

**LENOIR COUNTY BOARD OF COMMISSIONERS REGULAR MEETING: AGENDA
MONDAY, FEBRUARY 18, 2013 – TIME: 4:00 PM.
COMMISSIONERS’ MEETING ROOM, LENOIR COUNTY COURTHOUSE
130 S. QUEEN ST., KINSTON, N.C.**

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE: 5 Min. Est.

PUBLIC INFORMATION: John Morrison- Strata Solar

- 1. **Items from Chairman/Commissioners: 5 Min.** Board
- 2. **Items from County Manager: 5 Min.** Jarman

CONSENT AGENDA: 10 Min. ACTION

- 3. Approval of Minutes: Regular Board Meeting: February 4, 2013 Roberts/Jarman
- 4. Resolution Approving the Releases and Refunds to the Individuals Listed Herein Parrish
- 5. Budget Ordinance Amendment: General Funds: Health: Increase: \$971 Huff

END OF CONSENT AGENDA

BUDGET ORDINACE/RESOLUTIONS: 35 Min.

- 6. Budget Ordinance Amendment: Finance/Sheriff Department: \$3,556: Increase Smith
- 7. Resolution Approving Purchase of HP Switches, Transceiver and Installation: Smith
\$18,285
- 8. Resolution Authorizing the Purchase of Athletic Equipment for County Recreation Programs Ellis
- 9. Resolution Approval of the Purchase of Two (2) Sets Each of EMD, EFD & EPD Card sets for Dispatch Console Positions: Priority Dispatch: \$2,854 Dail
- 10. Resolution Authorizing North Lenoir Fire and Rescue to Purchase One (1) 2013 Pierce Commercial Cab Pumper and One (1) 2013 Commercial Cab Tanker Utilizing and Securing a Loan of \$459,902 from First Citizens Bank Dail
- 11. Resolution for the Sale of Refunding Bonds Hollowell/Martin
- 12. Resolution Approving a Drug and Alcohol Testing Policy for Lenoir County Transit Harper
- 13. Resolution Approving a Change to the Community Transportation Grant Local Share for FY 2013-2014: From \$39,364 to \$41,314 Administrative and From \$20,918 to \$19,618 Capital Harper

APPOINTMENTS: 5 Min.

- 14. Resolution Approving Citizens to Boards, Commissions, Etc. **5 Min.** Jarman

OTHER ITEMS: 10 Min.

15. **Items from County Manager / County Attorney / Commissioners Public Comments/Closed Session
(if necessary)**

TO: Chairman and Members of the Board
FROM: Eric Rouse & Linda Rouse Sutton, Board Members
DATE: February 18, 2013
SUBJECT: Items of Interest

1. A Resolution to Preserve and Defend the United States Constitution and North Carolina Constitution
2. Resolution to Protect the Privacy and Security of Law Abiding Gun Owners in North Carolina

A Resolution to Preserve and Defend the United States Constitution and North Carolina Constitution

Whereas, county commissioners taking office solemnly swear that we will support the Constitution of the United States; and

Whereas, county commissioners taking office also solemnly swear they will be faithful and bear true allegiance to the State of North Carolina and to the Constitutional Powers and Authorities which are or may be established for the government thereof; and also promise to endeavor to support, maintain and defend the Constitution of the said State, not inconsistent with the Constitution Of the United States, to the best of our knowledge and ability, and

Whereas, The Second Amendment to the U.S. Constitution states "*A well regulated Militia, being necessary to the security of a free State, the right of the people to keep and bear Arms, shall not be infringed;*" and

Whereas, Article I, Sec. 30 in the NC Constitution states "*A well regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed;*" and

Whereas, our rights are given by Our Creator and listed in the Constitution of the United States as a limit to government; and

Whereas, a "Militia" when properly formed, is in fact the people themselves ... and includes ... all citizens capable of bearing arms; and

Whereas, "...well regulated" means, that the militia, i.e. the people must be well equipped; and

Whereas, it being "...*necessary to the security of a free State*" means that the right of the people to bear arms was, and remains, the ultimate barrier to government tyranny; and

Whereas, the lawless are unaffected by prohibitions imposed upon law abiding citizens' natural rights; and

Therefore, the Lenoir County Board of Commissioners resolve as representatives of the people to defend the 2nd Amendment and Article I, Sec. 30 of the North Carolina Constitution.

AMENDMENTS:

MOVED _____ SECOND _____

APPROVED _____ DENIED _____ UNANIMOUS _____

YEA VOTES: Davis _____ Brown _____ Daughety _____
Hill _____ Rouse _____ Sutton _____ Best _____

Reuben J. Davis, Chairman

2/18/13

Date

ATTEST 2/18/13 Date

**Resolution
to Protect the Privacy and Security of Law
Abiding Gun Owners in
North Carolina**

Whereas, the people of this state have an inherent right to privacy; and

Whereas, the vast majority of gun owners are law-abiding citizens; and

Whereas, owning a firearm for the defense of one's person, home, family and liberty is not the exercise of government privilege, but of God given right; and

Whereas, the public disclosure of gun owner's personal information has resulted in slander as well as victimization by criminals; and

Whereas, the public disclosure of gun owner's information also exposes an unarmed citizen to risk of victimization by being identified by as such; and

Whereas, law enforcement, detention staff and correction officers have become targets of threat and intimidation following the release of their personal information as gun owners and;

Whereas, 40 states and the District of Columbia have taken steps to make information concerning gun owners private, and only 10 states, including North Carolina, continue to treat gun owner information as a public record; and

Whereas, no public interest is served by the release of the personal information of private citizens that have committed no trespass of law; and

Therefore, the Lenoir County Board of Commissioners resolves, as representatives of the people, to defend the safety and privacy rights of lawful citizens. Furthermore the Lenoir County Board of Commissioners call upon the Governor and General Assembly of North Carolina to enact legislation protecting gun owners from undue and unwanted release of personal information by exempting said information from the public records laws.

AMENDMENTS:

MOVED _____ SECOND _____

APPROVED _____ DENIED _____ UNANIMOUS _____

YEA VOTES: Davis _____ Brown _____ Daughety _____
Hill _____ Rouse _____ Sutton _____ Best _____

ATTEST 2/18/13 Date

Reuben J. Davis, Chairman

2/18/13
Date

TO: Chairman and Members of the Board
FROM: Mike Jarman, County Manager
DATE: February 18, 2013
SUBJECT: Items of Interest

1. Lenoir County Financial Performance Summary: 2012-13: January 31, 2013
2. Lenoir County Inspections Permit/Inspection Report: January 2013

LENOIR COUNTY
FINANCIAL PERFORMANCE SUMMARY-2012-13
JANUARY 31, 2013

REVENUES

58.33%

	BUDGET	REVENUES	REMAINING	%
DESCRIPTION	FOR YEAR	TO DATE	BALANCE	REC'D
GENERAL FUND:				
Health Department	1,840,227	1,242,158	598,069	67.50%
Public Assistance (DSS)	9,726,105	4,258,099	5,468,007	43.78%
Property Taxes	31,881,198	28,760,427	3,120,771	90.21%
Sales Taxes	5,650,000	2,104,106	3,545,894	37.24%
Other General	15,223,955	6,760,085	8,463,870	44.40%
TOTAL GENERAL	64,321,485	43,124,874	21,196,611	67.05%
OTHER FUNDS:				
Employee Insurance	3,905,000	2,074,440	1,830,560	53.12%
Vehicle Replacement	12,974	12,974	0	0.00%
Fed Seized Property	96,629	29,798	66,831	30.84%
State Controlled Substance	34,974	1,756	33,218	5.02%
School Capital Fund	2,467,607	555,739	1,911,868	22.52%
Transportation Fund	1,368,779	603,138	765,641	44.06%
Scrap Tire Disposal	135,000	73,958	61,042	54.78%
Emergency Telephone	359,451	179,726	179,725	50.00%
Revaluation Fund	54,384	0	54,384	0.00%
Automation-Preservation Fnd	144,000	12,981	131,019	9.01%
MSW Landfill-Debt Service	0	18	-18	
Capital Improve Fund	5,258,580	540,906	4,717,674	10.29%
Solid Waste Management	3,419,089	2,019,993	1,399,096	59.08%
Trust and Agency Fund:				
Smart Start Program	101,723	47,200	54,523	46.40%
Fire Districts	1,336,101	1,111,847	224,254	83.22%
TOTAL OTHER FUNDS	18,694,291	7,264,474	11,429,817	38.86%
GRAND TOTAL	83,015,776	50,389,348	32,626,428	60.70%

Project Based Revenues:	BUDGET	TO DATE	REMAINING	% REC
SCHOOL CONSTRUCTION FUND	72,623,867	72,623,867	0	100.00%
CAPITAL PROJECTS FUND	36,055,617	28,674,798	7,380,819	79.53%
CDBG RELATED PROJECTS	3,588,688	2,793,001	795,687	77.83%
Total Project Based	112,268,172	104,091,666	8,176,506	

* **Bold** area represents "Project Based" funds in which Revenues to date includes revenues from prior years since the beginning of the project

Project Based Expenditures:	BUDGET	EXPENDED TO DATE	ENCUMBERED	REMAINING
SCHOOL CONSTRUCTION FUND	72,623,867	72,623,867	0	0
CAPITAL PROJECTS FUND	36,055,617	27,218,790	127,302	8,709,525
CDBG RELATED PROJECTS	3,588,688	2,793,001	0	795,687
Total Project Based	112,268,172	102,635,658	127,302	9,505,212

* **Bold** area represents "Project Based" funds in which Expenditures to date includes expenditures from prior years since the beginning of the project

LENOIR COUNTY
FINANCIAL PERFORMANCE SUMMARY - 2012-13
JANUARY 31, 2013

EXPENDITURES

58.33%

DESCRIPTION	BUDGET FOR YEAR	EXPENDITURES TO DATE	ENCUMBRANCE	UNENCUMBERED BALANCE	% EXPEND/ENCUMBR
GENERAL FUND:					
Governing Body	227,557	139,746	0	87,811	61.4%
County Manager	272,984	155,624	0	117,360	57.0%
Finance	198,801	114,261	0	84,540	57.5%
Human Resources	231,611	114,378	0	117,233	49.4%
Tax Office	810,610	454,519	3,992	352,099	56.6%
Legal	62,500	13,125		49,375	21.0%
Court Facility	595,887	207,464	66,571	321,852	46.0%
Elections	364,419	290,683	3,636	70,100	80.8%
Register of Deeds	289,960	168,532	17,092	104,336	64.0%
Non-Departmental	1,060,327	832,028		228,299	78.5%
Process Funds	1,072,981	492,590	3,650	576,741	46.2%
Outside Agencies	129,500	65,854		63,646	50.9%
Management Info Systems	934,842	617,390	46,261	271,191	71.0%
Public Buildings	592,187	254,955	22,384	314,848	46.8%
Sheriff	4,566,463	2,548,902	66,823	1,950,738	57.3%
Sheriff - Civil Process	35,525	0	0	35,525	0.0%
Central Communications	1,243,640	740,231	14,921	488,488	60.7%
Jail	3,380,276	2,134,880	508,610	736,786	78.2%
Emergency Management	384,474	223,108	14,259	147,107	61.7%
Emergency Medical Services	3,766,532	2,161,648	181,876	1,423,008	62.2%
Non-Emergency Services	349,213	177,125	19,867	152,221	56.4%
Fire Protection	48,340	28,198		20,142	58.3%
Inspections	215,631	122,425	1,304	91,902	57.4%
Medical Examiner	40,000	17,720		22,280	44.3%
Economic Development	319,014	139,122	2,441	177,451	44.4%
Veterans Service Office	33,241	12,456	819	19,966	39.9%
Cooperative Extension	391,949	184,866	11,041	196,042	50.0%
JCPC - Parenting Matters	35,194	17,769		17,425	50.5%
Cooperative Ext-Grants	122,374	27,979	1,414	92,981	0.0%
Soil Conservation	121,047	66,103		54,944	54.6%
Health Department	3,841,409	1,933,447	123,254	1,784,708	53.5%
BioTerrorism - Health	48,808	23,519	0	25,289	48.2%
M. Health Department	245,715	143,334		102,381	58.3%
CJPP - Day Reporting Center	0			0	0.0%
Public Assistance (DSS)	13,903,630	6,928,891	248,974	6,725,765	51.6%
Education	9,900,000	5,775,000		4,125,000	58.3%
Community College	2,235,000	1,303,750		931,250	58.3%
Cultural	751,579	438,421		313,158	58.3%
Recreation	799,000	399,500		399,500	50.0%
Debt Service	8,215,513	8,215,513		0	100.0%
Transfer to Other Funds	2,454,599			2,454,599	0.0%
Contingency	29,153	0		29,153	0.0%
TOTAL GENERAL	64,321,485	37,685,056	1,359,189	25,277,240	60.7%
OTHER FUNDS:					
Employee Insurance Fund	3,905,000	2,021,644		1,883,356	51.8%
Vehicle Replacement Fund	12,974			12,974	0.0%
Fed Seized Property Fund	96,629	14,884	48,098	33,647	65.2%
State Controlled Substance Fund	34,974	10,974	4,000	20,000	42.8%
School Capital Fund	2,467,607	2,217,704		249,903	89.9%
Transportation Fund	1,368,779	659,173	114,656	594,950	56.5%
Scrap Tire Disposal Fund	135,000	61,003		73,997	45.2%
Emergency Telephone Fund	359,451	178,267	88,544	92,640	74.2%
Revaluation Fund	54,384	28,682		25,702	52.7%
Automation-Preservation Fund	144,000	110,251	8,603	25,146	82.5%
MSW Landfill-Debt Service	0			0	
Capital Improvements Fund	5,258,580	3,343,872	2,450	1,912,258	63.6%
Solid Waste Management	3,419,089	1,406,829	70,370	1,941,890	43.2%
Trust & Agency Fund					
Family & Caregiver-Smart Start	101,723	47,572	0	54,151	46.8%
Fire Districts	1,336,101	866,308	0	469,793	64.8%
TOTAL OTHER FUNDS	18,694,291	10,967,163	336,721	7,390,407	60.5%
GRAND TOTAL	83,015,776	48,652,219	1,695,910	32,667,647	60.6%



LENOIR COUNTY
PLANNING & INSPECTIONS DEPARTMENT
PO BOX 3289
101 NORTH QUEEN STREET
KINSTON, NC 28502
PHONE: 252-559-2260
FAX: 252-559-2261



LENOIR COUNTY INSPECTIONS
PERMIT/INSPECTION REPORT

JANUARY 2013

PERMITS ISSUED: 124

PERMITS VALUE: \$ 1,608,793

PERMIT FEES: \$ 10,398

SINGLE FAMILY DWELLINGS: 6

MOBILE HOMES: 9

COMMERCIAL: 2

ADDITIONS: 5

ELECTRICAL: 45

PLUMBING: 15

MECHANICAL: 31

OTHER: 11

TOTAL INSPECTIONS: 174

Lenoir County
 PERIODIC REPORT OF ISSUED PERMITS (GROUPED BY REPORT CODE)

Printed: 02-04-2013

Designated period: 01/01/13 to 01/31/131 [Prior period: 01/01/12 to 01/31/12]

	Code	Prms	Valuation	Fees Paid	Units	Prms	Valuation	Fees Paid	Units
NEW RES. HOUSEKEEPING - LENOIR COUNTY									
* Single Family Houses Detached	101B	3	616,000.00	1,495.00	3	1	400,000.00	50.00	1
* Single Family Houses Attached	102B		.00	.00	0	0	.00	.00	0
* 2 Family Building	103B		.00	.00	0	0	.00	.00	0
* 3 and 4 Family Buildings	104B		.00	.00	0	0	.00	.00	0
* 5 or More Family Buildings	105B		.00	.00	0	0	.00	.00	0
*TOTAL INFORMATION 101-105	109B		.00	.00	0	0	.00	.00	0
NEW RESIDENTIAL NON-HOUSEKEEPING BL:									
* Hotels, Motels & Tourist Cabins ..	213B		.00	.00	0	0	.00	.00	0
* Other Non-Housekeeping Shelter ...	214B		.00	.00	0	0	.00	.00	0
NEW NON-RESIDENTIAL BUILDINGS:									
* Amusement, Social, & Recreational	318B		.00	.00	0	0	.00	.00	0
* Churches & Other Religious	319B		.00	.00	0	3	376,500.00	1,501.00	3
* Industrial	320B		.00	.00	0	0	.00	.00	0
* Prkng Garages (Bids & Open Decked)	321B		.00	.00	0	0	.00	.00	0
* Service Stations & Repair Garages	322B		.00	.00	0	0	.00	.00	0
* Hospitals & Institutional	323B		.00	.00	0	0	.00	.00	0
* Offices, Banks, & Professional ...	324B	1	9,000.00	50.00	1	0	.00	.00	0
* Public Works & Utilities	325B		.00	.00	0	0	.00	.00	0
* Schools & Other Educational	326B		.00	.00	0	0	.00	.00	0
* Stores & Customer Services	327B		.00	.00	0	0	.00	.00	0
* Other Non-Residential Bldgs	328B		.00	.00	0	0	.00	.00	0
* Structures Other than Buildings ...	329B	1	10,500.00	500.00	1	0	.00	.00	0
ADDITIONS, ALTERATIONS, & CONVERSION									
* Residential	434B	5	173,000.00	518.00	5	3	62,300.00	281.00	3
* Non-Residential & Non-Housekeeping	437B		.00	.00	0	0	.00	.00	0
* Adds of Res. CP/Garages(Atch/Detc)	438B		.00	.00	0	3	66,500.00	314.00	3
DEMOLITIONS AND RAZING OF BUILDINGS:									
* Single Family Houses (Atch/Detach)	645B		.00	.00	0	0	.00	.00	0
* 2 Family Buildings	646B		.00	.00	0	0	.00	.00	0
* 3 & 4 Family Buildings	647B		.00	.00	0	0	.00	.00	0
* 5 or More Family Buildings	648B		.00	.00	0	0	.00	.00	0
* All Other Buildings and Structures	649B		.00	.00	0	0	.00	.00	0

TOTALS FOR PERMITS THIS PAGE 10 808,500.00 2,563.00 10 10 905,300.00 2,146.00 10

Lenoir County
 PERIODIC REPORT OF ISSUED PERMITS (GROUPED BY REPORT CODE)

Printed: 02-04-2013

	Designated period: 01/01/13 to 01/31/13				Prior period: 01/01/12 to 01/31/12				
	Code	Prms	Valuation	Fees Paid	Units	Prms	Valuation	Fees Paid	Units
MOBILE/MODULAR OFFICE/CLASSROOM	740B		.00	.00	0	0	.00	.00	0
*MOBILE OFFICE	750B		.00	.00	0	0	.00	.00	0
*MODULAR CLASSROOM	730B		.00	.00	0	1	2,800.00	100.00	1
*MODULAR OFFICE									
ELECT./PLUMB/HEAT/A/C/INS/TEMP POLE:									
*ELECTRICAL	800B	45	44,250.00	2,541.00	45	46	47,100.00	2,610.00	45
*PLUMBING	810B	15	21,250.00	837.00	15	18	44,550.00	1,100.00	18
*HEATING/ AIR CONDITIONING	820B	31	115,500.00	1,727.00	31	26	78,400.00	1,400.00	27
*INSULATION	830B	3	6,700.00	150.00	3	5	15,900.00	267.00	5
*TEMPORARY POLE	840B	1	500.00	51.00	0	2	1,750.00	100.00	2
RESIDENTIAL ACCESSORY STRUCTURES									
*STORAGE/PORCHES/PATIOS/DECKS	900B		.00	.00	0	1	15,000.00	100.00	1
MISCELLANEOUS:									
*CHANGE OF OCCUPANCY	910B	1	500.00	150.00	1	0	.00	.00	0
*INSPECT DWELLING	920B		.00	.00	0	0	.00	.00	0
*TENTS	930B		.00	.00	0	0	.00	.00	0
*SATELLITE DISH	940B		.00	.00	0	0	.00	.00	0
*AWNING	950B		.00	.00	0	0	.00	.00	0
*EXTRA INSPECTIONS	960B	6	6,100.00	350.00	4	5	7,250.00	260.00	3
*FIRE PROTECTION SPRINKLER SYSTEM	966B		.00	.00	0	1	1,400.00	100.00	1
*MOVING DWELLING ONLY	970B		.00	.00	0	0	.00	.00	0
*SIGN	980B		.00	.00	0	1	10,000.00	250.00	1
*FIREWORKS	985B		.00	.00	0	0	.00	.00	0
*SWIMMING POOL	990B		.00	.00	0	0	.00	.00	0
*TANKS	995B		.00	.00	0	0	.00	.00	0
MOBILE HOMES									
*SINGLE WIDE MOBILE HOME	700B	7	79,253.00	700.00	7	8	106,000.00	800.00	8
*DOUBLE WIDE MOBILE HOME	710B	2	111,785.00	250.00	2	4	241,988.00	500.00	4
*MODULAR HOME	720B	3	414,455.00	1,079.00	3	1	3,000.00	100.00	1
TOTALS FOR PERMITS ABOVE (incl. pg 1)	124		1,608,793.00	10,398.00	121	129	1,480,438.00	9,833.00	127
Totals of other permits in the period			.00	.00	0	1	3,000.00	50.00	1
TOTAL FOR ALL PERMITS IN THE PERIOD	124		1,608,793.00	10,398.00	121	130	1,483,438.00	9,883.00	128

Item Totals for Inspector ID Lenoir County

GO 90
 GO/DR 1
 VM 83

174 Entries for Inspector ID

- S T A T I S T I C A L R E P O R T -

	Inspections			Re-Inspections			Based On #
ACTIVITIES	INSPECTIONS	PASSED	CORRECTIONS	RE-INSPECTIONS	PASSED	CORRECTIONS	RE-INSPECTIONS REQUIRED
174	145	121	24	29	27	2	26
%INSPECTIONS	83	83	17	17	93	7	15
	%PASSED	%CORRECTIONS	%RE-INSPECTIONS	%PASSED	%CORRECTIONS	%RE-INSPECTIONS REQUIRED	

MINUTES**LENOIR COUNTY BOARD OF COMMISSIONERS****February 4, 2013**

The Lenoir County Board of Commissioners met in open session at 9:00 a.m. on Monday, February 4, 2013 in the Board of Commissioners Main Meeting Room in the Lenoir County Courthouse at 130 S. Queen St., Kinston, NC.

Members Present: Chairman Reuben Davis, Vice-Chairman Jackie Brown, and Commissioners, Mac Daughety, Linda Rouse-Sutton, Craig Hill, Roland Best and Eric Rouse.

Members Absent: None

Also present were: Michael W. Jarman, County Manager, Tommy Hollowell, Assistant County Manager, Martha Martin, Finance Officer, Robert Griffin, County Attorney, Clevette Roberts, Interim Clerk to the Board, and members of the general public and news media.

Chairman Davis called the meeting to order at approximately 9:07 a.m. Jackie Brown offered the invocation and Mr. Davis led the audience in the pledge of allegiance.

PUBLIC INFORMATION

Jim McLain discussed the Caswell No. 1 Fire Museum with the Board. Mr. McLain stated they have placed apparatus outside on the sidewalk. The apparatus has brought more people to the museum. Mr. McLain stated they ensure that every visitor is informed about the Kinston-Lenoir Visitor & Information Center, especially if they are interested in the Civil War. Mr. McLain stated as Kinston prepares for the grand opening of the CSS Neuse Museum, it is their hope that the facility will encourage their visitors to take a stroll down Queen Street to visit the Caswell No. 1 Fire Museum. Mr. McLain stated they in turn will encourage their visitors to visit the CSS Neuse Museum. Mr. McLain stated Kinston has five free attractions within a mile or two of one another which are; the Caswell No. 1 Fire Museum, the CSS Neuse Museum, the Kinston-Lenoir Visitor & Information Center and the Neuseway Nature Park. Mr. McLain stated it is their hope that all venues will promote each of these facilities in an effort to attract more visitors to Lenoir County annually. Mr. McLain stated the Caswell No. 1 Fire Museum had a total of 444 visitors in 2012. Mr. McLain stated the Caswell No. 1 Fire Museum is open on Saturday's only. Mr. McLain stated they have had multiple visitors from various locations within the State and outside the state as well. Mr. McLain stated the museum is in need of renovation. They are concerned about the structural integrity of the building. The museum has mold issues and there is a need to provide handicap access. Mr. McLain stated they would like to know where the County stands with helping the museum financially and with manpower to begin refurbishing the museum. Mr. McLain stated they are asking the Lenoir County Board of Commissioners for guidance. Mr. McLain stated he met with Jan Barwick-Parsons, Assistance Executive Director with the Chamber of Commerce, to discuss the museum's needs.

Ms. Brown stated Ms. Barwick-Parsons can assist with the museum's renovation through the Chamber of Commerce's Tourism Grant. Mr. Jarman stated there are some in-kind services that may be provided to assist with the building's needs. Mr. McLain inquired who has liability insurance on the building? Mr. Jarman stated the County has liability insurance on the building. Mr. Jarman suggested that the Caswell No. 1 Fire Museum's needs be discussed during the budget retreat and the Board agreed. Ms. Sutton commended the Caswell No. 1 Fire Museum on a job well done.

ITEMS FROM THE CHAIRMAN/COMMISSIONERS

Mr. Davis requested the Committee Assignments be listed on the County's website (www.co.lenoir.nc.us). Mr. Davis asked Mr. Best if he would like to reside on the Committee of 100 and the East Carolina Workforce and Mr. Best accepted. Mr. Davis asked of Ms. Brown if she would like to remain on the Department of Social Services Board, the Juvenile Crime Prevention Council (JCPC), the Kinston-Lenoir County Tourism Development Board, Greene Lamp Board and remain the Liaison between the Board of Commissioners & the School Board and Ms. Brown accepted. Mr. Reuben Davis stated he will remain on the Neuse River Development Board. Mr. Davis asked Mr. Daughety if he would like to remain on the Lenoir County Transit Advisory Board, the Chairman of the Lenoir County Transportation Committee, the Highway 70 Corridor Committee & Sub-Committee, the Eastern North Carolina Rural Planning Organization (TAC) and the Planit East Steering Committee and Mr. Daughety accepted. Mr. Davis asked Mr. Hill if he would like to reside on the North Carolina's Eastern Region Board and on the Lenoir Memorial Hospital Board and Mr. Hill accepted. Mr. Davis asked Mr. Rouse if he would like to remain on the East Carolina Council, the Lenoir County Board of Health, the Emergency Services Board and Planit East and Mr. Rouse accepted. Mr. Davis asked Ms. Sutton if she would like to remain on the Greene Lamp Board, the Department of Social Services Board and remain the Liaison for Lenoir Community College and Ms. Sutton accepted. Mr. Rouse nominated Rita Hodges to be appointed on Eastpointe's Board in his place and the Board unanimously accepted the nomination. Mr. Daughety requested a list of board appointments be emailed to all commissioners. Mr. Daughety stated due to protocol with board appointments, if a commissioner is presented with discussion related to a particular board, especially if that commissioner does not reside on that particular board, please direct them to the commissioner that resides on that board.

Ms. Sutton stated she attended the Legislative Goals Conference. Ms. Sutton stated she voted against the resolution to support legislation to authorize counties the option to acquire, own and construct traditional public school sites and facilities. Ms. Sutton stated North Carolina counties are statutorily responsible for funding the construction, renovation, and maintenance of all school facilities, but schools retain title and ownership of school facilities. This divergence of funding versus ownership requires administrative work-arounds to obtain sales tax refunds on school construction materials and results in an imbalance of liabilities to assets, as county-issued school debt shows as a liability on the county's financial statement, while the building increases the LEA's assets. Mr. Griffin stated if the County owns the building, the County can receive exemptions, however, if the School Board owns the building, the School Board may not receive exemptions.

Mr. Griffin stated if the resolution is passed it will allow the School Board to receive exemptions. Ms. Sutton stated the resolution to support legislation to authorize counties the option to acquire, own and construct traditional public school sites and facilities was approved. Ms. Sutton stated legislative goals were presented to vote on all of them. Ms. Sutton stated she did oppose to some of the legislative goals presented. Ms. Sutton stated she voted in support of the top five goals. Ms. Sutton suggested that a resolution in support the top five goals be presented to the legislature. Ms. Sutton stated there was a large number of new commissioners and legislators who attended the Legislative Goals Conference. Upon a motion by Mr. Daughety and a second by Ms. Brown, with unanimous approval, the Board will provide a resolution in support of the top five goals to the legislature.

Mr. Rouse stated he would like the Board to reconsider the Gun Control Resolution. Mr. Rouse stated he would like to have the Board's input regarding forming a resolution. Mr. Davis stated there were no motions made at this time to reconsider the Gun Control Resolution.

Ms. Sutton stated Lenoir Community College has a Paramedic online course. Ms. Sutton stated a Paramedic course was given on campus and about 29 counties attended the college to take the course. Mr. Daughety stated after receiving a tour at Spirit, he said he was very pleased with all the comments he heard concerning the services Lenoir Community College provides.

ITEMS FROM THE COUNTY MANAGER

Mr. Jarman reminded the Board about the Lenoir County Public School's Legislative Agenda Dinner on Thursday, February 7, 2013, that will be held at the Woodmen of the World Community Center at 7:00 p.m.

CONSENT AGENDA: 10Min.

ACTION

3. Approval of Minutes: Regular Board Meeting: January 22, 2013 Roberts/Jarman

Upon a motion by Ms. Brown and a second by Ms. Sutton, the consent agenda was unanimously approved.

BUDGET ORDINANCES/RESOLUTIONS

Item No. 4 was a Resolution Order for Tax Collector to Advertise 2012 Taxes which are a lien on Real Property. Mr. Darrell Parrish, Tax Administrator, stated pursuant to G.S. 105-369(a), the Governing Body (Lenoir County Board of Commissioners) shall order the Tax Collector to advertise such tax liens. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 4 was unanimously approved.

Item No. 5 was a Proclamation Declaring February 1-28, 2013, as Career and Technical Education Month. Ms. Brown read the proclamation which stated; the profound economic and technological changes in our society are rapidly reflected in the structure and nature of work, thereby placing new and additional responsibilities on our educational system. Career and technical education provides Americans with a school-to-careers connection and is the backbone of a strong, well-educated workforce, which fosters productivity in business and industry and contributes to America's leadership in the international marketplace. Career and technical education gives high school students experience in practical, meaningful applications of basic skills such as reading, writing and mathematics, thus improving the quality of their education, motivating potential dropouts and giving all students leadership opportunities in their fields and in their communities. Career and technical education offers individuals lifelong opportunities to learn new skills, which provide them with career choices and potential satisfaction. The ever-increasing cooperative efforts of career and technical educators and business and industry stimulate the growth and vitality of our local economy and that of the entire nation by preparing graduates for career fields forecast to experience the largest and fastest growth in the next decade. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 5 was unanimously approved.

Item No. 6 was a Budget Ordinance Amendment: Capital Improvements Fund: Community Development: \$4,551. Mr. Bill Ellis, Recreation Department Director stated the budget amendment was to budget funds in the amount of \$4,551 to cover the cost of repairing the boiler at the Pink Hill Gymnasium. Mr. Ellis stated this was presented to the Board after Item No. 12 was presented on January 22, 2013. There was no written resolution but the Board approved the expenditure by a vote of 6 approving and 1 dissenting. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 6 was unanimously approved.

Item No. 7 was a Resolution Approving Purchase of Painting Services for the Sheriff's Office: \$11,925. Sheriff William Smith stated they are getting closer to opening the new jail. Mr. Smith stated the Sheriff's Office is located in two areas of the courthouse. The administrative section and support services are located on the first floor of the courthouse. The patrol offices and detective division are located in the basement, along with the basement jail. These offices and hallways have not been painted in many years and are in dire need of paint. Upon a motion by Ms. Brown and a second by Mr. Daughety, Item No.7 was unanimously approved.

Item No. 8A was a Resolution Approving Purchase of a 2013 Dodge Charger: \$22,854. Mr. Smith stated the Sheriff's Office is responsible for the service of civil process, criminal warrants, transporting mental patients to mental health facilities, transporting prisoners to various locations in the State, and responding to 911 calls for service. Mr. Smith stated the Sheriff provides patrol vehicles to his deputies to carry out these duties. Recently, a deputy was traveling to an emergency call and was involved in an at-fault, single vehicle accident. The Crown Victoria was a total loss and the vehicle must be replaced. Upon a motion by Ms. Sutton and a second by Mr. Best, Item No. 8A was unanimously approved.

Item No. 8B was a Budget Ordinance Amendment: Vehicle Replacement Fund: Vehicle Replacement: \$22,854: Increase. Mr. Smith stated the budget amendment was to appropriate funds to purchase a new Dodge Charger. Mr. Smith stated this vehicle will replace the 2010 Ford Crown Victoria that was involved in an accident on December 11, 2012 and was totaled by the insurance company. A check in the amount of \$7,903.50 was received from Argonaut Insurance on January 2, 2013 and will be applied toward this purchase. Upon a motion by Ms. Sutton and Ms. Brown, Item No.8B was unanimously approved.

Item No. 9 was a Budget Ordinance Amendment: DSS: Public Assistance: \$365,672: Decrease. Ms. Martha Martin, Finance Director, stated the budget amendment is due to the decreased allocation received this year. Ms. Martin stated the funds are 100% Federal and are of no cost to the County. Upon a motion by Ms. Brown and a second by Ms. Sutton, Item No. 9 was unanimously approved.

Item No. 10 was a Budget Ordinance Amendment: Various Funds Finance: \$808,832: Increase. Ms. Martin stated the budget amendment was to adjust budgeted revenue and expenditures to more accurately reflect actual revenues and expenditures. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 10 was unanimously approved.

Item No. 11 was a Resolution Authorizing Execution of an Addendum to the Sales Tax Audit Contract Dated October 18, 2004 with Tax Reduction Specialists: Sales Tax Re-allocation Audit. Mr. Tommy Hollowell, Assistant County Manager, stated Utilities Reduction Specialists, Inc., was established in 1991 in Clemmons, North Carolina, with an objective to audit telecommunication and energy bills for billing errors. Utilities Reduction Specialists, Inc., acquired Tax Reduction Specialists in 2001. Tax Reduction Specialists focuses specifically on minimizing client's tax liabilities, conducting sales tax re-allocation audits, and securing refunds. Utility Reduction Specialists, Inc., has worked with 107 city and county governments in 4 states and has conducted sales tax re-allocation audits for 60 counties in North Carolina. Lenoir County contracted with Tax Reduction Specialists in October 2002 to audit the sales and use tax refund claims for tax filings in 1999 through June 2002. Mr. Hollowell stated this time frame was significant because a three (3) year statute of limitations applies to requests for tax refunds and Lenoir County would not have been able to apply for any sales tax refunds for filings through June 1999. The County extended the contract with Tax Reduction Specialists on October 18, 2004 to include sales tax filings through December 31, 2003, on February 7, 2005 to include sales tax filings through December 31, 2006, on March 5, 2007 to include sales tax filings through December 31, 2007, on February 18, 2008 to include sales tax filings through December 31, 2008, on October 6, 2008 to include sales tax filings through December 31, 2009, on February 15, 2010 to include sales tax filings through December 31, 2010, on March 17, 2011 to include sales tax filings through December 2011 and on April 2, 2012 to include sales tax filings through December 2012. Mr. Hollowell stated the requested addendum will extend the contract with Tax Reduction Specialists to include sales tax filings through December 31, 2013. A sales tax re-allocation audit involves identifying the actual county that received credit for the county sales tax on the original sale of merchandise and verifying that the sales tax is credited to the correct county by the N.C. Department of Revenue. Conducting a re-allocation audit is the only way that a county can obtain a refund for improperly reported sales tax. The State of North Carolina will not do this for a county.

Tax Reduction Specialists, in the original agreement, was compensated 25% of the amount of the sales tax refund obtained by Lenoir County as a result of the sales tax re-allocation audit. Under subsequent addendums and the proposed addendum, the County compensates Tax Reduction Specialists at a reduced rate of 20% of the sales tax refund obtained by the County. If the county does not receive a refund, there will be no fee for the services of Tax Reduction Specialists. The County does not have the staff or the expertise to do this work in-house. Mr. Hollowell stated the execution of this agreement will provide Lenoir County with the assurance that it has properly received credit for sales tax re-allocations from the North Carolina Department of Revenue for filings through December 31, 2013 and secure any refunds due to the County for improperly filed or credited sales tax revenues. Mr. Hollowell stated the audit performed by Tax Reduction Specialists has produced a direct benefit to Lenoir County of \$446,512.05 in additional sales tax revenues that were allocated incorrectly by the State of North Carolina. Tax Reduction Specialists has estimated an additional benefit to the County of \$1,225 through the tax filing period ending December 31, 2012 and additional revenues for filings through December 31, 2013. Tax Reduction Specialists has not raised their fee in a number of years and has agreed to keep their fee the same for this addendum. Mr. Rouse inquired if there have been any other financial advisors recommended to assist with the tax reduction? Mr. Hollowell stated there are very few financial advisors that provide assistance with tax reduction services of this magnitude. Upon a motion by Ms. Sutton and a second by Mr. Daughety, Item No. 11 was unanimously approved.

Item No. 12 was a Resolution Approving Acceptance of Fee Arrangements for Financial Advisory Services in Connection with Proposed Authorization and Issuance of Series 2013 General Obligation Refunding Bonds: BB&T Capital Markets, a Division of BB&T Securities, LLC: Per Proposal Dated January 28, 2013: \$27,500. Mr. Hollowell stated in 2007, Lenoir County issued General Obligation Bonds for schools and library facilities. In 2008, the County issued General Obligation Bonds for additional school facilities. Because of low market interest rates, it now appears that the County can realize savings by refinancing, all or a portion, of the Prior Bonds. Mr. Hollowell stated representation for the County by a certified financial advisor is a requirement of the North Carolina Local Government Commission. County Administration received proposals from three (3) certified financial advisors containing their qualifications and computations estimating potential savings to the County by issuing advanced refunding bonds to pay off all, or a portion of Series 2007 and 2008 General Obligation Bonds, previously issued by the County. Upon a motion by Mr. Hill and a second by Mr. Daughety, Item No. 12 was unanimously approved.

Item No. 13 was a Resolution Approving Acceptance of Fee Arrangements for Bond Counsel Services in Connection with Proposed Authorization and Issuance of Series 2013 General Obligation Refunding Bonds: Sanford Holshouser, Attorneys at Law: Per Proposal Dated January 24, 2013. Mr. Hollowell stated in 2007, Lenoir County issued General Obligation Bonds for schools and library facilities. In 2008, the County issued General Obligation Bonds for additional school facilities. Mr. Hollowell stated due to the low market interest rates, it now appears that the County can realize savings by refinancing, all or a portion, of the Prior Bonds. Representation for the County by a qualified Bond Counsel is required.

At the request of management, the law firm of Sanford Holshouser provided the County with a proposal for this service. Upon a motion by Ms. Sutton and a second by Ms. Brown, Item No. 13 was unanimously approved.

APPOINTMENTS

Item No. 14 was a Resolution Approving Citizens to Boards, Commissions, Etc. Upon a motion by Mr. Rouse and a second by Mr. Daughety, with unanimous approval the Board recommended Rita Hodges to fill Mr. Rouse’s term on Eastpointe’s Board.

<u>BOARD/COMMITTEE/COMMISSION</u>	<u>APPLICANT/CURRENT MEMBER</u>	<u>TERM EXPIRATION</u>
Regional Aging Advisory Committee	Walter Laroque Reappointment 1 st Appearance	February 2016
Eastpointe	Rita Hodges 1 st Appearance	July 2013

CLOSED SESSION

Upon a motion by Ms. Sutton and a second by Mr. Daughety, and unanimous approval, closed session was entered at approximately 10:00 a.m. and the following cited: Number six (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance, by or against an individual public appointment of a member of the public officer or employee. The Closed Session will not include discussion of the appointment of a member of the public body, or a vacancy on the public body, and any final action on appointment, discharge or removal by the public body will be made in open session. Upon a motion by Ms. Sutton and a second by Mr. Daughety, the Board moved out of closed session at approximately 10:20 a.m.

OPEN SESSION

Mr. Davis stated during closed session the Board accepted Sheriff William Smith’s letter of resignation as of March 31, 2013. Ms. Davis expressed his thanks and gratitude to Mr. Smith for his dedicated years of service. Mr. Jarman stated the Sheriff will make a recommendation to the Board to fill his position. Mr. Daughety stated Mr. Smith will be greatly missed. The Board commended Mr. Smith for his dedicated service to the citizens of Lenoir County and for his dedication as the President of the North Carolina’s Sheriff Association.

Mr. Davis recessed to the County Administration Building at 10:27 a.m.

MINUTES
LENOIR COUNTY BOARD OF COMMISSIONERS
BUDGET PLANNING WORK SESSION
Administration Building Conference Room
February 4, 2013

The Lenoir County Board of Commissioners began their scheduled Budget Work Session on Monday, February 4, 2012 at 10:46 a.m., at the Administration Building Conference Room, 101 North Queen St., Kinston, NC.

Members present included: Chairman Reuben Davis, Vice-Chairman Jackie Brown and Commissioners, J. Mac Daughety, Craig Hill, Roland Best, Eric Rouse and Linda Rouse Sutton.

Members absent: None

Also present were: Michael W. Jarman, County Manager, Tommy Hollowell, Assistant County Manager, Martha Martin, Finance Office, Roger Dail, Emergency Services, Mark Pope, Economic Development Director, Denise Bell, Health Department, Bill Ellis, Recreation Department Director, Darrell Parrish, Tax Administrator, Pam Rich, Register of Deeds, and Dana King, Board of Elections, Sheriff William Smith, Chief Deputy Chris Hill, and Clevette Roberts, Clerk to the Board.

Mr. Davis welcomed the Board members to the Budget Work Session.

Mr. Jarman stated he would like to know the Board's key areas of focus for the budget. He would like to know how the Board feels about the community, changes they would like to see, and improvements for the next five (5) years. Mr. Jarman reviewed the information as follows:

Budget Calendar – The tentative FY 2013-2014 Budget Calendar is outlined below:

	TASK	DATE
1	Commissioner Budget Planning Work Session	February 4, 2013
2	Financial / Budget Philosophy Reviewed	February 4, 2013
3	Budget Request Instruction Book Provided to Departments	February 8, 2013
4	Outside Agencies Advised By Letter & Form of Budgetary Time Frame	February 8, 2013
5	Departmental Budget Requests Returned to County Manager	March 15, 2013
6	Outside Agencies' Budget Requests Returned to County Manager	March 29, 2013
7	Meet With Department/Agencies, as Necessary	March 18, 2013 to April 8, 2013
8	Tax Revenues & Other Revenue Estimates Finalized	April 8, 2013
9	Finalize Budget Requests	April 12, 2013
10	Distribute FY 13-14 Submitted Budget to Board of Commissioners	May 6, 2013
11	Hold Work Session(s) on FY 13-14 Submitted Budget	May 20, 2013
12	Advertise Public Hearing on FY 13-14 Budget	May 23, 2013
13	Hold Public Hearing	June 3, 2013
14	Adopt Budget	June 20, 2013

Budget Philosophy: FY 13-14 Budget – The Board next reviewed their current budget Philosophy.

- View Expenditure – Revenue Decisions in Each Fiscal Year From a Five (5) Year Perspective
- Increase Annual Recurring Revenues, to Pay for Existing Annual Recurring Expenditures
- Rebuild Unrestricted/Unassigned General Fund Balance to a Twenty percent (20%) Minimum Level of General Fund
 - Mr. Jarman stated after the final audit report, the current Unrestricted/Unassigned General Fund Balance is at 14.5%.
- Minimize Future Tax Increased by Reducing Expenditures
- Use Pay-As-You-Go Financing (Savings)
 - Capital Projects/Capital Improvements Program:*
 - General Fund Assigned Fund Balance Will Be Used for Capital Improvements Programs, Vehicle Replacement, one-time expenditures for long term benefits, Economic Development Incentives*
- Employee Pay Based on: Market Conditions, Job Standards, Workload, Merit:
 - In the last four (4) years, the County employees have only received a 1.25% increase in salary and Lenoir County ranks as having lower wages compared to surrounding counties. County Administration and department heads are currently working to provide pay study information to the Board.
- Adequately Fund Education
- Increases/Decreases, in funding any operation, shall be tied to increases/decreases in growth (i.e., pay-as-you-grow)
 - Mr. Jarman noted Department Managers work hard every year to decrease spending in every area possible and create budgets with no increases. Covering increases in utilities, fuel, and other items without increasing the budget reduces funds available to provide services.
- Use Fees to Offset Costs of Operations
- Enterprise Funds Shall be Supported by Fees, Not Taxes
- Continue to Implement Long-Range Planning

Mr. Jarman agreed that positive strides have been made in the County and wanted to focus on the positive.

Mr. Jarman discussed Goals, Priority Areas, and Future Plans & Needs with the Board. Mr. Davis inquired what is the projected short term increase or decrease in property taxes? Mr. Davis also inquired if the ad valorem tax base will remain constant? Mr. Jarman stated the ad valorem tax base has remained constant around 1-1.5% growth per year. Mr. Darrell Parrish, Tax Administrator, stated the ad valorem tax base has remained pretty flat with a yearly increase at about a 1-1.5%. Mr. Jarman stated a growth rate of 1% is used for the five year projection of the budget. Mr. Daughety stated due to the anticipated shortfall, the projected goals cannot be discussed until the projected budget has been presented to the Board. Mr. Jarman stated that priority areas need to be identified especially in times of a shortfall so that staff would have directions on where to make cuts. Mr. Daughety stated he will like to make sure that education and emergency services are excluded from budget cuts as much as possible. Mr. Daughety stated there is a need to add an additional emergency vehicle for Emergency Services. Mr. Daughety stated they are placing some new infrastructure on Part A of Felix Harvey Parkway which will provide access to the Global Transpark and allow rerouting of Hwy 70. Mr. Jarman encouraged the Board to provide their input about their Goals, Priority Areas and Future Plans for Lenoir County. Mr. Daughety stated Lenoir County is in a dilemma right now and there is a need to remain fiscally conservative. Mr. Hill stated there is a need to have a very central focus on the quality of life for the citizens of Lenoir County. Mr. Hill stated there is also a need to move with caution when addressing services provided by the County. Mr. Hill stated it is a very difficult place the County is in. Mr. Hill stated it is very important that every department remain on the same page with the budget. Mr. Daughety stated during tough circumstances, it creates opportunities to step back and look at how things are being done and how to find better ways to provide services to the citizens of Lenoir County. Mr. Davis stated he would like to come up with a budget that does not include a tax increase. Ms. Sutton stated there is a need for the department heads to find creative ways to save within their budgets. Ms. Brown recommended a ranking system be implemented during the budget process. The system will be ranked based upon importance and it will allow an opportunity to focus on the key factors. Ms. Brown commended the department heads for being conservative with their budgets. Mr. Hill stated it is possible that some services can be shared with other counties or entities that may reduce cost in an effort to provide effectiveness and efficiency. Ms. Sutton stated there are no sacred cows, however, there is a need to be mindful about budget cuts. Ms. Sutton stated there is a need to ask employees about the budget and what are their suggestions. Mr. Daughety stated the Landfill's hours changed due to the 1000 Hour Rule. Mr. Daughety stated there is a need to review the hours of operation within departments.

Financial Performance Summary (as of 12/31/12) – Mr. Jarman reviewed the revenues and expenditures with the Board.

General Fund Fund Balance Projection for the Remainder of FY 12-13

“Undesignated” Unassigned: \$8,909,366
14.5% of the Total General Fund Expenditures

At current \$63,973,661 Amended General Fund Budget (12/31/12); the County has 7.2 weeks of working capital if there was no incoming revenue.

Projection: We will increase the current appropriated fund balance of \$4,285,090 (As of 12/31/12) by \$653,169 and finish FY 12-13 using \$4,938,259 of Fund Balance.

Mr. Jarman discussed the concerns regarding the Lottery Loss, Unemployment Cost, Health Care and State Cost Shifts with the Board.

School Bond Payments with new Lottery Distribution – Mr. Jarman reviewed the bond payments for schools. Mr. Jarman stated the State changed the amount of lottery funds the County receives. This amount is now down to \$600,000. The County is mandated to maintain the school facilities.

Unemployment Costs- Mr. Jarman stated the current plan for Unemployment costs may cost the County about \$100,000 in 2013-2014, if the law is passed.

Health Care-Mr. Jarman stated the County is self-insured, however, health care costs may increase this year. The Affordable Health Care Act may cost the County \$15,000-\$20,000.

State Costs Shifts- Mr. Jarman stated the State will no longer pay for Child Support filing, which may cost the County \$27,000.

School Bond Payments with Lottery and Refunding Savings- Mr. Jarman reviewed the bond payments for schools. Mr. Jarman reminded the Board about the shortfall. The County met with the Local Government Commission to discuss debt services prior to issuing the voter approved school bonds. The LGC advised in 2005-2006 that FY 11-12 would be a tough period and the County should not reduce its tax rate in a revaluation year. The State changed the amount of lottery funds the County receives. Mr. Jarman stated the Quarter Cent Sales Tax Referendum would have assisted the County with additional revenue for debt service.

Comments from Attendees – Ms. Sutton stated the Board could have done a better job educating the citizens of Lenoir County about the sales tax referendum. Mr. Jarman stated Budget Instructions will go out to departments on Friday, February 8, 2013. Date and time of meetings to be held with La Grange, Pink Hill, Lenoir Community College, and the Lenoir County School Board will be provided once they are scheduled.

ADJOURNMENT

Mr. Davis adjourned the meeting at 12:23 p.m.

Respectfully submitted,

Reviewed By,

Clevette Roberts
Clerk to the Board

Michael W. Jarman
County Manager

INTRODUCED BY: Michael W. Jarman, County Manager DATE: 2/18/13 ITEM NO.: 4

RESOLUTION: Approving the Releases and Refunds to the Individuals Listed Herein

SUBJECT AREA: Finance

ACTION REQUESTED: Approval of Releases and Refunds as Prepared

HISTORY/BACKGROUND: Releases and refunds result from listing and assessing due to incorrect and incomplete information.

EVALUATION: Taxpayers will or have overpaid taxes. Board action rectifies the mistake.

RELEASES OVER \$100

Year	Name	Account	Amount	Reason
2012	Onslow Container Service Inc	33605	\$2750.33	Adjusted Value
2012	Foss Recycling Tran Inc.	38117	4297.40	Adjusted Value
2012	Foss Auto Recycling Inc	8929	17093.91	Adjusted Value
2012	Michael Burke	3487	757.55	Corrected Listing
2012	LRP Hotels of Carolina LLC	38268	19009.93	Adjusted Value
2012	Charles King	82828	396.00	Legal Exemption
2012	Frank Wood	36797	184.24	Corrected Listing
2012	Neuse Sport Shop Inc	21294	596.70	Adjusted Value
2012	Old Massey Inc	186	755.48	Adjusted Value
2012	Lemuel Jones	16007	111.65	Adjusted Value
2012	Lemuel Jones	16007	231.74	Adjusted Value
2012	Lemuel Jones	16007	289.32	Adjusted Value
2012	Thelma Letchworth	18160	345.71	Adjusted Value
2012	Dorothy Brown	3090	125.91	Adjusted Value
2012	Howard Rouse Jr	24897	496.52	Adjusted Value
2012	Preston Hill	14726	501.38	Corrected Listing
2012	Robert Wiggins	53991	135.16	Legal Exemption
2012	Marie Kornegay	17472	570.66	Legal Exemption

Refunds

Year	Name	Account	Amount	Reason
2012	Russell Elmore	8095	\$171.12	Corrected Listing
2012	Richard Carlyle	33598	318.86	Corrected Listing
2012	Redco Properties LLC	40437	1923.05	Corrected Listing
2012	Mohammad Iqbal	67240	255.50	Corrected Listing
2012	Howard Rouse Jr.	24897	1489.56	Adjusted Value
2012	Mohammad Iqbal	67240	511.00	Corrected Listing
2012	William Hardy	11375	2938.36	Adjusted Value
2012	Dickerson Farms Property LLC	7124	291.75	Adjusted Value
2012	Jeffrey Yourdon	6664	187.67	Double Listed

Item No. 5



LENOIR COUNTY, NORTH CAROLINA
BUDGET AMENDMENT REQUEST

FY 2012 - 2013
Appropriations

Budget Amendment # _____
Date Approved _____

Distribution - Finance Office:

FUND	DEPARTMENT	LINE ITEM DESCRIPTION	
GENERAL	HEALTH	VARIOUS	
Check One Box New Appropriation: <input checked="" type="checkbox"/> Line Item Transfer: <input type="checkbox"/>		Check One Box New Appropriation: <input checked="" type="checkbox"/> Line Item Transfer: <input type="checkbox"/>	
REVENUES		EXPENDITURES	
Account # and Title	Amount	Account # and Title Amount	
INCREASE		INCREASE	
10-3505-4105 Primary Care	971.00	10-5150-1210 Salaries	155.00
		10-5150-1212 Overtime	64.00
		10-5150-1810 Employer-FICA	14.00
		10-5150-1811 Employer-Medicare	4.00
		10-5150-1820 Employer-Retirement	16.00
		10-5150-1870 Employer-401-K	11.00
		10-5162-1210 Salaries	140.00
		10-5162-1212 Overtime	275.00
		10-5162-1810 Employer-FICA	26.00
		10-5162-1811 Employer-Medicare	6.00
		10-5162-1820 Employer-Retirement	29.00
		10-5162-1870 Employer-401-K	21.00
		10-5171-1210 Salaries	51.00
		10-5171-1212 Overtime	123.00
		10-5171-1810 Employer-FICA	11.00
		10-5171-1811 Employer-Medicare	3.00
		10-5171-1820 Employer-Retirement	13.00
		10-5171-1870 Employer-401-K	9.00
Total	\$ 971.00	Total	\$ 971.00

Reason and Justification for Request:
 BUDGET AMENDMENT TO APPROPRIATE FUNDS FOR A REIMBURSEMENT RECEIVED BY THE HEALTH DEPARTMENT FROM THE LENOIR-GREENE CHILD CARE RESOURCE AND REFERRAL IN THE AMOUNT OF \$964.29 ON 2/5/2013. THIS WAS TO REIMBURSE THE HEALTH DEPT FOR FLU AND TDAP IMMUNIZATIONS THAT WERE ADMINISTERED TO DAY CARE WORKERS AT LENOIR COMMUNITY COLLEGE ON OCTOBER 2, 2012.

Department Head Approval	Date	Finance Officer Approval	Date
<i>[Signature]</i>	2/6/13	<i>Martita H. Martin</i>	2/6/2013
Budget Officer Approval	Date		
<i>[Signature]</i>	2/8/13		
Board Approval (When Applicable)	Date	Date of Minutes	

Item No. 6

BUDGET ORDINANCE AMENDMENT: FINANCE/SHERIFF'S DEPARTMENT: \$3,556. INCREASE



LENOIR COUNTY, NORTH CAROLINA
BUDGET AMENDMENT REQUEST

FY 2012 - 2013
 Appropriations

Budget Amendment # _____
 Date Approved _____

Distribution - Finance Office:

FUND	DEPARTMENT	LINE ITEM DESCRIPTION	
GENERAL FUND	FINANCE/SHERIFF DEPARTMENT	10-3842-8500	INSURANCE - MISCELLANEOUS
		10-4310-3530	VEHICLES REPAIR/MAINTENANCE
Check One Box New Appropriation: <input checked="" type="checkbox"/> Line Item Transfer: <input type="checkbox"/> REVENUES		Check One Box New Appropriation: <input checked="" type="checkbox"/> Line Item Transfer: <input type="checkbox"/> EXPENDITURES	
Account # and Title	Amount	Account # and Title	Amount
<u>INCREASE</u>		<u>INCREASE</u>	
10-3842-8500 INSURANCE-MISCELLANEOUS	3,556.00	10-4310-3530 VEHICLES REPAIR/MAINTENANCE	3,556.00
Total	3,556.00	Total	3,556.00

Reason and Justification for Request:

TO BUDGET INSURANCE PROCEEDS RECEIVED FROM FARM BUREAU INSURANCE COMPANY ON 02/04/2013 IN THE AMOUNT OF \$3,555.22. THIS IS PAYMENT FOR DAMAGES RECEIVED TO A SHERIFF'S VEHICLE ON JANUARY 17, 2013, AS A RESULT OF AN ACCIDENT BETWEEN ONE OF OUR DEPUTIES AND ANOTHER VEHICLE IN PRINCETON, NC.

Department Head Approval	Date	Finance Officer Approval	Date
<i>Martha H. Martin</i>	<i>2/7/2013</i>	<i>Martha H. Martin</i>	<i>2/7/2013</i>
Budget Officer Approval	Date		
<i>Michael W. Farman</i>	<i>2/8/13</i>		
Board Approval (When Applicable)	Date	Date of Minutes	

Finance Office - Copy

Department - Copy

Administration - Copy

INTRODUCED BY: Michael W. Jarman, County Manager **DATE:** 2/18/13 **ITEM NO.:** 7

RESOLUTION: Approving Purchase of HP Switches, Transceiver and Installation: \$18,285

SUBJECT AREA: Financial

ACTION REQUESTED: The Board is requested to authorize the Sheriff to execute a purchase order with Tyco Simplex Grinnell, for the purchase of (2) HP 24G switches, (4) HP fiber transceivers and labor to install (4) video visitation units in the basement (1982) jail.

HISTORY / BACKGROUND: The Lenoir County jail, located in the 1982 courthouse annex, is designed for face to face visitation between the inmate and his or her family. On visitation day, the family member wanting to visit an inmate enters a room where there is a bank of booths each having a phone receiver. The inmate is removed from his cellblock and escorted to a room that adjoins the public side of the visitation room. The inmate and visitor are able to see each other through glass and are able to speak to each other over the phone receiver. The new jail carries out this function by allowing the inmate and visitor to communicate over a video and audio link. The inmate is never moved from the housing area because the video visitation device is located in the day room area of the housing unit. To reduce the number of officers used to carryout visitation in the old jail, a plan was implemented to convert the old jail to video visitation. The purchase of four video visitation units has already occurred. The units must now be installed and connected to the network.

EVALUATION: Tyco Simplex Grinnell is the security electronics contractor in the new jail. The system's used to carry out video visitation and lawyer/client video consultation was purchased from and installed by Simplex Grinnell. Four video visitation units have already been procured for installation into the old jail. The cost to purchase HP switches and HP fiber transceivers, and the associated labor for installation was not included in the original cost. The cost to perform all of this work is \$18,285. So as not to burden the taxpayers with additional expenses related to the jail, the Sheriff intends to use federal asset forfeiture funds, to purchase the equipment and perform this work.

The Sheriff respectfully requests that he be permitted to execute a purchase order with Simplex Grinnell, to purchase and install (4) video visitation units, (2) HP switches, and (4) transceivers.

INTRODUCED BY: Michael W. Jarman, County Manager DATE: 2/18/13 ITEM NO.: 8

RESOLUTION: Authorizing the Purchase of Athletic Equipment for County Recreation Programs

SUBJECT AREA: Community Development

ACTION REQUESTED: The Board is requested to authorize a purchase order for \$4,291.70 for the purchase of athletic equipment to be used at the six (6) county sites.

HISTORY/BACKGROUND: The equipment is to be used in the six (6) athletic leagues in the county. Bids were received from three (3) vendors and the lowest bid was accepted. This equipment will be used for youth sports.

EVALUATION:

	<u>VENDOR</u>	<u>BID</u>
1.	EB Sports	\$4,291.70
2.	Bocok Sports	\$5,824.00
3.	JP Sports	\$4,654.00

Funds are budgeted in the Parks & Recreation Capital Account# 40.4930.5101.

MANAGER'S RECOMMENDATION:

Respectfully Recommend Approval.


Initials

RESOLUTION: NOW THEREFORE BE IT RESOLVED by the Lenoir County Board of Commissioners that a purchase order will be issued for \$4,291.70 to EB Sports to purchase athletic equipment for six (6) county sites for the youth athletic programs.

Funds are budgeted in the Parks & Recreation Capital Account# 40.4930.5101.

AMENDMENTS:

MOVED _____ SECOND _____
APPROVED _____ DENIED _____ UNANIMOUS _____

YEA VOTES: Davis ____ Brown ____ Daughety ____ Best ____
Hill ____ Rouse ____ Sutton

Reuben J. Davis, Chairman 2/18/13
Date

ATTEST 2/18/13
Date

INTRODUCED BY: Michael W. Jarman, County Manager **DATE:** 2/18/13 **ITEM NO.:** 9

RESOLUTION: Approval of the Purchase of Two (2) Sets Each of EMD, EFD & EPD Card sets for Dispatch Console Positions: Priority Dispatch: \$2,854

SUBJECT AREA: Financial

ACTION REQUESTED: The Board is requested to approve the purchase of two- (2) sets of EMD, EFD, and EPD card-sets for the remaining dispatch console positions from Priority

HISTORY/BACKGROUND: The Lenoir County Emergency Services Department – Communications Division has begun the implementation phase of the Jones and Lenoir County 911 centers merger. In the event of a computer failure, the Communications Division relies on a manual card-set system to continue providing EMD, EFD, and EPD services to the citizens of Lenoir County. With the addition of dispatching for Jones County, it is necessary that all dispatch console positions have the ability to offer assistance, both electronically and manually, to Jones and Lenoir County citizens. The purchase of the two- (2) additional EMD, EFD, and EPD dispatching card-sets will allow the Communications Division to provide service to citizens of both Counties in a more timely and accurate manner by utilizing the additional workstations, even in the event of a computer failure.

EVALUATION: The additional purchase of the EMD, EFD and EPD card-sets is necessary to assist the Communications Division personnel in the performance of their duties as Emergency Medical Dispatchers, Emergency Fire Dispatchers, and Emergency Police Dispatchers. This product is vendor specific; therefore, cannot be bid out. Allowing for complete compatibility with the existing EMD, EFD, and EPD dispatch software, Priority Dispatch is the only authorized dealer for this card-set purchase. This is a fully funded expenditure from the 911 Special Revenue Fund.

INTRODUCED BY: Michael W. Jarman, County Manager **DATE:** 2/18/13 **ITEM NO.:** 10

RESOLUTION: Authorizing North Lenoir Fire and Rescue to Purchase One (1) 2013 Pierce Commercial Cab Pumper and One (1) 2013 Commercial Cab Tanker Utilizing and Securing a Loan of \$459,902 from First Citizens Bank.

SUBJECT AREA: Financial

ACTION REQUESTED: Authorize North Lenoir Fire and Rescue to Purchase One (1) 2013 Pierce Commercial Cab Pumper and One (1) 2013 Commercial Cab Tanker for \$459,902.

HISTORY/BACKGROUND: The contract signed between Lenoir County and the Volunteer Fire Departments states that any purchase of fire apparatus over \$100,000 must be approved by the Lenoir County Board of Commissioners. North Lenoir Fire and Rescue will be replacing a 1998 Pierce Custom Cab Pumper which was sold to Snow Hill Fire Department and they will replace a 1987 Standard Cab Tanker. The age, high cost of maintenance, and safety concerns of the existing trucks are the factors for replacing the trucks.

EVALUATION: Staff has met with North Lenoir Fire and Rescue and discussed financial records. The trucks will be purchased for \$459,902 from Atlantic Emergency Solutions, Inc. with a \$459,902 loan from First Citizens Bank. The \$459,902 will be financed for fifteen (15) years with an interest rate of 3.95 percent, with an annual payment of \$40,500. Staff recommends the purchase of the 2013 Pierce Commercial Cab Pumper and the 2013 Pierce Commercial Cab Tanker for a total price of \$459,902.

MANAGER'S RECOMMENDATION:

Respectfully recommend approval.


Initials

RESOLUTION: NOW THEREFORE, BE IT RESOLVED by the Lenoir County Board of Commissioners that: North Lenoir Fire and Rescue be authorized to purchase one 2013 Pierce Commercial Cab Pumper and one 2013 Pierce Commercial Cab Tanker for a total price of \$459,902.

AMENDMENTS:

MOVED _____ SECOND _____
APPROVED _____ DENIED _____ UNANIMOUS _____

YEA VOTES: Davis _____ Brown _____ Daughety _____ Best _____
Hill _____ Rouse _____ Sutton _____

Reuben J. Davis, Chairman 2/18/13
Date

ATTEST 2/18/13
Date

Resolution for the Sale of Refunding Bonds

WHEREAS --

The Lenoir County Board of Commissioners has previously authorized the issuance of up to \$35,000,000 in County general obligation refunding bonds (the "Bonds") to refinance bonds the County issued back in 2007. The Board has now determined that the County should issue these Bonds.

This resolution provides for the issuance of these bonds and takes related action, such as approving the form of the disclosure document that will be used to provide information to prospective bond investors.

BE IT THEREFORE RESOLVED by the Board of Commissioners of Lenoir County, North Carolina, as follows:

1. *Determination To Sell Refunding Bonds* - The County will issue and sell up to the full \$35,000,000 of the refunding bonds for their authorized purpose.

2. *Payment Provisions*. The Bonds will bear interest at the rates determined at the time of their sale by the Local Government Commission (currently scheduled for March 19). The principal of the Bonds will be payable in annual installments as the Finance Officer may determine after consultation with the LGC, except that the final maturity for the Bonds must not extend beyond December 31, 2028.

3. *Pledge of Faith, Credit and Taxing Power* -- The County's full faith and credit are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the County will levy and collect an annual ad valorem tax, without restriction as to rate or amount, on all locally taxable property in the County sufficient to pay the principal of and interest on the Bonds as the same become due.

4. *Approval of Official Statement for Offering* - There has been made available to each member of the Board a draft of an official statement (the "Official Statement") relating to the Bonds, which is designed to provide appropriate information about the County and the financing to prospective investors in the Bonds. The draft Official Statement remains subject to completion and amendment.

The Board approves the LGC's distribution of the Official Statement to prospective purchasers of the Bonds. The Official Statement as so distributed must be in substantially the form presented to this meeting, which is hereby approved, with such completions and changes as the Finance Officer may approve. The prior actions of the Finance Officer and other County representatives, in collaboration with the LGC staff, in preparing the text of the Official Statement are ratified.

The Board acknowledges that it is the County's responsibility, and ultimately the Board's responsibility, to ensure that the Official Statement in its final form neither contains an untrue statement of a material fact nor omits to state a material fact required to be included therein for the purpose for which the Official Statement is to be used or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. By the adoption of this resolution, the Board members acknowledge and accept their own responsibility for causing the County to fulfill these responsibilities for the Official Statement.

The County deems the Official Statement as distributed by the LGC to be a "final official statement" within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of certain final bond pricing and other information that Rule 15c2-12 allows to be omitted.

5. *Prepayment Provisions* -- The Finance Officer, upon advice from the LGC, is authorized to determine the terms and conditions under which the Bonds will be subject to prepayment prior to maturity, if at all. The Finance Officer will execute a certificate prior to the initial delivery of the Bonds designating prepayment terms and conditions. This certificate will be conclusive evidence of the Finance Officer's determination of these terms and conditions.

6. *Form of Bonds; Payment Details* -- The Bonds will be designated "General Obligation Refunding Bonds, Series 2013," and will be in substantially the form set out in Exhibit A. The Bonds will be dated the date of their initial issuance, will be in fully registered form, will be in denominations of \$5,000 and integral multiples thereof and will be numbered for identification from R-1 upward.

The Bonds must be signed by the manual or facsimile signature of the Board's Chairman or the County Manager, and the County's seal must be affixed to the Bonds (or a facsimile thereof printed thereon) and attested by the manual or facsimile signature of the Clerk to this Board. No Bond will be valid unless at least one of the signatures appearing on the Bond (which may be the signature of the LGC's representative required by law) is manually applied or until the Bond has been authenticated by the manual signature of an authorized officer or employee of a bond registrar selected by the Finance Officer.

Interest on each Bond will be payable semiannually (a) from its date, if it is authenticated prior to the first interest payment date, or (b) otherwise from the interest payment date that is, or immediately precedes, the date on which it is authenticated (unless payment of interest is in default, in which case such Bond will bear interest from the date to which interest has been paid). Principal, interest and any prepayment premium will be payable in lawful money of the United States of America.

The Finance Officer must execute a certificate prior to the initial delivery of the Bonds designating the final aggregate principal amount of the Bonds (up to the maximum authorized amount of \$35,000,000), the final principal payment schedule and the interest payment dates for the Bonds. This certificate will be conclusive evidence of the Finance Officer's approval and determination of such matters.

7. Finance Officer as Registrar; Payments to Registered Owners -- The Finance Officer is appointed Registrar for the Bonds. As Registrar, the Finance Officer will maintain appropriate books and records of the ownership of the Bonds. The County will treat the registered owner of each Bond as the person exclusively entitled to payment of principal, interest and any prepayment premium and the exercise of all rights and powers of the owner, except that the County will make interest payments to the person shown as owner on the registration books at the end of the calendar day on the 15th day of the month (whether or not a business day) preceding each interest payment date.

8. Advertising Bonds for Sale -- The Finance Officer, in collaboration with the LGC, is directed to take all proper steps to advertise the Bonds for sale in accordance with standard LGC procedures, including through the use of a "Notice of Sale" document in the LGC's customary form and in substantially the same form as used for prior County bond sales. The Finance Officer is directed to review and approve a form of Notice of Sale as such officer may determine to be in the County's best interest.

9. LGC To Sell Bonds; Provision for Delayed Sale – (a) The County asks the LGC to sell the Bonds, to receive and evaluate bids and to award the Bonds on the basis of the best bid received.

(b) If market conditions at the time of the proposed sale of the Bonds do not allow the Bonds to be sold at interest rates and prices that make the refunding of all or any portion of the prior bonds economical, as determined by the Finance Officer, the Finance Officer is authorized to decline the sale of the Bonds, in whole or in part. The Finance Officer is further authorized to provide for additional attempts to sell the Bonds, or any portion of the Bonds, if such officer determines that market conditions have changed such that a successful sale of the Bonds (or any portion) may be possible. The Finance Officer may provide for one or more additional sales until May 31, 2013, without further advance approval from the Board. These additional sales may make use of the previously-approved Official Statement, with the Finance Officer's approval, and may proceed pursuant to such advertisement for sale as the Finance Officer may approve.

10. Completing Official Statement after Sale – After bids have been received and the LGC has awarded the Bonds to the successful bidder, the Finance Officer is directed to prepare, in collaboration with the LGC, a final Official Statement within the meaning of Rule 15c2-12. The Finance Officer is authorized to approve the final form of the document as such a final Official Statement. The County, together with the LGC, will arrange for the delivery within seven business days of the date the Bonds are sold of a

reasonable number of copies of the final Official Statement to the successful bidder on the Bonds for delivery to each potential investor requesting a copy of the final Official Statement and to each entity to which such bidder and members of the bidding group initially sell the Bonds.

11. County Officers To Complete Closing - After the sale of the Bonds, the Finance Officer and all other County officers and employees are authorized to take all proper steps to have the Bonds prepared and executed in accordance with their terms and to deliver the Bonds to the purchaser upon payment for the Bonds, and to take all other proper steps to complete the issuance of the Bonds.

The Finance Officer is authorized to hold the executed Bonds, and any other documents authorized or permitted by this resolution, in escrow on the County's behalf until the conditions for the delivery of the Bonds and other documents have been completed to the Finance Officer's satisfaction, and then to release the executed Bonds and other documents for delivery to the appropriate persons or organizations.

Without limiting the generality of the foregoing, this authorization is specifically extended to authorize the Finance Officer (a) to approve and enter into agreements to carry out the refunding contemplated by this resolution, including agreements for the custody of Bond proceeds and agreements for appropriate professional services, and (b) to approve changes to any documents or closing certifications previously signed by County officers or employees, provided that the Bonds must be in substantially the form approved by this resolution and that any such changes must not substantially alter the intent of such documents from that expressed in the forms originally executed. The Finance Officer's authorization of the release of any such document for delivery will constitute conclusive evidence of such officer's approval of any such changes.

In addition, the Finance Officer is authorized to take all appropriate steps for the efficient and convenient carrying out of the County's on-going responsibilities with respect to the Bonds. This authorization includes, without limitation, contracting with third parties for reports and calculations that may be required under the Bonds, this resolution or otherwise with respect to the Bonds.

12. Undertaking for Continuing Disclosure -- The County undertakes, for the benefit of the beneficial owners of the Bonds, to provide continuing disclosure with respect to the Bonds as described in Exhibit B.

The Board designates the Finance Officer as the County officer to be primarily responsible for the County's compliance with its undertakings for continuing disclosure provided for in this resolution. The Finance Officer will provide for the filings and reports (including the reports of material events) constituting the continuing disclosure provided for in this resolution.

13. Resolutions as to Tax Matters -- The County will not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the "Code" (as defined below), or "private activity bonds" within the meaning of Code Section 141, or otherwise cause interest on the Bonds to be includable in gross income for federal income tax purposes. Without limiting the generality of the foregoing, the County will comply with any Code provision that may require the County at any time to pay to the United States any part of the earnings derived from the investment of the proceeds of the Bonds, and the County will pay any such required rebate from its general funds. For this paragraph, "Code" means the United States Internal Revenue Code of 1986, as amended, including applicable Treasury regulations.

14. Book-Entry System for Bond Registration -- The Bonds will be issued by means of a book-entry system, with one bond certificate for each maturity immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public. The book-entry system for registration will operate as described in the Official Statement. Therefore, so long as the book-entry system of registration with DTC is in effect, (a) the County will make Bond payments only to DTC or its nominee as registered owner of the Bonds, (b) the County will not be responsible or liable for any transfer of payments to parties other than DTC or for maintaining, supervising or reviewing the records maintained by DTC or any other person related to the Bonds, and (c) the County will not send redemption notices (or any other notices related to the Bonds) to anyone other than DTC or its nominee. The Board, by resolution, may elect to discontinue the County's book-entry system with DTC. The Finance Officer is authorized to enter into any agreements such officer deems appropriate to put into place and carry out the book-entry system with DTC.

15. Call of 2007 Bonds for Redemption - The Board directs the Finance Officer to make, on the County's behalf, an irrevocable call for redemption of such of the County's General Obligation Public Improvement Bonds, Series 2007, as the Finance Officer (after consultation with the LGC) deems beneficial to the County. The Finance Officer will make this call for redemption by the execution and delivery of an appropriate certificate in connection with the original delivery of the Bonds.

16. Finding as to Useful Life and Term of the Bonds -- In accordance with Section 159-122 of the General Statutes, the Board finds and determines that the term of the Bonds will be the shortest period in which the debt to be refunded can be finally paid without making it unduly burdensome on the County's taxpayers, and will be within the remaining period of usefulness of the projects financed with the proceeds of the prior bonds.

17. Miscellaneous Provisions -- All County officers and employees are authorized to take all such further action as they may consider necessary or desirable in connection with the furtherance of the purposes of this resolution. All such prior actions

of County officers and employees are ratified. Upon the absence, unavailability or refusal to act of the Chairman, the County Manager or the Finance Officer, any of such officers may assume any responsibility or carry out any function assigned to another officer in this resolution. In addition, upon the unavailability of the Chairman or the Clerk, respectively, any of the rights or responsibilities directed to such officers may be carried out or exercised by the Vice Chairman or any Deputy or Assistant Clerk. All other resolutions, or parts thereof, in conflict with this resolution are repealed, to the extent of the conflict. This resolution takes effect immediately.

AMENDMENTS:

MOVED _____ SECOND _____

APPROVED _____ DENIED _____ UNANIMOUS _____

YEA VOTES: Davis _____ Brown _____ Daughety _____
Hill _____ Rouse _____ Sutton _____ Best _____

Reuben J. Davis, Chairman

2/18/13
Date

ATTEST

2/18/13
Date

REGISTERED

REGISTERED

Number R-X

UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA

LENOIR COUNTY

General Obligation Refunding Bond, Series 2013

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	February 1, _____	April 2, 2013	526 210 XXX

REGISTERED OWNER:*****CEDE & CO.*****

PRINCIPAL AMOUNT: ****_ THOUSAND DOLLARS
(\$_____,000)***

LENOIR COUNTY, NORTH CAROLINA (the "County"), for value received, promises to pay to the registered owner of this Bond, or registered assigns or legal representative, the principal amount stated above on the maturity date stated above, subject to prior redemption as described below, and to pay interest on this Bond semiannually on each February 1 and August 1, beginning August 1, 2013, at the annual rate stated above. Interest is payable (a) from the dated date stated above, if this Bond is authenticated prior to August 1, 2013, or (b) otherwise from the February 1 or August 1 that is, or immediately precedes, the date on which this Bond is authenticated (unless payment of interest on this Bond is in default, in which case this Bond will bear interest from the date to which interest has been paid). Principal and interest are payable in lawful money of the United States of America.

This Bond is one of an issue of the County's [\$35,000,000] General Obligation Refunding Bonds, Series 2013 (the "Bonds"), of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity. The Bonds are issued pursuant to a resolution adopted by the County's governing Board of Commissioners on February 18, 2013, and the Constitution and laws of the State of North Carolina, including the Local Government Bond Act.

The County's full faith and credit are pledged for the payment of principal of and interest on this Bond.

The Bonds are issued by means of a book-entry system, with one bond certificate for each maturity immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public. Transfer of beneficial ownership interests in the Bonds in the principal amount of \$5,000 or any integral multiple thereof will be effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Principal and interest on the Bonds are payable by the County to DTC or its nominee as registered owner of the Bonds. The County is not responsible or liable for such transfer of ownership or payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Bonds maturing prior to February 1, 2024, are not subject to redemption prior to maturity. Bonds maturing on February 1, 2024, and thereafter are redeemable, at the County's option, from any moneys that may be made available for such purpose, in whole or in part on any date not earlier than February 1, 2023, at a redemption price of 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, without premium.

If less than all of the Bonds stated to mature on different dates are called for redemption, the Bonds to be redeemed will be selected in such manner as the County may determine. If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed will be selected by lot in such manner as the County in its discretion may determine; provided, however, that the portion of each Bond to be redeemed will be in the principal amount of \$5,000 or some integral multiple thereof, and that, in selecting Bonds for redemption, each Bond will be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. Notwithstanding the foregoing, so long as a book-entry system with DTC is used for determining beneficial ownership of Bonds, if less than all of the Bonds within a maturity are to be redeemed, DTC and its participants will determine which of the Bonds within any such maturity are to be redeemed. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

The County will send notice of redemption to DTC or its nominee as the registered owner of the Bonds in such manner as may be provided for under DTC's then-current operating procedures. The County will send this notice not more than 60 days and not less than 30 days prior to the date fixed for redemption. The County is not responsible for sending redemption notices to anyone other than DTC or its nominee.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the County so elects, the County will discontinue the book-entry system with DTC.

If the County does not identify another qualified securities depository to replace DTC, the County will deliver replacement Bonds in the form of fully-registered certificates.

The County Finance Officer has been appointed Registrar for the Bonds. As Registrar, the Finance Officer will maintain appropriate books and records indicating ownership of the Bonds. The County will treat the registered owner of this Bond as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that the County will make payments to the person shown as owner on the County's registration books at the end of the calendar day on the 15th day of the month (whether or not a business day) preceding each interest payment date.

The County intends that North Carolina law will govern the interpretation of the terms of the Bonds.

All acts, conditions and things required by the Constitution and laws of the State of North Carolina to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed, and the issue of Bonds of which this Bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the State of North Carolina.

IN WITNESS WHEREOF, Lenoir County, North Carolina, has caused this Bond to be signed by its County Manager, its seal to be affixed hereto and attested by the Clerk to its Board of Commissioners, and this Bond to be dated April 2, 2013.

(SEAL)

ATTEST:	
<i>[Sample only - do not sign]</i> Clerk, Board of Commissioners Lenoir County, North Carolina	<i>[Sample only - do not sign]</i> County Manager Lenoir County, North Carolina

The Bonds have been approved by the North Carolina Local Government Commission in accordance with the Local Government Bond Act.

[Sample only - do not sign]
T. Vance Holloman

Secretary, Local Government Commission

**[Lenoir County, North Carolina
[\$35,000,000] General Obligation Refunding Bonds, Series 2013]**

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please print or type transferee's name and address, including zip code)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OR TRANSFEREE:

the within bond and all rights thereunder, hereby irrevocably constituting and appointing _____, Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

<p>Signature Guaranteed:</p> <p>_____ NOTICE: Signature(s) must be guaranteed by a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program</p>	<p>_____ (Signature of Registered Owner) NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular without alteration or enlargement or any change whatsoever.</p>
--	--

**[Lenoir County, North Carolina
\$35,000,000] General Obligation Refunding Bonds, Series 2013]**

Exhibit B -- Undertaking for Continuing Disclosure

The County undertakes, for the benefit of the beneficial owners of the Bonds, to provide the following items and information to the Municipal Securities Rulemaking Board (the "MSRB"):

(a) by not later than seven months from the end of each of the County's fiscal years, audited County financial statements for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements are not available by seven months from the end of any fiscal year, unaudited County financial statements for such fiscal year, to be replaced subsequently by audited County financial statements to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each of the County's fiscal years, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year (which data will be prepared at least annually, will specify the date as to which such information was prepared and will be delivered with any subsequent material events notices specified in subparagraph (c) below) for the type of information included under heading "The County - Debt Information" and "- Tax Information" in the final Official Statement (excluding any information on overlapping or underlying units), and (ii) the combined budget of the County for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner, not in excess of ten business days after the occurrence of the event notice of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (7) modifications to rights of the beneficial owners of the Bonds, if material;
 - (8) calls for redemption of the Bonds (other than calls pursuant to sinking fund redemption), if material, and tender offers;
 - (9) defeasances;
 - (10) release, substitution or sale of any property securing repayment of the Bonds;
 - (11) rating changes;
 - (12) bankruptcy, insolvency, receivership or similar proceedings related to the County or any other person or entity that may at any time become legally obligated to make payments on the Bonds (collectively, the “Obligated Persons”);
 - (13) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
 - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material; and
- (d) in a timely manner, notice of a failure of the County to provide required annual financial information described in (a) or (b) above on or before the date specified.

For the purposes of the event identified in subparagraph (12) above, the event is considered to occur when any of the following occurs: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

If the County fails to comply with the undertaking described above, any beneficial owner of the Bonds may take action to protect and enforce the rights of all beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking will not be an event of

default and will not result in any acceleration of payment of the Bonds. All actions will be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The County shall provide the documents and other information referred to above to the MSRB in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The County may discharge its undertaking as set forth in this resolution by providing such information in any manner that the United States Securities and Exchange Commission subsequently authorizes in lieu of the manner described above.

The County reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the County's judgment, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the County;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of the final Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interests of the beneficial owners, as determined either by parties unaffiliated with the County or by the approving vote of the registered owners of a majority in principal amount of the Bonds pursuant to the terms of the bond resolution, as it may be amended from time to time, at the time of the amendment.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the effect of the change in the type of operating data or financial information being provided.

INTRODUCED BY: Michael Jarman, County Manager **DATE:** 2/18/13 **ITEM NO.:** 12

RESOLUTION: Approving a Revised Drug and Alcohol Testing Policy for Lenoir County Transit

SUBJECT AREA: Administrative

ACTION REQUESTED: Approve a Revised Drug and Alcohol Policy for Lenoir County Transit

HISTORY/BACKGROUND: As of March 10, 2008, Lenoir County Transit (LCT) took Operations in-house. This included complying with North Carolina Department of Transportation (NCDOT) in all areas of Operations which involve Safety Sensitive employees. As a sub-recipient of Section 5311 funds, Lenoir County Transit is required to have a Substance Abuse Program in place, to include a policy that meets the requirements of 49 CFR 655.15. LCT's Drug and Alcohol Testing Policy requires that Safety Sensitive employees submit to Drug and/or Alcohol testing in a variety of circumstances, including but not limited to, Pre-Employment and Random Selection. LCT must ensure that all DOT Drug and Alcohol Testing requirements are being met.

EVALUATION: In December 2012, RLS & Associates, Inc., a contractor with NCDOT/PTD, provided a new Zero Tolerance Drug and Alcohol Testing Policy. This new policy clarifies and highlights those provisions of the policy that are included under the sole authority of Lenoir County/Lenoir County Transit and are not provided under the authority of Federal regulations.

**ZERO TOLERANCE
DRUG AND ALCOHOL TESTING POLICY
Lenoir County Transit/Lenoir County
Adopted as of February 18, 2013**

A. PURPOSE

- 1) The Lenoir County Transit/Lenoir County provides public transit and paratransit services for the residents of Lenoir County. Part of our mission is to ensure that this service is delivered safely, efficiently, and effectively by establishing a drug and alcohol-free work environment, and to ensure that the workplace remains free from the effects of drugs and alcohol in order to promote the health and safety of employees and the general public. In keeping with this mission, Lenoir County Transit/Lenoir County declares that the unlawful manufacture, distribution, dispense, possession, or use of controlled substances or misuse of alcohol is prohibited for all employees.
- 2) Additionally, the purpose of this policy is to establish guidelines to maintain a drug and alcohol-free workplace in compliance with the Drug-Free Workplace Act of 1988, and the Omnibus Transportation Employee Testing Act of 1991. This policy is intended to comply with all applicable Federal regulations governing workplace anti-drug and alcohol programs in the transit industry. Specifically, the Federal Transit Administration (FTA) of the U.S. Department of Transportation has published 49 CFR Part 655, as amended, that mandates urine drug testing and breath alcohol testing for safety-sensitive positions, and prohibits performance of safety-sensitive functions when there is a positive test result. The U. S. Department of Transportation (USDOT) has also published 49 CFR Part 40, as amended, that sets standards for the collection and testing of urine and breath specimens.
- 3) Any provisions set forth in this policy that are included under the sole authority of Lenoir County Transit/Lenoir County and are not provided under the authority of the above named Federal regulations are underlined. Tests conducted under the sole authority of Lenoir County Transit/Lenoir County will be performed on non-USDOT forms and will be separate from USDOT testing in all respects.

B. APPLICABILITY

This Drug and Alcohol Testing Policy applies to all safety-sensitive employees (full or part-time) when performing safety sensitive duties. Lenoir County Transit/Lenoir County employees that do not perform safety sensitive functions are also covered under this policy under the sole authority of Lenoir County

Transit/Lenoir County. See Attachment A for a list of employees and the authority under which they are included.

A safety-sensitive function is operation of mass transit service including the operation of a revenue service vehicle (whether or not the vehicle is in revenue service), maintenance of a revenue service vehicle or equipment used in revenue service, security personnel who carry firearms, dispatchers or persons controlling the movement of revenue service vehicles and any other transit employee who is required to hold a Commercial Drivers License. Maintenance functions include the repair, overhaul, and rebuild of engines, vehicles and/or equipment used in revenue service. A list of safety-sensitive positions who perform one or more of the above mentioned duties is provided in Attachment A. Supervisors are only safety sensitive if they perform one of the above functions. Volunteers are considered safety sensitive and subject to testing if they are required to hold a CDL, or receive remuneration for service in excess of actual expense.

C. DEFINITIONS

Accident: An occurrence associated with the operation of a revenue service vehicle even when not in revenue service, if as a result:

- a. An individual dies;
- b. An individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident; or,
- c. One or more vehicles incur disabling damage as the result of the occurrence and is transported away from the scene by a tow truck or other vehicle. For purposes of this definition, *disabling damage* means damage which precludes departure of any vehicle from the scene of the occurrence in its usual manner in daylight after simple repairs. Disabling damage includes damage to vehicles that could have been operated but would have been further damaged if so operated, but does not include damage which can be remedied temporarily at the scene of the occurrence without special tools or parts, tire disablement without other damage even if no spare tire is available, or damage to headlights, taillights, turn signals, horn, mirrors or windshield wipers that makes them inoperative.

Adulterated specimen: A specimen that has been altered, as evidence by test results showing either a substance that is not a normal constituent for that type of specimen or showing an abnormal concentration of an endogenous substance.

Alcohol: The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols contained in any beverage, mixture, mouthwash, candy, food, preparation or medication.

Alcohol Concentration: Expressed in terms of grams of alcohol per 210 liters of breath as measured by an evidential breath testing device.

Aliquot: A fractional part of a specimen used for testing, It is taken as a sample representing the whole specimen.

Cancelled Test: A drug test that has been declared invalid by a Medical Review Officer. A cancelled test is neither positive nor negative.

Confirmatory Drug Test: A second analytical procedure performed on a different aliquot of the original specimen to identify and quantify the presence of a specific drug or metabolite.

Confirmatory Validity Test: A second test performed on a different aliquot of the original urine specimen to further support a validity test result.

Covered Employee: Under FTA Authority: An employee who performs a safety-sensitive function including an applicant or transferee who is being considered for hire into a safety-sensitive function (See Attachment A for a list of covered employees.)

Covered Employee Under Company Authority: An employee, applicant, or transferee that will not perform a safety-sensitive function as defined by FTA but is included under the company's own authority. (See Attachment A).

Designated Employer Representative (DER): An employee authorized by the employer to take immediate action to remove employees from safety-sensitive duties and to make required decisions in testing. The DER also receives test results and other communications for the employer, consistent with the requirements of 49 CFR Parts 40 and 655.

Department of Transportation (DOT): Department of the federal government which includes the Federal Transit Administration, Federal Railroad Administration, Federal Highway Administration, Federal Motor Carriers' Safety Administration, Pipeline & Hazardous Materials Safety Administration, United States Coast Guard, and the Office of the Secretary of Transportation.

Dilute specimen: A urine specimen with creatinine and specific gravity values that are lower than expected for human urine.

Disabling damage: Damage which precludes departure of any vehicle from the scene of the occurrence in its usual manner in daylight after simple repairs. Disabling damage includes damage to vehicles that could have been operated but would have been further damaged if so operated, but does not include

damage which can be remedied temporarily at the scene of the occurrence without special tools or parts, tire disablement without other damage even if no spare tire is available, or damage to headlights, taillights, turn signals, horn, mirrors or windshield wipers that makes them inoperative.

Evidentiary Breath Testing Device (EBT): A Device approved by the NHTSA for the evidential testing of breath at the 0.02 and the 0.04 alcohol concentrations. Approved devices are listed on the National Highway Traffic Safety Administration (NHTSA) conforming products list.

Initial Drug Test: (Screening Drug Test) The test used to differentiate a negative specimen from one that requires further testing for drugs or drug metabolites.

Initial Specimen Validity Test: The first test used to determine if a urine specimen is adulterated, diluted, substituted, or invalid.

Invalid Result: The result reported by an HHS-certified laboratory in accordance with the criteria established by the HHS Mandatory Guidelines when a positive, negative, adulterated, or substituted result cannot be established for a specific drug or specimen validity test.

Laboratory: Any U.S. laboratory certified by HHS under the National Laboratory Certification program as meeting standards of Subpart C of the HHS Mandatory Guidelines for Federal Workplace Drug Testing Programs; or, in the case of foreign laboratories, a laboratory approved for participation by DOT under this part.

Limit of Detection (LOD): The lowest concentration at which a measurand can be identified, but (for quantitative assays) the concentration cannot be accurately calculated.

Limit of Quantitation: For quantitative assays, the lowest concentration at which the identity and concentration of the measurand can be accurately established.

Medical Review Officer (MRO): A licensed physician (medical doctor or doctor of osteopathy) responsible for receiving laboratory results generated by the drug testing program who has knowledge of substance abuse disorders, and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result, together with his/her medical history, and any other relevant bio-medical information.

Negative Dilute: A drug test result which is negative for the five drug/drug metabolites but has a specific gravity value lower than expected for human urine.

Negative result: The result reported by an HHS-certified laboratory to an MRO when a specimen contains no drug or the concentration of the drug is less than the cutoff concentration for the drug or drug class and the specimen is a valid specimen.

Non-negative test result: A urine specimen that is reported as adulterated, substitute, invalid, or positive for drug/drug metabolites.

Oxidizing Adulterant: A substance that acts alone or in combination with other substances to oxidize drugs or drug metabolites to prevent the detection of the drug or metabolites, or affects the reagents in either the initial or confirmatory drug test.

Performing (a safety-sensitive function): A covered employee is considered to be performing a safety-sensitive function and includes any period in which he or she is actually performing, ready to perform, or immediately available to perform such functions.

Positive result: The result reported by an HHS- Certified laboratory when a specimen contains a drug or drug metabolite equal or greater to the cutoff concentrations.

Prohibited drug: Identified as marijuana, cocaine, opiates, amphetamines (including ecstasy), or phencyclidine at levels above the minimum thresholds specified in 49 CFR Part 40, as amended.

Reconfirmed: The result reported for a split specimen when the second laboratory is able to corroborate the original result reported for the primary specimen.

Rejected for Testing: The result reported by an HHS- Certified laboratory when no tests are performed for specimen because of a fatal flaw or a correctable flaw that has not been corrected.

Revenue Service Vehicles: All transit vehicles that are used for passenger transportation service.

Safety-sensitive functions: Employee duties identified as:

- (1) The operation of a transit revenue service vehicle even when the vehicle is not in revenue service.
- (2) The operation of a non-revenue service vehicle by an employee when the operation of such a vehicle requires the driver to hold a Commercial Drivers License (CDL).
- (3) Maintaining a revenue service vehicle or equipment used in revenue service.

- (4) Controlling the movement of a revenue service vehicle and
- (5) Carrying a firearm for security purposes.

Split Specimen Collection: A collection in which the urine collected is divided into two separate bottles, the primary specimen (Bottle A) and the split specimen (Bottle B).

Substance Abuse Professional (SAP): A licensed physician (medical doctor or doctor of osteopathy) or licensed or certified psychologist, social worker, employee assistance professional, state-licensed marriage and family therapist, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol and other Drug Abuse (ICRC) or by the National Board for Certified Counselors, Inc. and Affiliates/Master Addictions Counselor (NBCC) with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol related disorders.

Substituted specimen: A urine specimen with creatinine and specific gravity values that are so diminished that they are not consistent with normal human urine.

Test Refusal: The following are considered a refusal to test if the employee:

- (1) Fails to appear for any test (excluding pre-employment) within a reasonable time, as determined by the employer, after being directed to do so by the employer
- (2) Fails to remain at the testing site until the testing process is complete
- (3) Fails to attempt to provide a urine or breath specimen for any drug or alcohol test required by Part 40 or DOT agency regulations
- (4) In the case of a directly observed or monitored collection in a drug test, fails to permit the observation or monitoring of your provision of a specimen
- (5) Fails to provide a sufficient amount of urine or breath when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure
- (6) Fails or declines to take a second test the employer or collector has directed you to take
- (7) Fails to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER as part of the "shy bladder" or "shy lung" procedures
- (8) Fails to cooperate with any part of the testing process (e.g., refuse to empty pockets when so directed by the collector, behave in a confrontational way that disrupts the collection process)

- (9) If the MRO reports that there is verified adulterated or substituted test result
- (10) Failure or refusal to sign Step 2 of the alcohol testing form
- (11) Failure to follow the observer's instructions during an observed collection including instructions to raise your clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if you have any type of prosthetic or other device that could be used to interfere with the collection process.
- (12) Possess or wear a prosthetic or other device that could be used to interfere with the collection process
- (13) Admit to the collector or MRO that you adulterated or substituted the specimen.

Verified negative test: A drug test result reviewed by a medical review officer and determined to have no evidence of prohibited drug use above the minimum cutoff levels established by the Department of Health and Human Services (HHS).

Verified positive test: A drug test result reviewed by a medical review officer and determined to have evidence of prohibited drug use above the minimum cutoff levels specified in 49 CFR Part 40 as revised.

Validity testing: The evaluation of the specimen to determine if it is consistent with normal human urine. Specimen validity testing will be conducted on all urine specimens provided for testing under DOT authority. The purpose of validity testing is to determine whether certain adulterants or foreign substances were added to the urine, if the urine was diluted, or if the specimen was substituted.

D. EDUCATION AND TRAINING

- 1) Every covered employee will receive a copy of this policy and will have ready access to the corresponding federal regulations including 49 CFR Parts 655 and 40, as amended. In addition, all covered employees will undergo a minimum of 60 minutes of training on the signs and symptoms of drug use including the effects and consequences of drug use on personal health, safety, and the work environment. The training also includes manifestations and behavioral cues that may indicate prohibited drug use.
- 2) All supervisory personnel or company officials who are in a position to determine employee fitness for duty will receive 60 minutes of reasonable suspicion training on the physical, behavioral, and performance indicators of probable drug use and 60 minutes of additional reasonable suspicion

training on the physical, behavioral, speech, and performance indicators of probable alcohol misuse.

E. PROHIBITED SUBSTANCES

- 1) Prohibited substances addressed by this policy include the following.
 - a. Illegally Used Controlled Substance or Drugs Under the Drug-Free Workplace Act of 1988 any drug or any substance identified in Schedule I through V of Section 202 of the Controlled Substance Act (21 U.S.C. 812), and as further defined by 21 CFR 1300.11 through 1300.15 is prohibited at all times in the workplace unless a legal prescription has been written for the substance. This includes, but is not limited to: marijuana, amphetamines (including methamphetamine and ecstasy), opiates (including heroin), phencyclidine (PCP), and cocaine, as well as any drug not approved for medical use by the U.S. Drug Enforcement Administration or the U.S. Food and Drug Administration. Illegal use includes use of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs. Also, the medical use of marijuana, or the use of hemp related products, which cause drug or drug metabolites to be present in the body above the minimum thresholds is a violation of this policy

Federal Transit Administration drug testing regulations (49 CFR Part 655) require that all employees covered under FTA authority be tested for marijuana, cocaine, amphetamines (including methamphetamine and ecstasy), opiates (including heroin), and phencyclidine as described in Section H of this policy. Employees covered under company authority will also be tested for these same substances. Illegal use of these five drugs is prohibited at all times and thus, covered employees may be tested for these drugs anytime that they are on duty.
 - b. Legal Drugs: The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills, or judgment may be adversely affected must be reported to a Lenoir County Transit/Lenoir County supervisor and the employee is required to provide a written release from his/her doctor or pharmacist indicating that the employee can perform his/her safety-sensitive functions.
 - c. Alcohol: The use of beverages containing alcohol (including any mouthwash, medication, food, candy) or any other substances such that alcohol is present in the body while performing safety-sensitive job

functions is prohibited. An alcohol test can be performed on a covered employee under 49 CFR Part 655 just before, during, or just after the performance of safety-sensitive job functions. Under Lenoir County Transit/Lenoir County authority, a non-DOT alcohol test can be performed any time a covered employee is on duty.

F. PROHIBITED CONDUCT

- 1) All covered employees are prohibited from reporting for duty or remaining on duty any time there is a quantifiable presence of a prohibited drug in the body above the minimum thresholds defined in 49 CFR PART 40, as amended.
- 2) Each covered employee is prohibited from consuming alcohol while performing safety-sensitive job functions or while on-call to perform safety-sensitive job functions. If an on-call employee has consumed alcohol, they must acknowledge the use of alcohol at the time that they are called to report for duty. The covered employee will subsequently be relieved of his/her on-call responsibilities and subject to discipline for not fulfilling his/her on-call responsibilities.
- 3) The Transit Department shall not permit any covered employee to perform or continue to perform safety-sensitive functions if it has actual knowledge that the employee is using alcohol
- 4) Each covered employee is prohibited from reporting to work or remaining on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.02 or greater regardless of when the alcohol was consumed.
- 5) No covered employee shall consume alcohol for eight (8) hours following involvement in an accident or until he/she submits to the post-accident drug/alcohol test, whichever occurs first.
- 6) No covered employee shall consume alcohol within four (4) hours prior to the performance of safety-sensitive job functions.
- 7) Lenoir County Transit/Lenoir County, under its own authority, also prohibits the consumption of alcohol at all times the employee is on duty, or anytime the employee is in uniform.
- 8) Consistent with the Drug-free Workplace Act of 1988, all Lenoir County Transit/Lenoir County employees are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of

prohibited substances in the work place including transit system premises and transit vehicles.

G. DRUG STATUTE CONVICTION

Consistent with the Drug Free Workplace Act of 1998, all employees are required to notify the Lenoir County Transit/Lenoir County management of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. Failure to comply with this provision shall result in disciplinary action as defined in Section Q of this policy.

H. TESTING REQUIREMENTS

- 1) Analytical urine drug testing and breath testing for alcohol will be conducted as required by 49CFR part 40 as amended. All employees covered under FTA authority shall be subject to testing prior to performing safety-sensitive duty, for reasonable suspicion, following an accident, and random as defined in Section K, L, M, and N of this policy, and return to duty/follow-up. All employees covered under company authority will also be subject to testing for reasonable suspicion, post-accident, random and return to duty/follow-up using non-DOT testing forms.
- 2) A drug test can be performed any time a covered employee is on duty. A reasonable suspicion and random alcohol test can be performed just before, during, or after the performance of a safety-sensitive job function. Under Lenoir County Transit/Lenoir County authority, an alcohol test can be performed any time a covered employee is on duty.
- 3) All covered employees will be subject to urine drug testing and breath alcohol testing as a condition of ongoing employment with [Lenoir County Transit/Lenoir County]. Any safety-sensitive employee who refuses to comply with a request for testing shall be removed from duty and subject to discipline as defined in Section Q of this policy.

I. DRUG TESTING PROCEDURES

- 1) Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the U.S. Department of Health and Human Service (HHS). All testing will be conducted consistent with the procedures set forth in 49 CFR Part 40, as amended. The procedures will be performed in a private, confidential manner and every effort will be

made to protect the employee, the integrity of the drug testing procedure, and the validity of the test result.

- 2) The drugs that will be tested for include marijuana, cocaine, opiates (including heroin), amphetamines (including methamphetamine and ecstasy), and phencyclidine. After the identity of the donor is checked using picture identification, a urine specimen will be collected using the split specimen collection method described in 49 CFR Part 40, as amended. Each specimen will be accompanied by a DOT Chain of Custody and Control Form and identified using a unique identification number that attributes the specimen to the correct individual. The specimen analysis will be conducted at a HHS certified laboratory. An initial drug screen and validity test will be conducted on the primary urine specimen. For those specimens that are not negative, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the amounts of the drug(s) and/or its metabolites identified by the GC/MS test are above the minimum thresholds established in 49 CFR Part 40, as amended.
- 3) The test results from the HHS certified laboratory will be reported to a Medical Review Officer. A Medical Review Officer (MRO) is a licensed physician with detailed knowledge of substance abuse disorders and drug testing. The MRO will review the test results to ensure the scientific validity of the test and to determine whether there is a legitimate medical explanation for a confirmed positive, substitute, or adulterated test result. The MRO will attempt to contact the employee to notify the employee of the non-negative laboratory result, and provide the employee with an opportunity to explain the confirmed laboratory test result. The MRO will subsequently review the employee's medical history/medical records as appropriate to determine whether there is a legitimate medical explanation for a non-negative laboratory result. If no legitimate medical explanation is found, the test will be verified positive or refusal to test and reported to the Lenoir County Transit/Lenoir County Drug and Alcohol Program Manager (DAPM). If a legitimate explanation is found, the MRO will report the test result as negative to the DAPM.
- 4) If the test is invalid without a medical explanation, a retest will be conducted under direct observation. Employees do not have access to a test of their split specimen following an invalid result.
- 5) Any covered employee who questions the results of a required drug test under paragraphs L through P of this policy may request that the split sample be tested. The split sample test must be conducted at a second HHS-certified laboratory with no affiliation with the laboratory that analyzed the primary specimen. The test must be conducted on the split

sample that was provided by the employee at the same time as the primary sample. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in 49 CFR Part 40, as amended. The employee's request for a split sample test must be made to the Medical Review Officer within 72 hours of notice of the original sample verified test result. Requests after 72 hours will only be accepted at the discretion of the MRO if the delay was due to documentable facts that were beyond the control of the employee. Lenoir County Transit/Lenoir County will ensure that the cost for the split specimen are covered in order for a timely analysis of the sample, however Lenoir County Transit/Lenoir County will seek reimbursement for the split sample test from the employee.

- 6) If the analysis of the split specimen fails to confirm the presence of the drug(s) detected in the primary specimen, if the split specimen is not able to be analyzed, or if the results of the split specimen are not scientifically adequate, the MRO will declare the original test to be canceled. If the split specimen is not available to analyze the MRO will direct Lenoir County Transit/Lenoir County to retest the employee under direct observation.
- 7) The split specimen will be stored at the initial laboratory until the analysis of the primary specimen is completed. If the primary specimen is negative, the split will be discarded. If the primary is positive, the split will be retained for testing if so requested by the employee through the Medical Review Officer. If the primary specimen is positive, it will be retained in frozen storage for one year and the split specimen will also be retained for one year.
- 8) Observed collections
 - a. Consistent with 49 CFR part 40, as amended, collection under direct observation (by a person of the same gender) with no advance notice will occur if:
 - i. The laboratory reports to the MRO that a specimen is invalid, and the MRO reports to Lenoir County Transit/Lenoir County that there was not an adequate medical explanation for the result;
 - ii. The MRO reports to Lenoir County Transit/Lenoir County that the original positive, adulterated, or substituted test result had to be cancelled because the test of the split specimen could not be performed;

- iii. The laboratory reported to the MRO that the specimen was negative-dilute with a creatinine concentration greater than or equal to 2 mg/dL but less than or equal to 5 mg/dL, and the MRO reported the specimen to you as negative-dilute and that a second collection must take place under direct observation (see §40.197(b)(1)).
- iv. The collector observes materials brought to the collection site or the employee's conduct clearly indicates an attempt to tamper with a specimen;
- v. The temperature on the original specimen was out of range;
- vi. Anytime the employee is directed to provide another specimen because the original specimen appeared to have been tampered with.
- vii. All follow-up-tests; or
- viii. All return-to-duty tests

J. ALCOHOL TESTING PROCEDURES

- 1) Tests for breath alcohol concentration will be conducted utilizing a National Highway Traffic Safety Administration (NHTSA)-approved Evidential Breath Testing device (EBT) operated by a trained Breath Alcohol Technician (BAT). Alcohol screening tests may be performed using a non-evidential testing device which is also approved by NHSTA. If the initial test indicates an alcohol concentration of 0.02 or greater, a second test will be performed to confirm the results of the initial test. The confirmatory test must occur on an EBT. The confirmatory test will be conducted no sooner than fifteen minutes after the completion of the initial test. The confirmatory test will be performed using a NHTSA-approved EBT operated by a trained BAT. The EBT will identify each test by a unique sequential identification number. This number, time, and unit identifier will be provided on each EBT printout. The EBT printout, along with an approved alcohol testing form, will be used to document the test, the subsequent results, and to attribute the test to the correct employee. The test will be performed in a private, confidential manner as required by 49 CFR Part 40, as amended. The procedure will be followed as prescribed to protect the employee and to maintain the integrity of the alcohol testing procedures and validity of the test result.

- 2) An employee who has a confirmed alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of this policy. The consequences of a positive alcohol test are described in Section Q. of this policy. Even though an employee who has a confirmed alcohol concentration of 0.02 to 0.039 is not considered positive, the employee shall still be removed from duty for at least eight hours or for the duration of the work day whichever is longer and will be subject to the consequences described in Section Q of this policy. An alcohol concentration of less than 0.02 will be considered a negative test.
- 3) Lenoir County Transit/Lenoir County affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process. If at any time the integrity of the testing procedures or the validity of the test results is compromised, the test will be canceled. Minor inconsistencies or procedural flaws that do not impact the test result will not result in a cancelled test.
- 4) The alcohol testing form (ATF) required by 49 CFR Part 40 as amended, shall be used for all FTA required testing. Failure of an employee to sign step 2 of the ATF will be considered a refusal to submit to testing.

K. PRE-EMPLOYMENT TESTING

- 1) All applicants for covered transit positions shall undergo urine drug testing prior to performance of a safety-sensitive function.
 - a. All offers of employment for covered positions shall be extended conditional upon the applicant passing a drug test. An applicant will not be allowed to perform safety-sensitive functions unless the applicant takes a drug test with verified negative results.
 - b. An employee shall not be placed, transferred or promoted into a position covered under FTA authority or company authority until the employee takes a drug test with verified negative results.
 - c. If an applicant fails a pre-employment drug test, the conditional offer of employment shall be rescinded and the applicant will be referred to a Substance Abuse Professional. Failure of a pre-employment drug test will disqualify an applicant for employment for a period of at least one year. Before being considered for future employment the applicant must provide the employer proof of having successfully completed a referral, evaluation and treatment plan as described in section 655.62 of subpart G. The cost for the

assessment and any subsequent treatment will be the sole responsibility of the applicant.

- d. When an employee being placed, transferred, or promoted from a non-covered position to a position covered under FTA authority or company authority submits a drug test with a verified positive result, the employee shall be subject to disciplinary action in accordance with Section Q herein.
- e. If a pre-employment test is canceled, Lenoir County Transit/Lenoir County will require the applicant to take and pass another pre-employment drug test.
- f. In instances where a FTA covered employee is on extended leave for a period of 90 consecutive days or more regardless of reason, and is not in the random testing pool the employee will be required to take a pre-employment drug test under 49 CFR Part 655 and have negative test results prior to the conduct of safety-sensitive job functions.
- g. Following a negative dilute the employee will be required to undergo another test. Should this second test result in a negative dilute result, the test will be considered a negative and no additional testing will be required unless directed to do so by the MRO.
- h. Applicants are required (even if ultimately not hired) to provide Lenoir County Transit/Lenoir County with signed written releases requesting FTA drug and alcohol records from all previous, DOT-covered, employers that the applicant has worked for within the last two years. Failure to do so will result in the employment offer being rescinded. Lenoir County Transit/Lenoir County is required to ask all applicants (even if ultimately not hired) if they have tested positive or refused to test on a pre-employment test for a DOT covered employer within the last two years. If the applicant has tested positive or refused to test on a pre-employment test for a DOT covered employer, the applicant must provide Lenoir County Transit/Lenoir County proof of having successfully completed a referral, evaluation and treatment plan as described in section 655.62 of subpart G.

L. REASONABLE SUSPICION TESTING

- 1) All Lenoir County Transit/Lenoir County covered employees will be subject to a reasonable suspicion drug and/or alcohol test when the employer has

reasonable suspicion to believe that the covered employee has used a prohibited drug and/or engaged in alcohol misuse. Reasonable suspicion shall mean that there is objective evidence, based upon specific, contemporaneous, articulable observations of the employee's appearance, behavior, speech or body odor that are consistent with possible drug use and/or alcohol misuse. Reasonable suspicion referrals must be made by one or more supervisors who are trained to detect the signs and symptoms of drug and alcohol use, and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to possible prohibited substance abuse or alcohol misuse. A reasonable suspicion alcohol test can only be conducted just before, during, or just after the performance of a safety-sensitive job function. However, under Lenoir County Transit/Lenoir County's authority, a reasonable suspicion alcohol test may be performed any time the covered employee is on duty. A reasonable suspicion drug test can be performed any time the covered employee is on duty.

- 2) Lenoir County Transit/Lenoir County shall be responsible for transporting the employee to the testing site. Supervisors should avoid placing themselves and/or others into a situation which might endanger the physical safety of those present. The employee shall be placed on administrative leave pending disciplinary action described in Section Q of this policy. An employee who refuses an instruction to submit to a drug/alcohol test shall not be permitted to finish his or her shift and shall immediately be placed on administrative leave pending disciplinary action as specified in Section Q of this policy.

A written record of the observations which led to a drug/alcohol test based on reasonable suspicion shall be prepared and signed by the supervisor making the observation. This written record shall be submitted to the Lenoir County Transit/Lenoir County.

- 3) When there are no specific, contemporaneous, articulable objective facts that indicate current drug or alcohol use, but the employee (who is not already a participant in a treatment program) admits the abuse of alcohol or other substances to a supervisor in his/her chain of command, the employee shall be referred for assessment and treatment consistent with Section Q of this policy. Lenoir County Transit/Lenoir County shall place the employee on administrative leave in accordance with the provisions set forth under Section Q of this policy. Testing in this circumstance would be performed under the direct authority of the Lenoir County Transit/Lenoir County. Since the employee self-referred to management, testing under this circumstance would not be considered a violation of this policy or a positive test result under Federal authority. However, self-referral does not exempt the covered employee from testing under Federal authority as

specified in Sections L through N of this policy or the associated consequences as specified in Section Q.

M. POST-ACCIDENT TESTING

- 1) All covered employees will be required to undergo urine and breath testing if they are involved in an accident with a transit revenue service vehicle if that accident results in a fatality, regardless of whether or not the vehicle is in revenue service. This includes all surviving covered employees that are operating the vehicle at the time of the accident and any other whose performance cannot be completely discounted as a contributing factor to the accident.
- 2) In addition, a post-accident test will be conducted if an accident results in injuries requiring immediate transportation to a medical treatment facility; or one or more vehicles incurs disabling damage, unless the operator's performance can be completely discounted as a contributing factor to the accident.
 - a. As soon as practicable following an accident, as defined in this policy, the transit supervisor investigating the accident will notify the transit employee operating the transit vehicle and all other covered employees whose performance could have contributed to the accident of the need for the test. The supervisor will make the determination using the best information available at the time of the decision.
 - b. The appropriate transit supervisor shall ensure that an employee, required to be tested under this section, is tested as soon as practicable, but no longer than eight (8) hours after the accident for alcohol, and no longer than 32 hours for drugs. If an alcohol test is not performed within two hours of the accident, the Supervisor will document the reason(s) for the delay. If the alcohol test is not conducted within (8) eight hours, or the drug test within 32 hours, attempts to conduct the test must cease and the reasons for the failure to test documented.
 - c. Any covered employee involved in an accident must refrain from alcohol use for eight (8) hours following the accident, or until he/she undergoes a post-accident alcohol test.
 - d. An employee who is subject to post-accident testing who fails to remain readily available for such testing, including notifying a supervisor of his or her location if he or she leaves the scene of the

accident prior to submission to such test, may be deemed to have refused to submit to testing.

- e. Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident, or to prohibit an employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident, or to obtain necessary emergency medical care.
- f. In the rare event that Lenoir County Transit/Lenoir County is unable to perform an FTA drug and alcohol test (i.e., employee is unconscious, employee is detained by law enforcement agency), Lenoir County Transit/Lenoir County may use drug and alcohol post-accident test results administered by local law enforcement officials in lieu of the FTA test. The local law enforcement officials must have independent authority for the test and the employer must obtain the results in conformance with local law.

N. RANDOM TESTING

- 1) All covered employees will be subjected to random, unannounced testing. The selection of employees shall be made by a scientifically valid method of randomly generating an employee identifier from the appropriate pool of safety-sensitive employees. Employees covered under company authority will be selected from a pool of non-DOT covered employees.
- 2) The dates for administering unannounced testing of randomly selected employees shall be spread reasonably throughout the calendar year, day of the week and hours of the day.
- 3) The number of employees randomly selected for drug/alcohol testing during the calendar year shall be not less than the percentage rates established by Federal regulations for those safety-sensitive employees subject to random testing by Federal regulations. The current random testing rate for drugs established by FTA equals twenty-five percent of the number of covered employees in the pool and the random testing rate for alcohol established by FTA equals ten percent of the number of covered employees in the pool.
- 4) Each covered employee shall be in a pool from which the random selection is made. Each covered employee in the pool shall have an equal chance of selection each time the selections are made. Employees will remain in the pool and subject to selection, whether or not the

employee has been previously tested. There is no discretion on the part of management in the selection.

- 5) Covered transit employees that fall under the Federal Transit Administration regulations will be included in one random pool maintained separately from the testing pool of employees that are included solely under Lenoir County Transit/Lenoir County authority.
- 6) Random tests can be conducted at any time during an employee's shift for drug testing. Alcohol random tests can be performed just before, during, or just after the performance of a safety sensitive duty. However, under Lenoir County Transit/Lenoir County's authority, a non-DOT random alcohol test may be performed any time the covered employee is on duty. Testing can occur during the beginning, middle, or end of an employee's shift.
- 7) Employees are required to proceed immediately to the collection site upon notification of their random selection.

O. RETURN-TO-DUTY TESTING

Lenoir County Transit/Lenoir County will terminate the employment of any employee that tests positive or refuses a test as specified in section Q of this policy. However, in the rare event an employee is reinstated with court order or other action beyond the control of the transit system, the employee must complete the return-to-duty process prior to the performance of safety-sensitive functions. All covered employees who previously tested positive on a drug or alcohol test or refused a test, must test negative for drugs, alcohol (below 0.02 for alcohol), or both and be evaluated and released by the Substance Abuse Professional before returning to work. For an initial positive drug test a Return-to-Duty drug test is required and an alcohol test is allowed. For an initial positive alcohol test a Return-to-Duty alcohol test is required and a drug test is allowed. Following the initial assessment, the SAP will recommend a course of rehabilitation unique to the individual. The SAP will recommend the return-to-duty test only when the employee has successfully completed the treatment requirement and is known to be drug and alcohol-free and there are no undo concerns for public safety.

P. FOLLOW-UP TESTING

Covered employees that have returned to duty following a positive or refused a test will be required to undergo frequent, unannounced drug and/or alcohol testing following their return-to-duty test. The follow-up testing will be performed

for a period of one to five years with a minimum of six tests to be performed the first year. The frequency and duration of the follow-up tests (beyond the minimums) will be determined by the SAP reflecting the SAP's assessment of the employee's unique situation and recovery progress. Follow-up testing should be frequent enough to deter and/or detect a relapse. Follow-up testing is separate and in addition to the random, post-accident, reasonable suspicion and return-to-duty testing.

Q. RESULT OF DRUG/ALCOHOL TEST

- 1) Any covered employee that has a verified positive drug or alcohol test will be removed from his/her safety-sensitive position, informed of educational and rehabilitation programs available, referred to a Substance Abuse Professional (SAP) for assessment, and will be terminated.
- 2) Following a negative dilute the employee will be required to undergo another test. Should this second test result in a negative dilute result, the test will be considered a negative and no additional testing will be required unless directed to do so by the MRO.
- 3) A positive drug and/or alcohol test will also result in disciplinary action as specified herein.
 - a. After receiving notice of a verified positive drug test result, a confirmed alcohol test result, or a test refusal, the Lenoir County Transit/Lenoir County Drug and Alcohol Program Manager will contact the employee's supervisor to have the employee cease performing any safety-sensitive function.
 - b. The employee shall be referred to a Substance Abuse Professional and will be terminated.
- 4) Refusal to submit to a drug/alcohol test shall be considered a positive test result and a direct act of insubordination and shall result in termination and referral to an SAP. A test refusal includes the following circumstances:
 - a. Fails to appear for any test (excluding pre-employment) within a reasonable time, as determined by the employer, after being directed to do so by the employer
 - b. Fails to remain at the testing site until the testing process is complete
 - c. Fails to attempt to provide a urine or breath specimen for any drug or alcohol test required by Part 40 or DOT agency regulations
 - d. In the case of a directly observed or monitored collection in a drug test, fails to permit the observation or monitoring of your provision of a specimen

- e. Fails to provide a sufficient amount of urine or breath when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure
 - f. Fails or declines to take a second test the employer or collector has directed you to take
 - g. Fails to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by the DER as part of the "shy bladder" or "shy lung" procedures
 - h. Fails to cooperate with any part of the testing process (e.g., refuse to empty pockets when so directed by the collector, behave in a confrontational way that disrupts the collection process)
 - i. If the MRO reports that there is verified adulterated or substituted test result
 - j. Failure or refusal to sign Step 2 of the alcohol testing form
 - k. Failure to follow the observer's instructions during an observed collection including instructions to raise your clothing above the waist, lower clothing and underpants, and to turn around to permit the observer to determine if you have any type of prosthetic or other device that could be used to interfere with the collection process.
 - l. Possess or wear a prosthetic or other device that could be used to interfere with the collection process
 - m. Admit to the collector or MRO that you adulterated or substituted the specimen.
- 5) An alcohol test result of ≥ 0.02 to ≤ 0.039 BAC shall result in the removal of the employee from duty for eight hours or the remainder of the work day whichever is longer. The employee will not be allowed to return to safety-sensitive duty for his/her next shift until he/she submits to an alcohol test with a result of less than 0.02 BAC. If the employee has an alcohol test result of ≥ 0.02 to ≤ 0.039 two or more times within a six month period, the employee will be removed from duty and referred for an assessment and treatment consistent with Section Q 9-10 of this policy.
- 6) In the instance of a self-referral or a management referral, disciplinary action against the employee shall include:
- a. Mandatory referral for an assessment by an employer approved substance abuse professional for assessment, formulation of a treatment plan, and execution of a return to work agreement;
 - b. Failure to execute, or remain compliant with the return-to-work agreement shall result in termination from Lenoir County Transit/Lenoir County employment.

- i. Compliance with the return-to-work agreement means that the employee has submitted to a drug/alcohol test immediately prior to returning to work; the result of that test is negative; the employee is cooperating with his/her recommended treatment program; and, the employee has agreed to periodic unannounced follow-up testing as defined in Section P of this policy.
 - c. Refusal to submit to a periodic unannounced follow-up drug/alcohol test shall be considered a direct act of insubordination and shall result in termination.
 - d. A self-referral or management referral to the employer's approved substance abuse professional that was not precipitated by a positive test result does not constitute a violation of the Federal regulations and will not be considered as a positive test result in relation to the progressive discipline defined in Section Q of this policy.
 - e. Periodic unannounced follow-up drug/alcohol test conducted as a result of a self-referral or management referral which results in a verified positive shall be considered a positive test result in relation to the progressive discipline defined in Section Q of this policy.
 - f. A Voluntary Referral does not shield an employee from disciplinary action or guarantee employment with Lenoir County Transit/Lenoir County.
 - g. A Voluntary Referral does not shield an employee from the requirement to comply with drug and alcohol testing.
- 7) Failure of an employee to report within five days a criminal drug statute conviction for a violation occurring in the workplace shall result in termination.

R. GRIEVANCE AND APPEAL

The consequences specified by 49 CFR Part 40.149 (c) for a positive test or test refusal is not subject to arbitration.

S. PROPER APPLICATION OF THE POLICY

Lenoir County Transit/Lenoir County is dedicated to assuring fair and equitable application of this substance abuse policy. Therefore, supervisors/managers are required to use and apply all aspects of this policy in an unbiased and impartial manner. Any supervisor/manager who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy in regard to

subordinates, shall be subject to disciplinary action, up to and including termination.

T. INFORMATION DISCLOSURE

- 1) Drug/alcohol testing records shall be maintained by the Lenoir County Transit/Lenoir County Drug and Alcohol Program Manager and, except as provided below or by law, the results of any drug/alcohol test shall not be disclosed without express written consent of the tested employee.
- 2) The employee, upon written request, is entitled to obtain copies of any records pertaining to their use of prohibited drugs or misuse of alcohol including any drug or alcohol testing records. Covered employees have the right to gain access to any pertinent records such as equipment calibration records, and records of laboratory certifications. Employees may not have access to SAP follow-up testing plans.
- 3) Records of a verified positive drug/alcohol test result shall be released to the Drug and Alcohol Program Manager, and other transit system management personnel on a need to know basis.
- 4) Records will be released to a subsequent employer only upon receipt of a written request from the employee.
- 5) Records of an employee's drug/alcohol tests shall be released to the adjudicator in a grievance, lawsuit, or other proceeding initiated by or on behalf of the tested individual arising from the results of the drug/alcohol test. The records will be released to the decision maker in the preceding.
- 6) Records will be released to the National Transportation Safety Board during an accident investigation.
- 7) Information will be released in a criminal or civil action resulting from an employee's performance of safety-sensitive duties, in which a court of competent jurisdiction determines that the drug or alcohol test information is relevant to the case and issues an order to the employer to release the information. The employer will release the information to the decision maker in the proceeding with a binding stipulation that it will only be released to parties of the proceeding.
- 8) Records will be released to the DOT or any DOT agency with regulatory authority over the employer or any of its employees.

- 9) Records will be released if requested by a Federal, state or local safety agency with regulatory authority over Lenoir County Transit/Lenoir County or the employee.
- 10) If a party seeks a court order to release a specimen or part of a specimen contrary to any provision of Part 40 as amended, necessary legal steps to contest the issuance of the order will be taken
- 11) In cases of a contractor or sub-recipient of a state department of transportation, records will be released when requested by such agencies that must certify compliance with the regulation to the FTA.

This Policy was adopted by the Lenoir County Board of Commissioners on February 18, 2013.

Reuben J. Davis, Chairman

Date

Attachment A

<u>Job Title</u>	<u>Job Duties</u>	<u>Testing Authority</u>
Director	Management, Operations, Personnel	FTA
Grant Writer, Safety, Training	Grant Writing, Training	FTA
Administrative Assistant	Administrative Duties, Dispatching, Scheduling Personnel	FTA
Part Time Secretary	Secretarial Duties, Dispatching	FTA
Dispatcher	Dispatching, Maintenance Tracking	FTA
Part Time Scheduler/ Dispatcher	Scheduling, Dispatching	FTA
Part Time Dispatcher	Dispatching	FTA
Part Time Scheduler/ Driver	Scheduling, Driving	FTA
Part Time Driver	Driving	FTA

Attachment B Contacts

Any questions regarding this policy or any other aspect of the substance abuse policy should be directed to the following individual(s).

Lenoir County Transit/Lenoir County Drug and Alcohol Program Manager

Name: Sally Durst

Title: Safety Officer

Address: 201 E. King St., Kinston, NC 28501

Telephone Number: (252) 559-6457 ext. 7270

Medical Review Officer

Name: Martin Degraw

Title: Medical Review Officer

Address: 709 E. Simmons St., Goldsboro, NC 28530

Telephone Number: (252) 638-1238

Substance Abuse Professional

Name: Shana Midgette

Title: SAP

Address: 107 E. Caswell St. Kinston, NC 28501

Telephone Number: (252) 557-0444

HHS Certified Laboratory Primary Specimen

Name: Lab Corp.

Address: 2111-B N. Queen St., Kinston, NC 28501

Telephone Number: (252) 523-0265

HHS Certified Laboratory Split Specimen

Name: Lab Corp.

Address: 2111-B N. Queen St., Kinston, NC 28501

Telephone Number: (252) 523-0265

INTRODUCED BY: Michael W. Jarman, County Manager **DATE:** 2/18/2013 **ITEM NO.** 13

RESOLUTION: Resolution Approving a Change in the Community Transportation Grant Local Share for FY 2013-2014: From \$39,364 to \$41,314 Administrative and From \$20,918 to \$19,618 Capital

SUBJECT AREA: Financial

ACTION REQUESTED: Approve an increase in the Local Share required for the FY 2013-2014 Community Transportation Grant in the amount of \$650.

HISTORY/BACKGROUND: The Lenoir County Transportation Department began its operation in October 1994 with six vehicles. The Lenoir County Transportation Department provides “Coordinated Human Services” and “Rural General Public Transportation” to the citizens of Lenoir County through subscription and demand routes. The Lenoir County Transportation Department currently serves several agencies participating in the consolidated system. The agencies participating are the Department of Social Services, Council on Aging, Lenoir County Health Department, Lenoir County Mental Health Program (EastPointe), and Vocational Rehabilitation. The Lenoir County Transportation Program is a partnership between the North Carolina Department of Transportation/Public Transportation Division (DOT/PTD) and Lenoir County Government. The administrative funding for the Transportation Department provided by NCDOT/PTD includes salaries for a Transportation Coordinator’s position, Administrative Assistant’s position and a Grant Writer/Safety Officer @ 100 percent, and a Part-Time Secretary position @ 25 percent. The local match is provided by various local transit revenues. The Transportation Coordinator’s position, now currently titled as Director’s position, was established in April of 1996 to increase the coordination and efficiency of the Lenoir County Transportation Department and its participating agencies/departments. In 2010, NCDOT approved a request from Lenoir County Transit to increase its fleet to eighteen. This growth has allowed the County to qualify for increased funding through the North Carolina Department of Transportation’s grant program.

EVALUATION: The N.C. Department of Transportation initiated the Community Transportation Program (CTP) to enhance the provision of rural human service and general public transportation in counties and to meet the community transportation needs. Application for the FY 2013-2014 CTP grant was submitted to NCDOT/PTD in December 2012. The application included approximately \$262,423 for administrative funding and \$209,175 for capital funding. NCDOT/PTD will participate in the administrative funding of the CTP grant at an 85 percent level, resulting in a 15 percent local match requirement; capital is 90 percent NCDOT/PTD funded with a 10 percent local match. NCDOT/PTD has directed that \$13,000 requested for the purchase of new scheduling software be moved from the capital to the administrative portion of the grant. Moving the scheduling software from capital (reduced to \$196,175) to administrative (increased to \$275,423) will increase the amount of the local match that Lenoir County Transit is responsible for by \$650. The Transportation Department will endeavor to secure the necessary local funding requirements through transit revenues before requesting county funding.

MANAGER'S RECOMMENDATION:

Respectfully Recommend Approval


INITIALS

RESOLUTION: NOW THEREFORE BE IT RESOLVED by the Lenoir County Board of Commissioners that Lenoir County Transit is hereby authorized to increase the local match funding for the North Carolina Department of Transportation FY 2013-2014 Community Transportation Program Grant by \$650, and be it further resolved that if the grant is awarded, the Lenoir County Transportation Advisory Board, the Chairman of the Board of Commissioners, County Manager or staff so designated are authorized to execute the required documents to obtain the necessary grant funds.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Davis _____ Brown _____ Best _____ Daughety _____
Hill _____ Rouse _____ Sutton _____

Reuben J. Davis, Chairman 2/18/2013
Date

ATTEST 2/18/2013
Date

LOCAL SHARE CERTIFICATION FOR FUNDING

County of Lenoir
(Legal Name of Applicant)

Requested Funding Amounts

<u>Project</u>	<u>Total Amount</u>	<u>Local Share</u>
Administrative	\$ <u>275,423</u>	\$ <u>41,314</u> (15%)
Capital (Vehicles & Other)	\$ <u>196,175</u>	\$ <u>19,618</u> (10%)
Operating (Small fixed route, regional, and consolidated urban-rural systems)	\$ <u>0</u>	\$ <u>0</u> *(50% or more) *Note: Small fixed route systems contribute more than 50%
<hr/>		
TOTAL	\$ <u>471,598</u> Total Funding Requests	\$ <u>60,932</u> Total Local Share

The Local Share is available from the following sources:

<u>Source of Funds</u>	<u>Amount</u>
<u>Lenoir County</u>	\$ <u>60,932</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
<hr/>	
TOTAL	\$ <u>60,932</u>

I, the undersigned representing (*Legal Name of Applicant*) County of Lenoir do hereby certify to the North Carolina Department of Transportation, that the required local funds for the FY2014 Community Transportation Program will be available as of July 1, 2013, which has a period of performance of July 1, 2013 – June 30, 2014.

Signature of Authorized Official

Reuben Davis, Chairman, Lenoir County Board of Commissioners

Type Name and Title of Authorized Official

Date

INTRODUCED BY: Michael W. Jarman, County Manager DATE: 2/18/13 ITEM NO.: 14

RESOLUTION: Approving Citizens to Boards, Commissions, Etc.

SUBJECT AREA: Boards and Commissions

ACTION REQUESTED: Officially and publicly appoint various applicants to various vacancies on boards, commissions, task forces, etc.

HISTORY / BACKGROUND: The County Manager/County Clerk advertises vacancies on boards, commissions, committees, task forces, etc. The County Manager/County Clerk serves only clearinghouse functions with respect to the appointment process; no influence is exerted in this role. Commissioners are welcome to recruit applicants, or citizens may apply on their own free will.

EVALUATION:

The following Boards currently have existing vacancies/expiring terms.

<u>BOARD/COMMITTEE/COMMISSION</u>	<u>APPLICANT/ CURRENT MEMBER</u>	<u>TERM EXPIRATION</u>
Regional Aging Advisory Committee	Walter LaRoque Reappointment 2 nd Appearance	February 2016
Eastpointe	Rita Hodges 2 nd Appearance	July 2013
Lenoir County Transit Board	Marc Camnitz 1 st Appearance	February 2016
Kinston-Lenoir Parks & Recreation	Glenn Whitley 1 st Appearance	February 2016
Lenoir Memorial Hospital	Adrian King Reappointment 1 st Appearance	February 2017
	W. Loren Edwards Reappointment 1 st Appearance	February 2017

CURRENT VACANCIES:

Lenoir County Health Board – (1) Veterinarian, (1) Optometrist

Lenoir County Planning Board – Districts One (1), Four (1)

MANAGER'S RECOMMENDATION:


Initials

RESOLUTION: NOW THEREFORE BE IT RESOLVED by the Lenoir County Board of Commissioners that the following appointments are made:

<u>BOARD/COMMITTEE/COMMISSION</u>	<u>APPLICANT/ CURRENT MEMBER</u>	<u>TERM EXPIRATION</u>
Regional Aging Advisory Committee	Walter LaRoque Reappointment 2 nd Appearance	February 2016
Eastpointe	Rita Hodges 2 nd Appearance	July 2013
Lenoir County Transit Board	Marc Camnitz 1 st Appearance	February 2016
Kinston-Lenoir Parks & Recreation	Glenn Whitley 1 st Appearance	February 2016
Lenoir Memorial Hospital	Adrian King 1 st Appearance	February 2017
	W. Loren Edwards Reappointment 1 st Appearance	February 2017

AMENDMENTS:

MOVED _____ SECOND _____

APPROVED _____ DENIED _____ UNANIMOUS _____

YEA VOTES: Davis _____ Brown _____ Daughety _____
Hill _____ Rouse _____ Sutton _____ Best _____

Reuben J. Davis, Chairman

2/18/13
Date

ATTEST 2/18/13 Date

APPLICATION FOR APPOINTMENT to LENOIR COUNTY ADVISORY BOARDS AND COMMISSIONS

The Lenoir County Board of Commissioners believes that all citizens should have the opportunity to participate in governmental decisions. One way of participating is by serving as a citizen member of one of the County's advisory boards. If you want to be considered for appointment to an advisory board, please complete the Application below and mail it to the Lenoir County Clerk to the Board, P.O. Box 3289, Kinston, NC 28502, or fax to (252) 559-6454.

Advisory Board/Committee/Commission interested in:

Marc Camnitz

(I understand that this application will be kept on the active file for two years only, and I, hereby, authorize Lenoir County to verify all information included in this application.)

* * * * *

Name: MARC CAMNITZ

Address: 1907 Staunton Ct.

City/State/Zip: Wilmington NC 28405

Telephone: (Home) 910 679-4743 (Work) 252 523-1019

Occupation: General Manager, Lions Industries for the Blind

Business Address: 4126 Berkeley Ave. Kinston NC 28504

Age: (Optional): 62

Number hours available per month for this position: Various

Training: N/A

Business and Civic Experience/Skills: 41 yrs. in manufacturing management
Manager to V.P.

Other County Boards/Committees/Commissions presently serving on: None

Expiration date of Term: _____

Circle your voting precinct

- | | |
|---|--|
| K-1 (Carver Courts Recreation Center) | Institute (Institute Methodist Church) |
| K-2 (Old Plummer Daniel's Building) | Moseley Hall (Frink Middle School Gym) |
| K-3 (Fairfield Recreation Center) | Neuse (Agricultural Center) |
| K-4 (Northwest Elementary School) | Pink Hill 1 (Bethel Baptist Church) |
| K-5 (Spillman Baptist Church) | Pink Hill 2 (Pink Hill Rescue Station) |
| K-6 (Teachers Memorial School) | Sand Hill (Sand Hill VF Department) |
| K-7 (Emma Webb Recreation Center) | Southwest (Southwest VF Department) |
| K-8 (Holloway Recreation Center) | Trent 1 (Deep Run VF Department) |
| K-9 (Kinston Number 4 Fire Station) | Trent 2 (Moss Hill Ruitan Building) |
| Contentnea (Contentnea Ruitan Building) | Vance (GTP Ed & Training CTF.) |
| Falling Creek (Banks Elementary School Gym) | Woodington (Woodington Middle School) |

CERTIFICATION

I certify that I have read and understand the 75% attendance requirement established in the Lenoir County Board Appointment Policy. I further certify that I am aware, if my attendance drops below the 75% attendance requirements that I will be automatically removed from said Board appointment.

Marc Camnitz
Signature of Applicant

2/5/13
Date

APPLICATION FOR APPOINTMENT to LENOIR COUNTY ADVISORY BOARDS AND COMMISSIONS

The Lenoir County Board of Commissioners believes that all citizens should have the opportunity to participate in governmental decisions. One way of participating is by serving as a citizen member of one of the County's advisory boards. If you want to be considered for appointment to an advisory board, please complete the Application below and mail it to the Lenoir County Clerk to the Board, P.O. Box 3289, Kinston, NC 28502, or fax to (252) 559-6454.

Advisory Board/Committee/Commission interested in:

Parks & Recreation

(I understand that this application will be kept on the active file for two years only, and I, hereby, authorize Lenoir County to verify all information included in this application.)

Name: Glenn Whitley

Address: 2853 Fox Run Cr

City/State/Zip: Kinston NC 28504

Telephone: (Home) 526-1529 (Work) 527-1893

Occupation: Pharmacist

Business Address: 306 N. Queen St Kinston

Age: (Optional): 42

Number hours available per month for this position: 4

Training: _____

Business and Civic Experience/Skills: Coaching Rec Teams, coordinated events

Other County Boards/Committees/Commissions presently serving on: Community Advisory Council

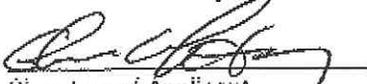
Expiration date of Term: started 2006

Circle your voting precinct

- | | |
|--|--|
| K-1 (Carver Courts Recreation Center) | Moseley Hall (LaGrange Volunteer Fire Station) |
| K-2 (Gordon Street Christian Church) | Neuse (Cooperative Extension Office) |
| K-3 (Fairfield Recreation Center) | Pink Hill 1 (Bethel Baptist Church) |
| K-4 (Northwest Elementary School) | Pink Hill 2 (Pink Hill Rescue Station) |
| K-5 (Spillman Baptist Church) | Sand Hill (Sand Hill VF Department) |
| K-6 (Teachers Memorial School) | Southwest (Southwood VF Department) |
| K-7 (Emma Webb Recreation Center) | K-8 (Holloway Recreation Center) |
| K-9 (First Pentecostal Holiness Church) | Trent 1 (Deep Run VF Department) |
| Contentnea (Hugo Volunteer Fire Station) | Trent 2 (Moss Hill Ruritan Building) |
| <u>Falling Creek (Banks Elementary School Gym)</u> | Vance (Grace Fellowship Church) |
| Institute (Institute Methodist Church) | Woodington (Woodington Middle School) |

CERTIFICATION

I certify that I have read and understand the 75% attendance requirement established in the Lenoir County Board Appointment Policy. I further certify, that I am aware, if my attendance drops below the 75% attendance requirements that I will be automatically removed from said Board appointment.


Signature of Applicant

2/8/13
Date



Lenoir Memorial
Hospital

January 29, 2013

Mr. Reuben Davis, Chairman
Lenoir County Board of Commissioners
PO Box 3289
Kinston, NC 28502

Dear Mr. Davis:

The Lenoir Memorial Hospital Board of Directors met last evening and approved the following nominees for consideration by the Lenoir County Commissioners for reappointment to our Board of Directors:

- o Richard Adrian King – primary
- o W. Loren Edwards – alternate

The Lenoir County Commissioners appointed Mr. King to the LMH Board in September of 2007 to complete the unexpired term of Mr. Paul Wellman, whose term expired in January, 2009. In addition to completing Mr. Wellman's term, Mr. King was appointed to serve one full four-year term. He is now eligible for another four-year term.

I am enclosing copies of justifications for the above nominees in compliance with the "Guidelines for Selection of Nominees" (copy attached).

If we can provide additional information, please let us know.

Sincerely,

Gary E. Black
President and CEO

GEB:dl

RICHARD ADRIAN KING

Adrian King was born and raised in the Kinston/Lenoir County, and is a graduate of Grainer High School. He currently resides at 840 Westminster Lane in Kinston.

Mr. King earned a BA degree in political science from Wake Forest College in 1964. His professional life included political and government reporting for the *Raleigh News and Observer*, work in Robert W. Scott's campaign for governor in the Fall of 1968, and service as director of public affairs for North Carolina Department of Natural and Economic Resources from 1969-1971 (where he helped spearhead state government response to the environmental protection movement which swept the state in the early 1970's).

After another political campaign and a period of time in private enterprise, Mr. King moved to Atlanta, where he helped organize a nine-state regional organization to support the arts in the south. This led to subsequent appointments with the National Endowment for the Arts in Washington, DC, and the Southern Arts Federation in Atlanta.

In 1991, Mr. King began working for The Coca-Cola Company Foundation where he managed corporate contributions for cultural and education institutions in the US, Asia, and Europe. He also managed the expansion of The Coca-Cola First General Scholarship Program to more than 400 college campuses in the US and 50 in China. He retired from Cola-Cola in 2003 and returned to his hometown of Kinston.

In 2005, Mr. King was elected executive director of the Pride of Kinston, Inc., the city's downtown revitalization organization, and have been serving in that capacity since that time.

Mr. King is a veteran, serving as a military journalist in the US Army in 1967 and 1968.

Mr. King was appointed to the Lenoir Memorial Hospital Board of Directors in September of 2007 to complete the unexpired term of Mr. Paul Wellman, which ended in January of 2009. In addition to completing Mr. Wellman's term, Mr. King was reappointed to serve another four-year term. Mr. King has been an active member of the Lenoir Memorial Hospital Board of Directors, serving on the Planning Committee, Human Resources Committee, Retirement Committee, and the Nominating Committee. He also serves as chairman of the Board's Compliance Committee. Mr. King is eligible to serve one additional four-year term.

W. LOREN EDWARDS

W. Loren Edwards was born at Lenoir Memorial Hospital in 1958 and was raised and educated in Lenoir County. He and his wife, Beth Kennedy Edwards, reside at 1803 Cambridge Drive in Kinston.

Mr. Edwards is a graduate of Arendell Parrott Academy and the University of North Carolina at Chapel Hill.

Mr. Edwards is now retired from a long career as Chief Operating Officer of Affordable Dentures Dental Laboratories, Inc. here in Kinston.

Mr. Edwards is active in community activities, which includes Kinston Youth Baseball and the Lenoir Committee of 100.

Mr. Edwards is a member of Westminster United Methodist Church, where he serves on the Finance and Pastor-Staff Relations Committees and is chairman of the Stewardship Committee.

The Board of Directors of Lenoir Memorial Hospital, Incorporated and the Lenoir County Board of Commissioners hereby agree and adopt the following GUIDELINES FOR SELECTION OF NOMINEES FOR APPOINTMENT TO THE BOARD OF DIRECTORS OF LENOIR MEMORIAL HOSPITAL, INCORPORATED:

GUIDELINES FOR SELECTION OF NOMINEES
FOR APPOINTMENT TO THE BOARD OF DIRECTORS
OF LENOIR MEMORIAL HOSPITAL, INCORPORATED

Lenoir Memorial Hospital, Incorporated, is a very important part of the economy of Lenoir County and the future and success of the Hospital is vital to the continued economic development of the County.

The County of Lenoir has no legal responsibility for the financial operation of the Hospital except for retirement of the Hospital's General Obligation Bonds. However, the County does have a great moral responsibility for the Hospital's outstanding revenue bonds because default on these bonds would be a negative reflection on the total County and its credit rating.

The Hospital Board of Directors is responsible for the operation of the Hospital and should be allowed to fulfill its responsibilities without undue efforts of control by the Lenoir County Commissioners or any other group.

The Board of Directors of the Hospital is one of the most complex and difficult Boards to serve on in the County. A rapidly changing health care environment, declining reimbursement, the increasing frustration of health care professionals, competition from within and without, and new ethical issues are but some of the myriad complex issues with which a Hospital Board Member must deal.

The community entrusts the Board of Directors with safeguarding the assets of the Hospital, furthering the goals of providing good health care to its citizens, and perpetuating Lenoir Memorial Hospital as a not-for-profit community Hospital. Because of these responsibilities, it is incumbent upon the Hospital Board of Directors to select and the Lenoir County Board of Commissioners to appoint the best and most qualified citizens of Lenoir County as members of the Board of Directors of the Hospital to carry out the Hospital's mission:

A Director should possess the qualities of honesty and integrity, and be of good moral and ethical character.

A Director should exhibit strong leadership skills.

Guidelines for Selection of Nominees

Page 2

A Director should possess the ability to conceptualize and objectively view the entire Hospital operation from a broad perspective. He should have the ability to grasp complex health care issues, and work in a spirit of cooperation with other Board members.

A Director should demonstrate a willingness to devote the time necessary to become educated into the complexities of Hospital operations and participate actively in Board functions as assigned.

A Director should exhibit a strong commitment to the community and to the provision of good health care.

The Board's composition should represent a mix of competencies, including competency in health care, medicine, management, education, law, and finance.

All other factors considered, appointments should result in a balanced representation of the community served.

MAJOR POINTS OF SELECTION

1. The hospital Board of Directors will continue to nominate candidates for each position to be filled and Commissioners will appoint from the nominations to fill each position.
2. The Board of Commissioners of Lenoir County should be required to appoint within a specified time frame (30 days) after nominations are received from the Hospital Board.
3. The Hospital Directors intend to have two physicians on the Board to benefit from their expertise.
4. Individual Directors will remain on the Board until their successors are appointed and seated.
5. Appointments to the Hospital Board must not be for the purpose of satisfying the wishes of individual Board members, administrators, or any special interest groups. All appointments shall be made with the overall best interest of the Hospital in mind.

Guidelines for Selection of Nominees
Page 3

- 6. All appointments to the Hospital Board will be individuals who are well-qualified to serve as a contributing member of a large corporation. As much as possible, the Hospital Board should represent all segments of Lenoir County.
- 7. All rejections from or appointments to the Hospital Board shall specifically state in writing the reasons for the rejection or appointment in accordance with these guidelines.

LENOIR COUNTY BOARD OF COMMISSIONERS

By: Lyndon K. Barnitt
Chairman, Lenoir County Board of Commissioners

(SEAL)
ATTEST:

Charles M. McLeavelle

Date: November 6, 1989

LENOIR MEMORIAL HOSPITAL, INCORPORATED
BOARD OF DIRECTORS

By: Ray D. Brown
Chairman, Board of Directors

(CORPORATE SEAL)
ATTEST:

Edward L. Brown

Date: October 23, 1989