prior written notice of such redemption to the Bank by electronic mail, confirmed by first-class mail, postage prepaid.

In the event of a redemption of the Note, the schedule attached to the Note shall be endorsed to reduce the outstanding Amount Advanced by the amount of such redemption.

The Note shall bear the manual or facsimile signatures of the Chairman of the Board of Commissioners and the Clerk to the Board of Commissioners and the corporate seal or a facsimile of the corporate seal of the County shall be impressed or imprinted, as the case may be, on the Note.

The certificate of the Local Government Commission of North Carolina (the "Commission") to be endorsed on the Note shall bear the manual or facsimile signature of the Secretary of the Commission and the certificate of authentication of the Note Registrar to be endorsed on the Note shall be executed as provided hereinafter.

In case any officer of the County or the Commission whose manual or facsimile signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and the Note may bear the manual or facsimile signatures of such persons as at the actual time of the execution of the Note shall be the proper officers to sign the Note although at the date of the Note such persons may not have been such officers.

The Note shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under this Resolution until it shall have been authenticated by the execution by the Note Registrar of the certificate of authentication endorsed thereon.

The Note and the endorsements thereon shall be in substantially the following forms:
No. R-1

United States of America
State of North Carolina

COUNTY OF DURHAM

GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND
ANTICIPATION NOTE, SERIES 2011

The County of Durham, in the State of North Carolina (the "County"), is justly indebted and for value received hereby promises to pay to BANK OF AMERICA, N.A. (the "Bank") or legal representative, upon the presentation and surrender hereof, at the office of the Finance Director of the County (the

“Note Registrar”), the principal sum of \$60,000,000 or so much thereof as may be disbursed and remain outstanding from time to time hereafter as the Amount Advanced (as defined below) on the Maturity Date (as defined below) or the date of any redemption of this note prior to the Maturity Date with interest thereon until paid in full at the Interest Rate (as defined below) as provided in the Resolution (as defined below). The Amount Advanced includes the Initial Advance (as defined below) and each Additional Advance (as defined below), subject to redemption prior to the Maturity Date as provided in the Resolution. The Initial Advance has been endorsed on the schedule attached hereto and each Additional Advance and the amount of each redemption of this note may be endorsed by the Bank on the schedule attached hereto and by this reference incorporated herein (provided, however, that any failure by the Bank to make any such endorsement shall not affect the obligations of the County hereunder). Accrued interest on the principal balance hereof from time to time outstanding shall be due and payable (i) in arrears on the first Business Day (as defined below) of each calendar month, beginning with the first such day to occur after the date of delivery of this note and (ii) on the date when the principal of this note shall be due (whether at maturity or by redemption prior to maturity), but only to the extent accrued. All principal hereunder shall be due and payable on the Maturity Date or the date of any redemption hereof prior to the Maturity Date.

Both the principal of and the interest on this note shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the County are hereby irrevocably pledged.

This note is given for money borrowed in the amount of the Amount Advanced in anticipation of the receipt of the proceeds of the sale of Community College Bonds and School Bonds duly authorized by orders adopted by the Board of Commissioners for the County on July 23, 2007 and approved by the vote of a majority of the qualified voters of the County who voted thereon at a referendum duly called and held on November 6, 2007 as provided in the Resolution. This note is issued pursuant to and in full compliance with The Local Government Bond Act, as amended, Article 9, as amended, of Chapter 159 of the General Statutes of North Carolina and a resolution duly passed by said Board on July 25, 2011 (the “Resolution”).

This note is registered as to principal and interest in the name of the Bank. The Note Registrar shall keep at his office the books of the County for the registration of this note and the payment of the principal of and interest on this note as provided in the Resolution.

This note is subject to redemption prior to the Maturity Date as provided in the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this note have happened, exist and have been performed in regular and due form and time as so required and that the total indebtedness of the County, including this note, does not exceed any constitutional or statutory limitation thereon.

This note shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until this note shall have been authenticated by the execution by the Note Registrar of the certificate of authentication endorsed hereon.

As used herein, the terms “Amount Advanced”, “Maturity Date”, “Interest Rate”, “Initial Advance”, “Additional Advance” and “Business Day” shall have the meaning given each such term in the Resolution.

IN WITNESS WHEREOF, the County, by resolution duly passed by its Board of Commissioners, has caused this note to be manually signed by the Chairman of said Board and the Clerk to said Board and its corporate seal to be impressed hereon, all as of the ____ day of _____ 2011.

Chairman of the Board of Commissioners

Clerk to the Board of Commissioners

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within note has been approved under the provisions of The Local Government

Bond Act of North Carolina.

Secretary, Local Government Commission

CERTIFICATE OF AUTHENTICATION

This note is issued under the provisions of the within-mentioned Resolution.

Finance Director of the County of Durham, North Carolina,
as Note Registrar

By: _____
Authorized Signatory

Date of authentication: _____

SCHEDULE

DATE

AMOUNT OF
INITIAL ADVANCE,
ADDITIONAL ADVANCE
OR REDEMPTION

The person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of and the interest on the Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note and interest thereon, to the extent of the sum or sums so paid.

The County shall appoint such registrars, paying agents or other agents as may be necessary for the registration of the Note and the timely payment of principal and interest with respect to the Note. The Finance Director of the County is hereby appointed the registrar and paying agent for the Note (collectively, the "Note Registrar"), subject to the right of the Board of Commissioners to appoint another Note Registrar, and as such shall keep at his office the books of the County for the registration and payment of the Note as provided in this Resolution.

The County shall send to the Bank a copy of the County's audited financial statements for each fiscal year within two hundred seventy (270) days of the completion of such fiscal year.

The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended, relating to the issuance of the Note, except to the extent that the County obtains an opinion of bond counsel to the effect that noncompliance would not result in interest on the Note being includable in the gross income of its owner for purposes of federal income taxation.

The Board of Commissioners hereby approves the action of the Commission in awarding the Note at private sale without advertisement to the Bank, subject to the approval of the Finance Director of the County, in accordance with the Note Purchase Agreement between the Commission and the Bank in the form presented to the Board of Commissioners (the "Note Purchase Agreement"). The Note Purchase Agreement is hereby approved and the Finance Director of the County is hereby authorized to execute and deliver the Note Purchase Agreement in substantially such form, with such changes, additions and omissions as may be approved by the Finance Director of the County, such approval to be conclusively evidenced by such execution.

The County Manager and the Finance Director of the County and their designees are hereby authorized and directed to take such other actions and to execute and deliver such other documents, certificates, undertakings, agreements or other instruments as may be necessary or appropriate to effectuate the issuance of the Note.

This resolution shall take effect upon its passage.

Upon motion of Commissioner _____, seconded by Commissioner _____, the foregoing resolution entitled: "RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$147,100,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND ANTICIPATION NOTES, SERIES 2011" was passed by the following vote:

Ayes: Commissioners _____

Noes: _____

* * * * *

I, V. Michelle Parker-Evans, Clerk to the Board of Commissioners for the County of Durham, North Carolina, DO HEREBY CERTIFY that the foregoing has been carefully copied from the actually recorded minutes of said Board at a regular meeting held on July 25, 2011, the record having been made in Minute Book _____ of the minutes of said Board, beginning at page _____ and ending at page _____, and is a true copy of so much of said minutes as relates in any way to the passage of a resolution providing for the issuance of \$60,000,000 General Obligation Public Improvement Bond Anticipation Notes, Series 2011 of said County.

I HEREBY FURTHER CERTIFY that a schedule of regularly-scheduled meetings of said Board, stating that a regular meeting of said Board will be held on July 25, 2011 at 7:00 P.M. in the Commissioners' Meeting Room in the Durham County Government Administrative Complex at 200 East Main Street, in Durham, North Carolina, has been on file in my office pursuant to G.S. §143-318.12 as of a date not less than seven days before the date of said meeting.

WITNESS my hand and the corporate seal of said County, this _____ day of July 2011.

Clerk to the Board of Commissioners

Consent Agenda Item No. j. Approve the attached agreement and give the Manager the authority to execute the new HOME Consortium Agreement with the City of Durham.

**DURHAM COUNTY
JOINT COOPERATION AGREEMENT
DURHAM CITY-COUNTY HOME CONSORTIUM (DCCHC)**

THIS AGREEMENT is made and entered into this the _____ day of _____, 2011 by and between the City of Durham (hereinafter referred to as "City") and the County of Durham (hereinafter referred to as "County"), each being a government unit of the State of North Carolina. This Agreement is made pursuant to North Carolina Statutes, Article 20 of Chapter 160A and 24 CFR Part 92 Subpart C. §92.101.

BACKGROUND

City and County agree that it is desirable and in the interests of their citizens to secure status as a Participating Jurisdiction under the HOME Investment in Affordable Housing Program created through Title II, HOME Investment Partnership Act, of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended, said Participating Jurisdiction to be a Consortium of the City and County.

I. DEFINITIONS

The definitions contained in 24 CFR Part 92, Subpart A., §92.2 are incorporated by reference and made a part of this Agreement, and the terms defined in this section have the meanings given them:

- A. "Act" means the HOME Investment Partnerships Act at Title II of the Cranston-Gonzales National Affordable Housing Act (Pub. L. 101-625), 42 U.S.C. 12701 *et seq.*
- B. "HOME Program" means a procedure established by the City and County for the use of funds made available from HUD through the Act to carry out multi-year housing strategies through assistance to first-time homebuyers and existing homeowners, property acquisition, improvements, tenant-based rental assistance, demolition, relocation expenses and other reasonable and necessary expenses related to the development of affordable housing for persons of low-income.
- C. "HUD" means the United States Department of Housing and Urban Development.
- D. "Consolidated Plan" means the Consolidated Plan for the City and County to be developed in accordance with 24 CFR Part 91 and encompassing housing and other community development needs of the City and County with a focus on affordable housing for low-income families.
- E. "Regulations" means 24 CFR Parts 91 and 92, HOME Investment Partnership Program implementing regulations as issued by HUD.

II. PURPOSE

This Agreement is to form a Consortium of Durham City and County governments as a designated Participating Jurisdiction under the ACT, said Participating Jurisdiction to be known and hereinafter may be referred to as Durham City-County HOME Consortium or DCCHC.

III. GENERAL TERMS

- A. The initial term of this agreement begins with the effective date of July 1, 2012 and continues for a period of three years ending June 30, 2015. Following the expiration of the three years (the "qualification period"), this Agreement shall automatically renew for successive three (3) year "qualification periods", unless terminated earlier in accordance with this Agreement. In the event either the City or County elects not to continue participation in a new qualification period, the City shall provide the County and/or the County shall provide the City written notice of its right to elect not to continue. In the event the parties agree to dissolve the DCCHC, the City, as Lead

Entity, shall notify HUD of its intent to dissolve the DCCHC, which notice shall be in writing, signed by both parties and delivered to HUD at least sixty (60) days prior to the date of dissolution.

- B. The Citizens Advisory Committee is hereby authorized to provide advisory oversight for Consortium planning, operations and evaluation.
- C. This Agreement shall be executed by the appropriate officers of the City and County pursuant to authority granted by their governing bodies.
- D. City and County mutually agree that the City shall act as the "Lead Entity" in a representative capacity for all members of the DCCHC for the purpose of the Act.
- E. The County agrees that the City as Lead Entity shall assume overall responsibility for ensuring that the HOME Program is carried out in compliance with the requirements of the Act. The City will provide the staff necessary to administer the program for both the City and County.
- F. The County and City shall participate jointly in the development of the DCCHC Program. Subject to Section III G, the Program will define a strategy in sufficient detail to accommodate the collective and individual needs and priorities of the City and County as agreed upon by each governing body providing local matching funds, with the advice of any governing body not providing local matching funds and the Citizen Advisory Committee.
- G. HOME funds will be expended within the boundaries of Durham County to alleviate housing problems and/or to create affordable housing for the respective fiscal years as applicable. The Durham Citizen Advisory Committee will advise both governing bodies how HOME funds shall be distributed. Each governing body providing local matching funds shall make final decisions concerning HOME funds distribution. If both the City and County provide local matching funds, but are unable to reach agreement on final decisions concerning HOME funds distribution, then each governing body shall be entitled to make final decisions with respect to a portion of the total amount of HOME funds available for distribution. The County portion shall be calculated based upon the incremental increase in HOME entitlement funding allocated to the DCCHC Program as a result of the County's participation. By way of illustration, based on the current population of the City and the County, the DCCHC Program will be eligible to receive approximately 5% more in total HOME funds than the City would receive as an entitlement community.
- H. Up to 10% of the total allocation of HOME funds during each HOME program-year (in accordance with HUD regulations) will be used to finance the costs of administering the DCCHC program, in accordance with 24 CFR 92.207. Local matching funds are required by HUD to participate in the HOME Program. The City and County shall each contribute the funds in a pro-rata share. The pro-rata share for each governing body shall be derived by the amount of local matching funds determined by each governing body to be available during the HOME program-year. Such determination shall be made by each governing body by the beginning of each fiscal year during the term of this Agreement.

- I. The City, in its capacity as Lead Entity, shall be responsible for processing HOME payment cash draw-down from HUD on a periodic basis. All payment requests will be implemented on a reimbursement basis.
- J. The City as Lead Entity agrees to prepare the Consolidated Plan needed for the DCCHC to receive HOME funding. The Consolidated Plan shall be adopted by both governing bodies. The City in its capacity as Lead Entity assumes overall responsibility for ensuring that the Consortium's HOME Program is carried out in compliance with the requirements of the HOME Program, including requirements concerning the Consolidated Plan in accordance with HUD regulations in 24 CFR Parts 92 and 91, respectively, and the requirements of 24 CFR 92.350(a)(5).
- K. The City and County agree to comply with all the program regulations and DCCHC program features and requirements.
- L. The City shall be responsible for all liabilities, obligations, damages, judgments, settlements, losses, claims, penalties, costs, charges and expenses that arise in any manner from or out of development or implementation of the HOME Program and the DCCHC Program.
- M. The City and County certify that they will adhere to all federal and state regulations pertaining to the disposition of real property, if any real property is acquired by the Participating Jurisdictions with HOME funds. Any such property shall be jointly owned by the City and County.
- N. This Agreement may be amended by mutual agreement of all parties in writing.
- O. The City and County oppose discrimination on the basis of race and sex and urges all of its contractors to provide a fair opportunity for minorities and women to participate in their work force and as subcontractors and vendors under City and County contracts.

IV. FAIR HOUSING

In accordance with the HUD Federal Register dated December 22, 1992 regarding Consortia under the HOME Investment Partnership Act, the parties shall each affirmatively further fair housing, including compliance with all local, state and federal laws and regulations.

The City and County have signed this Agreement, and the governing boards of the City and County have duly approved this Agreement and pursuant to such approval and the proper officials having signed this Agreement, the parties hereto agree to be bound by the provisions herein set forth. The execution of this Agreement shall also be a statement by the attorneys for the City and County that the terms and provisions of this Agreement are fully authorized under State and local law and the Agreement provides full legal authority for the Consortium to undertake or assist in undertaking housing assistance activities for the HOME program.

CITY OF DURHAM

By _____
Thomas J. Bonfield
City Manager

ATTEST:

City Clerk

COUNTY OF DURHAM

By _____
 Michael D. Page, Chair
 Durham County Board of Commissioners

ATTEST:

 County Clerk

Consent Agenda Item No. 1. Approve Capital Project Amendment No. 12CPA000002 appropriating funds for three new capital projects. For each of the projects, General Fund dollars will fund purchases made before loan funds are available through an interfund loan of that amount and will be reimbursed/repaid once the loan funds become available.

**DURHAM COUNTY, NORTH CAROLINA
 2011-12 Capital Project Ordinance
 Amendment Number 12CPA000002**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY:

That the 2011-12 capital project ordinance is hereby amended to reflect budget adjustments for the following projects.

<i>Project</i>	Current Budget	Inc./Dec.	Revised Budget
ERP Human Resources Upgrade Project	\$0	\$2,000,000	\$2,000,000
Technology Life Cycle Replacement Project	\$0	\$7,861,360	\$7,861,360
Sheriff IT Equipment Upgrade Project	\$0	\$599,900	\$599,900

Adopted this the 25th day of July, 2011.

Consent Agenda Item No. n. Approve Budget Ordinance Amendment 12BCC000002 from the NC HHS in the amount of \$28,477 for the Local Public Health Preparedness.

**DURHAM COUNTY, NORTH CAROLINA
 FY 2011-12 Budget Ordinance
 Amendment No. 12BCC00002**

BE IT ORDAINED BY THE COMMISSIONERS OF DURHAM COUNTY that the FY 2011-12 Budget Ordinance is hereby amended to reflect budget adjustments.

Revenue:

<u>Category</u>	<u>Current Budget</u>	<u>Increase/Decrease</u>	<u>Revised Budget</u>
<i>GENERAL FUND</i>			
Intergovernmental	\$70,863,654	\$28,477	\$70,892,131

Expenditures:

<u>Function</u>			
<u>GENERAL FUND</u>			
Human Services	\$104,489,227	\$28,477	\$104,517,704

All ordinances and portions of ordinances in conflict herewith are hereby repealed.

This the 25th day of July, 2011.

Board and Commission Appointments

Michelle Parker-Evans, Clerk to the Board, distributed ballots to the Board to make appointments to boards and commissions.

The following appointments were made:

Audit Oversight Committee

Fay Culpepper

Convention Center Authority

Billy Ruffin

Library Board of Trustees

Joyce Sykes

Nursing Home Community Advisory Committee

Kendra Coggins David Strausfeld Kathy Silbiger

Women's Commission

Sandra Davis Marisssa V. Streyle

Drew Cummings, Assistant County Manager, clarified that the selection for the Homeless Services Committee would be a selection from the following categories: one nonprofit, one faith, one homeless, and one corporate. Commissioner Howerton read information from HUD regarding conflicts of interest. After some discussion, the Board agreed to delay voting on the Homeless Services Advisory Committee until August 1. The Attorney will research more to find out information regarding conflict of interest for nonprofits. The Attorney recommended that the item be tabled until August 1 to allow his office time to research the issues. The Board concurred.

Item Removed from the Consent Agenda

Commissioners Bowser and Reckhow requested to pull the following item from the agenda. They had concerns about the inconsistencies on the bid sheet. Commissioner Bowser requested that the item be placed on the August 8 agenda as a regular item. Vice Chair Reckhow also

requested background information as to why some of the lower bidders were not chosen. She also requested an assessment from General Services as to the number of people it would take if the services were performed in-house.

Consent Agenda Item c. Authorize the County Manager to enter into service contracts with A-Plus Clean Janitorial Service for an annual total of \$175,461.75.

Adjournment

Commissioner Heron expressed her thanks to staff for their service to Durham County.

There being no further business, Chairman Page adjourned the meeting at 7:58 pm.

Respectfully Submitted,



V. Michelle Parker-Evans
Clerk to the Board