

WAKE COUNTY BOARD OF COMMISSIONERS

Regular Meeting

August 4, 2014

2:00 P.M.

Room 2700, Wake County Justice Center

Members present were: Joe Bryan, Paul Coble, Rich Gianni, Phil Matthews, Caroline Sullivan, James West

Absent: Betty Lou Ward

Others attending were: Jim Hartmann, County Manager, Scott Warren, County Attorney, Joe Durham, Deputy Manager, Johnna Rogers, Deputy Manager, Denise Hogan, Deputy Clerk, Susan J. Banks, Clerk to the Board

Meeting Called to Order: Chairman Phil Matthews

Pledge of Allegiance

Invocation: Chairman Phil Matthews

Items of Business

Approval of Agenda

Chairman Matthews called for approval of the agenda. Commissioner West said Commissioner Betty Lou Ward's absence from the meeting was deemed extraordinary with unforeseen conditions and she requested to participate in the meeting by telephone. He said it was his understanding that this request would be open for discussion before approval of the agenda. He said that if no discussion was going to be allowed on the subject then he was prepared to make a motion. He asked that Commissioner Ward be allowed to participate in the meeting and that the agenda item regarding the local option sales tax be moved from item #13 to item #10. He said that was his request for the Chairman's approval. He said he didn't get the Chairman's approval so he would make it into a motion.

Commissioner Gianni said that he had received a phone call from Commissioner Ward requested the opportunity to take part in the discussion and vote on transit and the interlocal agreement. He said that was the

telephone message that was left for him by Commissioner Ward. Commissioner West said that he had also spoke to Commissioner Ward and understood differently. He said since there was a difference of opinion he would make a motion for the board's final decision.

Commissioner Coble said he was opposed to the motion because Rule 16 was a change that he pushed for several years ago. He said if there was going to be debate and discussion on an item he wanted to have the conversation with the person present. A telephone conversation would not lend itself to open debate. He also had a problem with someone calling in to vote on one item and not participate in the entire meeting because the board is being asked to change the order of the agenda items. It is not fair to those present and does not help with a healthy and robust discussion. This request does not meet the criteria for Rule 16 stating a "member may only participate in meetings in person and no telephonic or other electronic means may be used as a substitute for the physical presence of the member at a meeting. However, under extraordinary or exigent circumstances such as those necessitating a special or emergency meeting contemplated by Article 33C of Chapter 143 of the North Carolina General Statutes, telephonic or electronic meetings of the Board may occur if so directed by the Chair or by the Vice-Chair if the Chair is not available. A member may avail himself of a leave of absences as set forth in and in accordance with NCGS 128-40." He said this was not an emergency or a special meeting and no need defined for anyone to communicate by telephone. Remote participation has happened in the past with this board when there has been a natural disaster, like a hurricane or tornado. He said he was sorry Commissioner Ward could not be present but he did not believe the situation met the test and would vote against the motion.

Commissioner Sullivan said that Commissioner Ward was probably on the phone and could state if she wanted to participate in the whole meeting or not. She has been in the hospital and it was not that she just didn't want to come to the meeting. She said as a courtesy, the Chairman could allow the longest serving member of this board, and she should be allowed to participate in something she really cares about. She urged the Chair to allow Commissioner Ward to participate by telephone. Commissioner West asked the County Attorney to advise the Board on this issue. He said sometimes situations become legalistic to participate in discussion about the issue.

Scott Warren reported that the Board of Commissioners' Rules of Procedure were amended in 2011. There are two main changes discussed. One change was to clarify that there is no proxy voting allowed and the other change was that there be physical presence by the commissioners at the meetings. This is the first test of the rule change in three years. The change was initiated due to circumstances at the time. There are two conflicts. The Board set the rule which was passed unanimously. He questioned what if a commissioner wants

to participate remotely, does she have that right. He said this is a complex question to answer. He said there is no inherent right by a commissioner to participate remotely, or to participate remotely to establish a quorum or cast a deciding vote. The Chairman could decline to find extraordinary circumstances. The rule was written with natural disasters in mind but it was broad for flexibility. If the board declines by majority vote to waive the rule, then the issue is whether Commissioner Ward has the right to participate remotely. He said if Commissioner Ward insisted on the right to participate in this board meeting, it should be respected.

James West motioned, seconded by Caroline Sullivan, to suspend Rule 16 of the Board of Commissioners' Rules of Procedure for today's meeting only; to approve Commissioner Ward's participation by telephone; and, also move Regular Agenda Item #13 "Consideration of Local Option Sales Tax" to Regular Agenda Item #10.

The motion to suspend Rule 16 of the Board of Commissioners' Rules of Procedure for today's meeting only; to approve Commissioner Ward's participation by telephone; and, also move Regular Agenda Item #13 "Consideration of Local Option Sales Tax" to Regular Agenda Item #10 motion failed with a vote of 2 to 4.

AYES: Caroline Sullivan, James West
NOES: Joe Bryan, Paul Coble, Rich Gianni, Phil Matthews

Commissioner West said that Commissioner Ward, who has made contributions to the county, has been under the weather, in the hospital, and the board is not going to show her the respect by allowing her to participate in this meeting after all the efforts she has made. He said this speaks volumes of this board of commissioners about how fellow colleagues work together toward the common good. He said this was perplexing and beyond his wildest imagination. He said this action reflects the in-compassion and in-humanity towards one another and it was perplexing to him. He said he never thought this board would be that in-compassionate. He said he spoke with due respect but the item was skipped over and he had been promised that it would be placed forward for discussion. Chairman Matthews said he respects Commissioner Ward and believes everyone on the board respects her. He said he talked with her early this week and that this decision was nothing against Commissioner Ward personally. Commissioner West asked Chairman Matthews if he heard the County Attorney's comments. Chairman Matthews said he heard the County Attorney's comments.

Paul Coble motioned, seconded by Rich Gianni, to approve the agenda. The motion passed unanimously.

Approval of the Minutes of the Commissioners' Regular Meeting of July 7 and 11am Work Session on July 21st, 2014

Paul Coble motioned, seconded by Joe Bryan, to approve the Minutes of the Commissioners' Regular Meeting of July 7 and 11am Work Session on July 21st, 2014. The motion passed unanimously.

Recognition of Wake County YouthVoice 2014 Delegates

Ms. Katherine Williams, Cooperative Extension Director, said that this is the fifth year that youth delegates have participated in the youth summit and the North Carolina Association of County Commissioners' Conference (NCACC). She said that the summit allows the delegates to connect with elected officials and to learn about local government. She introduced the three Wake County Youth Delegates and described their involvement in the community. She said Mr. Jason Lundy is a junior at Millbrook High School, serves on the Wake County Teen Advisory Council, and is president of the Raleigh Youth Council. She said Mr. Lundy recently held a fundraiser for students with disabilities to have their own dance. She said he enjoys playing tennis in his spare time. Mr. Hugh McLean, Vice-President Operations, Boys and Girls Club of Wake County, introduced Ms. Sophie Eisenhardt and Mr. Victor Chambers, both of the Boys and Girls Club in Wake County. He said Ms. Eisenhardt is a junior at Wake Forest High School and is working as a lifeguard at the Boys and Girls Club. Mr. Chambers is a junior leader at the Boys and Girls Club and attends the teen center on the corner of Glascock and Raleigh Boulevard. He plays JV Basketball at Enloe High School. Chair Matthews thanked the youth delegates for representing Wake County. Vice-Chair Bryan said that Ms. Mary Acker from Cleveland County and a past president of the NC Association of County Commissioners, started the Youth Summit Initiative in 2009. He said the initiative was for youth to learn more about county government. He said that he was interviewed by Mr. Chambers earlier and commended his effort to learn about county government. He said that all the youth delegates are training with leaders and will interact with others across North Carolina at the NCACC Annual Conference next week.

Proclamation Designating August 2014 as Recipients of Purple Heart Recognition Month in Wake County

Chair Matthews said that Commissioner West has served in the US Army. Commissioner Bryan served in the US Navy. Chairman Matthews served in the Army and is a Vietnam Veteran. Mr. Douggy Johnson, Veterans Affairs Director, said that there are 58,000 veterans in Wake County. He said that the Wake County Veteran's Office assists veterans with benefits and partners with like agencies. Mr. Johnson introduced Mr. Jesse Torres, Adjutant, Military Order of the Purple Heart, Chapter 637. He said Mr. Torres joint the Marine

Corps in 1965 and served in Vietnam from 1966-1967. Mr. Torres was wounded in March 1967 and was presented the Purple Heart by General Walt Green in Vietnam. He has been a resident of North Carolina since 1968. He is a member of the American Legion, Post 6 in Chapel Hill, North Carolina, a life member of the VFW Post 2470 in Durham, and a life time member of the Marine Corp. League Detachment 1292 in Hillsborough. North Carolina. Mr. Torres has represented the Military Order of the Purple Heart Chapter 637 at the Durham VA Medical Center that assists homeless and disabled veterans. Mr. Torres has also served as Chapter, State, and Regional Commander and has held many national offices within the order. Mr. Torres thanked the Board of Commissioners for Wake County proclaiming August 2014 as the recipient of the Purple Heart Recognition Month in Wake County. Mr. Torres said that 97 counties had been proclaimed Purple Heart Counties. He introduced the people with him. He said the Purple Heart Medal was given as a Badge of Military Merit in 1972 by General George Washington. In 1932, General Douglas McArthur resurrected the Badge of Military Merit. Mr. Torres said that in order to join his organization that a person must have a Purple Heart Medal. There are 12 chapters in North Carolina and over 200 in the nation. Chair Matthews read aloud the proclamation.

Paul Coble motioned, seconded by James West, to approve the Proclamation Designating August 2014 as Recipients of Purple Heart Recognition Month in Wake County. The motion passed unanimously.

WAKE COUNTY BOARD OF COMMISSIONERS

Proclaims

Month of August 2014 as

RECIPIENTS OF THE PURPLE HEART RECOGNITION MONTH

WHEREAS, the Purple Heart is awarded to those who have been wounded or killed while serving in the United States military against opposing armed forces; and

WHEREAS, the Purple Heart was established by General George Washington as a Badge of Military Merit on August 7, 1782, and was awarded to three Revolutionary War soldiers; and

WHEREAS, since its inception and through several wars and conflicts, the Purple Heart has been given to more than a million wounded or killed in action while serving our nation; and

WHEREAS, the Military Order of the Purple of Heart works to raise funds for service, welfare and rehabilitation work in connection with the members of the Military Order of the Purple Heart (a congressionally chartered veterans organization), those who are eligible for membership therein, or any wounded, disabled and/or handicapped veteran, his widow, orphan or survivor; and

WHEREAS, the Wake County Board of Commissioners joins the Military Order of the Purple Heart and other interested agencies and organizations in supporting national recognition of Wake County as a Purple Heart County, and in recognizing recipients of the Purple Heart for their courage and sacrifice to protect the freedoms we hold dear.

NOW, THEREFORE, BE IT RESOLVED that the Wake County Board of Commissioners does hereby proclaim the Month of August 2014 as

RECIPIENTS OF THE PURPLE HEART RECOGNITION MONTH
in Wake County and commends this observance to all Wake County citizens.

ADOPTED this the 4th day of August 2014.

Retiree Recognition

Mr. Jim Hartmann recognized the retirees for their service to Wake County as follows: Ms. Denise Smith and Mr. Warren Ludwig. Each retiree was presented with a plaque commemorative for their service to Wake County.

Consent Agenda

Joe Bryan motioned, seconded by Paul Coble, to approve the Consent Agenda. The motion passed unanimously.

Request from the Raleigh-Durham Airport Authority to Approve a \$1,293,030 Grant Offer from the Federal Aviation Administration for the Terminal 1 Aircraft Apron Reconstruction

Joe Bryan motioned, seconded by Paul Coble, to approve a \$1,293,030 Grant Offer for Raleigh-Durham Airport Authority from the Federal Aviation Administration for the Terminal 1 Aircraft Apron Reconstruction. The motion passed unanimously.

Approval of Mutual Aid Agreements

Joe Bryan motioned, seconded by Paul Coble, to approve Mutual Aid Agreements between Wake County and the counties of Chatham, Durham, Franklin, Harnett, Johnston and Lee and authorize the County Manager and Emergency Management Director to sign the Agreements. The motion passed unanimously.

Merger of the Hazard Mitigation Plan for the Town of Knightdale with the Wake County Hazard Mitigation Plan

Joe Bryan motioned, seconded by Paul Coble, to accept the Knightdale Town Council's Resolution requesting Wake County to merge the Town of Knightdale and Wake County's Hazard Mitigation Plan and approve the Wake County Board of Commissioners' Resolution stating such action. The motion passed unanimously.

Tax Committee Recommendations for Value Adjustments, Late Filed Applications, Collections Refunds and Tax Collections

Joe Bryan motioned, seconded by Paul Coble, to accept the Tax Committee Recommendations for Value Adjustments, Late Filed Applications, Collections Refunds and Tax Collections. The motion passed unanimously.

1. Report Collections – Wake County Only – June 2014
2. Wake County In-Rem Foreclosure Progress Report – June 2014
3. Consideration of Requests for Value/Special Situations: (Wake County and City of Raleigh)
4. Consideration of Requests for Tax Deferment: (Wake County and City of Raleigh)
5. Consideration of Requests for Adjustments, Rebates, and/or Refunds of Penalties: (Wake County and Town of Cary), (Wake County and Town of Fuquay-Varina), (Wake County and Town of Garner), (Wake County and Town of Morrisville), (Wake County and City Raleigh), (Wake County and Town of Zebulon)
6. Consideration of Refund for Taxes, Interest, and Penalties: (Wake County Only), (Wake County and Town of Knightdale), (Wake County and Town of Morrisville), (Wake County and City of Raleigh)
7. Consideration of Requests for Tax Relief Exclusions: (Wake County and Town of Cary), (Wake County and Town of Garner), (Wake County and Town of Morrisville), (Wake County and City of Raleigh), (Wake County and Town of Wake Forest)
8. Rebate Details: (Wake County and Town of Apex), (Wake County and Town of Cary), (Wake County and Town of Fuquay-Varina), (Wake County and Town of Garner), (Wake County and Town of Holly Springs), (Wake County and Town of Knightdale), (Wake County and Town of Morrisville), (Wake County and City of Raleigh), (Wake County and Town of Rolesville), (Wake County and Town of Wake Forest), (Wake County and Town of Wendell), (Wake County and Town of Zebulon)

Public Comments:

Ms. Paulette Jones-Leland, 3505 Roger Court, represented North Carolina Association of Educators (NCAE), Food and Nutrition Teacher at Holly Springs High School, expressed her gratitude about the sales tax discussion being on today's agenda. She said that other employees from WCPSS are just as important as teachers. She said that NCAE will push to approve the referendum on the ballot which should improve the morale of teachers.

Mr. Dave Corsetti, 606 West Aycock Street, said that citizens are disappointed with the Legislature. He said the citizens want a sales tax option on the ballot.

Mr. Lee Quinn, 306 Sewell Ave, Raleigh, asked the Board of Commissioners to place a local option sales tax referendum on the fall ballot. He said the Legislature still leaves uncertainty of what will take place. Guilford and Mecklenburg counties have already placed the referendum on their ballot. He said the voters will consider those that are up for re-election this fall.

Ms. Isabel Maddox, Legal Representative for Mr. Cavanagh, said that she understands allocation of funding from the hotel/motel tax will be on the work session agenda next Monday. She said she has sent letters to the commissioners. She said her client, Mr. Cavanagh owns an IcePlex in Raleigh and has started renovations on the facility. He plans to add an additional ice rink, additional stadium seating for 600 for a total of 1,200 seats, a turf soccer field, volleyball courts and a restaurant. The total investment will be \$9.2 million when he adds the \$6 million investment to the \$3.2 million existing facility. As he has been going thru the process of startup of the project, he learned of possible \$3 million being given to the Morrisville Competition Center by the county. Mr. Cavanagh's project was not eligible because it was not a new project, which was one of the funding criteria. Ms. Maddox said Mr. Cavanagh has ceased the renovation and expansion in order to find out what was going on with the Morrisville facility. She stated the county helping fund the Morrisville facility gives them an unfair advantage which could put Mr. Cavanagh out of business and he would not expand his business. She gave handouts to the board with some financial information about a similar rink Mr. Cavanagh operated in Chesapeake, Virginia which generated an additional 13,000 hotel rooms which is the same number of rooms the Morrisville facility expects to generate. She said the board has a choice to fund the Morrisville facility which will have a profit margin of 36% or to not fund the Morrisville facility, use the funds otherwise, and still get the 13,000 hotel room nights from Mr. Cavanagh's facility with no investment from the county.

Regular Agenda

Issuance of \$345,240,000 of General Obligation Public Improvement Bonds

Ms. Nicole Kreiser, Wake County Debt and Capital Director, asked the Board of Commissioners to adopt the resolution and issue \$345,240,000 of General Obligation Public Improvement Bonds. It is requested that the Board of Commissioners authorizes the issuance of \$345,240,000 of general obligation public improvement bonds.

The purposes of the bonds are outlined as follows:

\$334,240,000	Schools
<u>11,000,000</u>	Libraries
\$345,240,000	

On October 8, 2013, \$810 million of general obligation school bonds were approved by the voters to be combined with \$43.8 million of existing funds and \$129.9 million of cash funding for a total \$983.7 million CIP 2013 building program. CIP 2013 is designed to meet projected enrollment growth of 8,158 elementary students by 2017 and 11,740 middle and high school students by 2018. The program will construct 16 new schools by 2018 plus add an additional 1,343 seats in 6 major renovations. Dollars are also allocated for critical items such as life cycle equipment replacement, technology, security, and land acquisition.

On June 16, 2014, the Board of Commissioners adopted the FY 2015 operating budget ordinance, which includes a 4.40 cents property tax increase to fund the debt and capital for the WCPSS CIP 2013 building program. It is requested that the Board of Commissioners approve the issuance of \$334,240,000 of General Obligation School Bonds, the first bonds to be issued from the \$810 million approved by the voters. Funds will be used for the construction of six elementary and two high schools, renovations at existing schools, and additional land acquisition for future schools.

In addition, it is requested that the Board of Commissioners approve the issuance of \$11,000,000 of General Obligation Library Facilities Bonds. \$45 million of Library Facilities Bonds were approved by the voters on October 9, 2007; the Board of Commissioners extended the bond order on November 18, 2013 such that the bond order now expires on October 9, 2017. The County has issued \$300,000 of library facilities bonds to date. With the recession, the County postponed the issuance of library bonds and construction of additional libraries that required new operating budget dollars. The library building program is now back underway, and \$11 million of library facilities bonds will be used to fund the design and construction of Middle Creek Community Library, design of Fuquay-Varina community library, a renovation at Southeast Regional Library, and lifecycle upgrades at East Regional and Olivia Raney Local History libraries. Funds will also be used to reimburse cash funding previously appropriated for the construction of Northeast Regional Library and lifecycle upgrades at Zebulon Community Library.

The County intends to sell the fixed rate bonds competitively on August 19, 2014.

The bond sales are in accordance with the County's financial model and approved FY 2015-2021 CIP as shown below. Future bonds sales are planned in the winter/early spring of 2015, FY 2016, and FY 2017 as shown below.

	August 19, 2014	Winter/Spring 2015	FY 2016	FY 2017	Total
WCPSS	\$ 334,240,000	\$ -	\$ 355,444,000	\$ 120,316,000	\$ 810,000,000
Wake Tech	-	58,000,000	37,750,000	-	95,750,000
Libraries	11,000,000		5,436,000	28,264,000	44,700,000
Subtotal	\$ 345,240,000	\$ 58,000,000	\$ 398,630,000	\$ 148,580,000	\$ 950,450,000

Today the Board is asked to approve the resolution authorizing the issuance of \$345,240,000 of General Obligation Public Improvement Bonds, comprised of \$334,240,000 of school bonds and \$11 million of library facility bonds.

Joe Bryan motioned, seconded by Rich Gianni, to adopt the attached resolution and approve the issuance of \$345,240,000 General Obligation Public Improvement Bonds, Series 2014. The motion passed unanimously.

Vice-Chair Bryan said that commissioners met with Moodys, Standard and Poors, and Fitch rating agencies last week. He complimented staff for arranging the meeting and acknowledged the Jim Hartmann, County Manager, Dr. Stephen Scott, President of Wake Technical Community College, and the Greater Raleigh Chamber of Commerce for their assistance in helping Wake County maintain a AAA bond rating. He congratulated staff for bringing the technical data together to meet with the rating agencies and to tour the education and commerce areas of Wake County. He said Wake County is one of 39 counties out of 3,069 counties in America that have the AAA rating. He noted that the AAA rating save the taxpayers of Wake County \$20 million a year. Ms. Kreiser thanked Wake County Government's partners for their support and assisting with the meeting. Chair Matthews complimented all three agencies for coming to Wake County.

The Board of Commissioners for the County of Wake, North Carolina, met in regular session in the Board Room of the Wake County Justice Center, Room 2700, 301 South McDowell Street in Raleigh, North Carolina, the regular place of meeting, at 2:00 p.m., on August 4, 2014, with Phil Matthews, Chairman, presiding. The following Commissioners were:

PRESENT: Joe Bryan, Paul Coble, Rich Gianni, Caroline Sullivan and James West

ABSENT: Betty Lou Ward

ALSO PRESENT: Jim Hartmann, County Manager, Scott Warren, County Attorney, Susan J. Banks,

Clerk to the Board, Nicole Kreiser, County Debt Manager, and Denise Hogan, Deputy Clerk.

* * * * *

Ms. Nicole Kreiser introduced the following resolution the title of which was read and copies of which had been previously distributed to each Commissioner:

RESOLUTION PROVIDING FOR THE SALE AND ISSUANCE OF \$345,240,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2014

BE IT RESOLVED by the Board of Commissioners (the “Board”) for the County of Wake, North Carolina (the “County”):

Section 1. The Board has determined and does hereby find and declare as follows:

(a) An order authorizing \$45,000,000 General Obligation Library Facilities Bonds (the “Library Facilities Bonds”) was adopted by the Board on August 6, 2007, which order was approved by the vote of a majority of the qualified voters of the County who voted thereon at a referendum duly called and held on October 9, 2007. The time period for the issuance of the Library Facilities Bonds was extended from seven years to 10 years pursuant to an order adopted by the Board on November 18, 2013. \$300,000 of the Library Facilities Bonds have heretofore been issued by the County.

(b) An order authorizing \$810,000,000 School Bonds (the “School Bonds”) was adopted by the Board on July 15, 2013, which order was approved by the vote of a majority of the qualified voters of the County who voted thereon at a referendum duly called and held on October 8, 2013. None of the School Bonds have heretofore been issued by the County.

(c) No notes have been issued in anticipation of the receipt of the proceeds of the sale of said bonds, and it is necessary to issue \$11,000,000 of the Library Facilities Bonds and \$334,240,000 of the School Bonds at this time.

(d) The maximum period of usefulness of the public improvements to be provided with the proceeds of said bonds for library facilities improvements and school improvements is estimated as a period of forty (40) years from September 3, 2014, the date of the bonds for library facilities improvements authorized hereby, and that such period expires on September 3, 2054.

(e) It is in the best interest of the County to consolidate said bonds for the purposes of sale into a single issue of bonds designated “General Obligation Public Improvement Bonds, Series 2014.”

Section 2. Pursuant to said orders, the County shall issue bonds in the aggregate principal amount of \$345,240,000 (subject to adjustment pursuant to the provisions set forth

below) designated “General Obligation Public Improvement Bonds, Series 2014” (the “Bonds”), to be dated the date of delivery thereof. The Bonds shall be stated to mature, subject to adjustment as described below, in the amount of \$18,180,000 on September 1, 2016 and in the amount of \$18,170,000 on each September 1, 2017 through 2034, inclusive, and shall bear interest at a rate or rates to be determined by the Local Government Commission of North Carolina at the time the Bonds are sold, which interest to the respective maturities thereof shall be payable on each March 1 and September 1, beginning March 1, 2015, until payment of such principal sum.

Each Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless it is (a) authenticated upon an interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date, in which event it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Bond shall bear interest from the date to which interest has been paid. Interest shall be payable on each March 1 and September 1 to the person appearing as the registered owner thereof as of the close of business on the record date for such interest payment date, which shall be the 15th day of the calendar month next preceding such interest payment date.

In the event that the Finance Director of the County determines, in consultation with the Local Government Commission, that it is in the best interests of the County to do so, the Finance Director may direct, prior to or on the date of sale of the Bonds as hereinafter provided, that any consecutive maturities of the Bonds may be combined into a term bond maturing on one date, subject to mandatory sinking fund redemption on the September 1 specified above as a maturity date. If the Finance Director so determines, the Finance Director shall file a certificate among the official records of the County specifying the revised maturity schedule for the Bonds and setting forth the mandatory redemption provisions for the Bonds that are subject to mandatory sinking fund redemption.

The principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

The Bonds shall be issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as hereinafter provided. One Bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), shall be issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. The principal of each Bond shall be payable to Cede & Co. or any other person appearing on the registration books of the County hereinafter provided for as the registered owner of such Bond or her registered assigns or legal representative at such office of the Bond Registrar mentioned hereinafter or such other place as the County may determine upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each Bond shall be made by said Bond Registrar on each

interest payment date to the registered owner of such Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by such Bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed to such person at his or her address as it appears on such registration books; provided, however, that for so long as the Bonds are deposited with DTC, the payment of the principal of and interest on the Bonds shall be made to DTC in same-day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. The County shall not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Finance Director of the County determines that continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the County will discontinue the book-entry system with DTC. If the County identifies another qualified securities depository to replace DTC, the County will make arrangements with DTC and such other depository to effect such replacement and deliver replacement Bonds registered in the name of such other depository or its nominee in exchange for the outstanding Bonds, and the references to DTC or Cede & Co. in this resolution shall thereupon be deemed to mean such other depository or its nominee. If the County fails to identify another qualified securities depository to replace DTC, the County shall deliver replacement Bonds in the form of fully-registered certificates in denominations of \$5,000 or any whole multiple thereof ("Certificated Bonds") in exchange for the outstanding Bonds as required by DTC and others. Upon the request of DTC, the County may also deliver one or more Certificated Bonds to any participant of DTC in exchange for Bonds credited to its account with DTC.

Unless indicated otherwise, the provisions of this resolution that follow shall apply to all Bonds issued or issuable hereunder, whether initially or in replacement thereof.

Section 3. The Bonds shall bear the manual or facsimile signatures of the Chairman or Vice Chairman of the Board and the Clerk or any Deputy Clerk to the Board and the official seal or a facsimile of the official seal of the County shall be impressed or imprinted, as the case may be, on the Bonds.

The certificate of the Local Government Commission of North Carolina to be endorsed on all Bonds shall bear the manual or facsimile signature of the Secretary of said Commission and the certificate of authentication of the Bond Registrar to be endorsed on all Bonds shall be executed as provided hereinafter.

In case any officer of the County or the Local Government Commission of North Carolina whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such

delivery, and any Bond may bear the manual or facsimile signatures of such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

The Bonds to be registered in the name of Cede & Co. and the endorsements thereon shall be in substantially the following form:

No. R-__ \$_____

United States of America

State of North Carolina

COUNTY OF WAKE

GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND

SERIES 2014

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
September 1, 20__	_____%	_____

The County of Wake, a political subdivision in the State of North Carolina, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above, upon the presentation and surrender hereof, at the office of the Finance Director of said County (the "Bond Registrar"), in the Raleigh, North Carolina, the principal sum of

_____ DOLLARS

and to pay interest on such principal sum from the date hereof or from the March 1 or September 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is March 1 or September 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable on each March 1 and September 1, beginning March 1, 2015, at the rate per annum specified above, until payment of such principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day of the calendar month next preceding such interest payment date, by check mailed to such person at his or her address as it appears on the bond registration books of

said County; provided, however, that for so long as the Bonds (hereinafter defined) are deposited with The Depository Trust Company (“DTC”), the payment of the principal of and interest on the Bonds shall be made to DTC in same day funds by 2:30 p.m. or otherwise as determined by the rules and procedures established by DTC. Both the principal of and the interest on this bond shall be paid in any coin or currency of the United States of America that is legal tender for the payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of said County are hereby irrevocably pledged.

This bond is one of an issue of bonds designated “General Obligation Public Improvement Bonds, Series 2014” (the “Bonds”) and issued by said County for the purpose of providing funds, together with any other available funds, to pay the costs of various library facilities improvement and school improvements, and this bond is issued under and pursuant to The Local Government Bond Act, as amended, Article 7, as amended, of Chapter 159 of the General Statutes of North Carolina, orders adopted by the Board of Commissioners for said County, which orders were approved by the vote of a majority of qualified voters who voted thereon at referendums duly called and held, and a resolution duly passed by said Board (the “Resolution”).

The Bonds maturing on or prior to September 1, 2024 are not subject to redemption prior to maturity. The Bonds maturing on September 1, 2025 and thereafter will be subject to redemption prior to their maturity, at the option of said County, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than September 1, 2024, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

[Insert any mandatory sinking fund redemption provisions.]

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as said County in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or any whole multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. So long as a book-entry system with The Depository Trust Company (“DTC”) is used for determining beneficial ownership of Bonds, if less than all of the Bonds within the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such manner as said County may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, said County shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing upon the registration books of said County, provided that such notice to Cede & Co. shall be given by certified or registered mail or otherwise as prescribed by DTC. On the date fixed for

redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or portions thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the Bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this Bond shall be called for redemption, a new Bond or Bonds in principal amount equal to the unredeemed portion hereof will be issued to Cede & Co. or its legal representative upon the surrender hereof.

Any notice of redemption [, other than a notice of mandatory sinking fund redemption,] may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the redemption price and interest on such Bonds are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Resolution. One bond certificate with respect to each date on which the Bonds are stated to mature, in the aggregate principal amount of the Bonds stated to mature on such date and registered in the name of Cede & Co., as nominee of DTC, is being issued and required to be deposited with DTC and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 or any whole multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Said County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, said County will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of \$5,000 or any whole multiple thereof in exchange for the outstanding Bonds as provided in the Resolution.

At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at his office the books of said County for the registration of transfer of Bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his or her attorney or legal

representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any Bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of Bonds or any portion thereof and ending at the close of business on the day of such mailing or of any Bond called for redemption in whole or in part pursuant to the Resolution.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of North Carolina to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in regular and due form and time as so required; that provision has been made for the levy and collection of a direct annual tax upon all taxable property within said County sufficient to pay the principal of and the interest on this bond as the same shall become due; and that the total indebtedness of said County, including this bond, does not exceed any constitutional or statutory limitation thereon.

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

IN WITNESS WHEREOF, the County of Wake, North Carolina, by resolution duly passed by its Board of Commissioners, has caused this bond to be manually signed by the Chairman of said Board and the Clerk to said Board and its official seal to be impressed hereon, all as of the ____ day of September, 2014.

[Do not sign] _____

Chairman of Board of Commissioners

[SEAL]

[Do not sign] _____

Clerk to the Board of Commissioners

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within bond has been approved under the provisions of The Local Government Bond Act of North Carolina.

[Do not sign] _____

Secretary, Local Government Commission

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds of the series designated herein and issued under the provisions of the within-mentioned Resolution.

[Do not sign] _____
Finance Director, as Bond Registrar

Date of authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered owner thereof hereby sells, assigns and transfers unto _____

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____,

attorney to register the transfer of said bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

In the presence of:

NOTICE: The signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration of enlargement or any change whatever.

Certificated Bonds issuable hereunder shall be in substantially the form of the Bonds registered in the name of Cede & Co. with such changes as are necessary to reflect the provisions of this resolution that are applicable to Certificated Bonds.

Section 4. The Bonds maturing on or prior to September 1, 2024 are not subject to redemption prior to maturity. The Bonds maturing on September 1, 2025 and thereafter will be subject to redemption prior to their maturity, at the option of the County, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than

September 1, 2024, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

If the Finance Director determines that it is in the best interests of the County that any of the Bonds be designated as a term bond subject to mandatory sinking fund redemption as provided in Section 2, the Bonds so designated shall be subject to mandatory sinking fund redemption on each September 1 as designated by the Finance Director. Upon such an occurrence, the mandatory redemption provisions for the Bonds that are subject to mandatory sinking fund redemption shall be set forth in the certificate of the Finance Director filed among the official records of the County pursuant to Section 2.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the County in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or any whole multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. 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 the maturity are to be redeemed, DTC and its participants shall determine which of the Bonds within a maturity are to be redeemed by lot. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such manner as the County may determine.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the County shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part to his address appearing upon the registration books of the County, provided that such notice to Cede & Co. shall be given by certified or registered mail or otherwise as prescribed by DTC. Failure to mail such notice or any defect therein shall not affect the validity of the redemption with regard to registered owners to whom such notice was properly given. Each such notice shall set forth the date designated for redemption, the redemption price to be paid and the maturities of the Bonds to be redeemed. In the event that Certificated Bonds are outstanding, each such notice to the registered owners thereof shall also set forth, if less than all of the Bonds of any maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice of redemption, other than a notice for a mandatory sinking fund redemption, may state that the redemption to be effected is conditioned upon the receipt by the Bond Registrar on or prior to the redemption date of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed, and that if such moneys are not so received, such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event

that such notice contains such a condition and moneys sufficient to pay the redemption price and interest on such Bonds are not received by the Bond Registrar on or prior to the redemption date, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of the Bonds or portions thereof called for redemption, as well as the interest accruing thereon to such redemption date.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions thereof called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar in trust for the registered owners of Bonds or portions thereof to be redeemed, interest on the Bonds or portions thereof called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest thereon to such redemption date.

If a portion of a Bond shall be selected for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar for payment of the principal amount thereof so called for redemption, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 5. Bonds, upon surrender thereof at the office of the Bond Registrar together with an assignment duly executed by the registered owner or his or her attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any Bond may be registered only upon the registration books of the County upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his or her attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such Bond so surrendered, of the same maturity and bearing interest at the same rate.

In all cases in which Bonds shall be exchanged or the transfer of Bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this resolution. All Bonds surrendered in any such exchange or registration of transfer shall forthwith be canceled by the Bond Registrar. The County or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made by the County or the Bond Registrar for exchanging or registering the transfer of Bonds under this resolution.

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

The County shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of Bonds within a reasonable time according to then current commercial standards and for the timely payment of principal of and interest on the Bonds. The Finance Director of the County, or any person at any time acting in such capacity, is hereby appointed the registrar, transfer agent and paying agent for the Bonds (collectively the "Bond Registrar"), subject to the right of the Board to appoint another Bond Registrar, and as such shall keep at his office in the County, the books of the County for the registration, registration of transfer, exchange and payment of the Bonds as provided in this resolution.

Section 6. The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended or as may be amended from time to time, and any Treasury regulations now or hereafter promulgated thereunder, to the extent necessary so that interest on the Bonds will not be included in gross income of the owners of the Bonds for federal income tax purposes.

Section 7. All actions of the Chairman of the Board, the County Manager, the Finance Director, the Debt Manager and the Clerk to the Board in applying to the Local Government Commission of North Carolina to advertise and sell the Bonds are hereby approved, ratified and confirmed, and the Local Government Commission of North Carolina is hereby requested to ask for sealed bids for the Bonds by publishing notices and printing and distributing a Preliminary Official Statement, to be dated as of the date of delivery thereof, relating to the sale of the Bonds. Such Preliminary Official Statement, in substantially the form presented at this meeting, is hereby authorized and approved.

The preparation of a final Official Statement (the "Final Official Statement"), which will be in the form of the Preliminary Official Statement, but will include certain pricing and other information to be made available to the successful bidder for the Bonds by the Local Government Commission of North Carolina, is hereby approved, and the Chairman of the Board,

the County Manager, the Finance Director and the Debt Manager of the County are hereby authorized to execute and deliver the Final Official Statement for and on the behalf of the County, and such execution shall be conclusive evidence of the approval of the Board of the Final Official Statement.

Section 8. The County hereby undertakes, for the benefit of the beneficial owners of the Bonds, to provide to the Municipal Securities Rulemaking Board (the “MSRB”):

(a) by not later than seven months from the end of each fiscal year of the County, beginning with the fiscal year ended June 30, 2014, audited financial statements of the County 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 of the County are not available by seven months from the end of such fiscal year, unaudited financial statements of the County for such fiscal year to be replaced subsequently by audited financial statements of the County to be delivered within fifteen (15) days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the County, beginning with the fiscal year ended June 30, 2014, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the headings “THE COUNTY - Debt Information and - Tax Information” (excluding any information on underlying units) in the Final Official Statement 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, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on 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) modification to the rights of the beneficial owners of the Bonds, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of any property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the County;

(13) the consummation of a merger, consolidation or acquisition involving the County or the sale of all or substantially all of the assets of the County, 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 trustee or 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.

All information provided to the MSRB as described in this Section shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The County may meet the continuing disclosure filing requirement described above by complying with any other procedure that may be authorized or required by the United States Securities and Exchange Commission.

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

The County reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the County, 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 issued under the Securities Exchange Act of 1934 (“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 of the Bonds, as determined either by parties unaffiliated with the County (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of

the Bonds pursuant to the terms of this resolution, as this resolution may be amended from time to time, at the time of such amendment.

In the event that the County makes such a modification, the annual financial information containing the modified operating data or financial information shall explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the Bonds.

Section 9. The Chairman and Vice Chairman of the Board, the County Manager, the Finance Director, the Debt Manager and the Clerk or any Deputy Clerk to the Board are hereby authorized and directed to execute and deliver such closing and other documents necessary for the purpose of facilitating the sale and issuance of the Bonds in a manner consistent with the terms of this resolution.

Section 10. This resolution shall take effect upon its passage.

Upon motion of Commissioner Joe Bryan, seconded by Commissioner Rich Gianni, the foregoing resolution entitled "RESOLUTION PROVIDING FOR THE SALE AND ISSUANCE OF \$345,240,000 GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2014" was passed by the following vote:

Ayes: Joe Bryan, Paul Coble, Rich Gianni, Phil Matthews, Caroline Sullivan, and James West

Noes: _____

* * * * *

I, Susan J. Banks, Clerk to the Board of Commissioners for the County of Wake, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board of Commissioners for said County at a regular meeting held on August 4, 2014, as relates in any way to the passage of the foregoing resolution providing for the issuance of general obligation bonds of said County.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the official seal of said County this 4th day of August, 2014.

Clerk to the Board of Commissioners

[SEAL]

Authorization to Proceed with Public Access at Two Open Space Properties - Robertson's Mill Pond and the Turnipseed Assemblage

Ms. Chris Snow, Wake County Parks and Recreation Director, shared the following information about the Open Space Program:

Since 2000, Wake County voters have approved \$91,000,000 in Open Space Bonds. With these funds, the County has preserved or helped preserve over 120 properties, totaling more than 5,400 acres, as well as contributed significant funding to three area greenway projects.

At the Board of Commissioner's work session meeting on October 14, 2013, staff presented a new recommended use of open space funds – that of providing public access to existing County managed open space. Staff identified three properties, Robertson's Mill Pond, the Turnipseed assemblage (five properties) and Procter totaling 913 acres or approximately 24% of existing County-managed open space property. Wake County Facilities Design and Construction provided a preliminary cost estimate of \$2.2 million for the three properties. At the close of discussion, staff presented next steps for the opening of open space including: 1. Finalizing cost estimates for three properties and returning to BOC for final approval, and 2. Develop operating costs to be included in FY15 budget.

Staff has moved forward with evaluating public access to these properties, hiring three consultants to develop schematic designs and refine cost estimates: DHM Design is working on Robertson's Mill Pond Preserve, Susan Hatchell Landscape Architects is working on Turnipseed Nature Preserve and CLH Design is working on the Procter Farm Preserve.

As a part of this process, County staff met with staff from the Towns of Wendell and Knightdale, and also held public meetings in both Towns to engage the public in the opening of these properties. Reaction from Town staffs and the public has been overwhelmingly positive. County staff also developed an operational budget for the three properties which included one new FTE. This operational budget was approved as a part of the County's FY'15 budget.

Presentations have also been made to the Open Space and Parks Advisory Committee regarding the schematic designs and Committee supports the designs moving forward to final design and construction.

In order to account for the preliminary design costs for each property being considered for public access, it is requested that \$50,000 be reallocated from the Open Space Admin project as shown below:

From	Amount	To	Amount
Open Space Admin	\$50,000	Procter Farm Preserve	\$11,500

		Robertson's Mill Pond Preserve	\$27,135
		Turnipseed Nature Preserve	\$11,365

Of the three projects, Procter Farm Preserve is not ready to proceed to final design at this time. Two issues, the appropriateness of the preserve development under the current Little River Interlocal Agreement and the impact of the City of Raleigh's mitigation easement on the property are yet to be resolved. Staff will continue to work through these issues and will bring the Procter Farm Preserve schematic design to the BOC for review and approval once they are resolved.

Staff recommends appropriating \$185,000 of additional Open Space G.O. bonds to complete the design of Robertson's Mill Pond Preserve and the Turnipseed Nature Preserve.

Robertson's Mill Pond Preserve

Robertson's Mill Pond was one of first properties identified by Open Space Program for protection due to its unusual black water/cypress habitat more common to eastern North Carolina. Total cost of the 84.6 acre property, purchased in September of 2013, was \$1,027,859. The property would be utilized for canoeing and kayaking.

Cost Estimates for completed design are:

Design & Permits	\$41,000
GeoTech / Survey / Site Investigation	\$20,000
Total	\$61,000

Turnipseed Nature Preserve

The future Turnipseed Nature Preserve is a mix of different habitats including forests, wetlands, rock outcroppings, and previously farmed fields now in natural succession. The assemblage of five properties totaling 248 acres was purchased from 2004 to 2011 for a total of \$4.2 million. The property would be utilized for hiking and nature study.

Design & Permits	\$99,000
GeoTech / Survey / Site Investigation	\$25,000
Total	\$124,000

With approval of schematic design today, next steps in the process for the Robertson's Mill Pond and Turnipseed Nature Preserves would include: completion of design and permitting this Fall; advertisement for bids by end of the year; final Board of Commissioners allocation of funds for construction, and successful award of a construction contract with the goal of having the preserves open by Spring of 2015.

Staff is still acquiring land. He recognized Mr. Graham Smith, DHM Design, working on Robertson's Mill Pond Preserve. He recognized Ms. Susan Hatchell and Ms. Jennifer Sneed, with Susan Hatchell Landscape Architects, who are working on Turnipseed Nature Preserve and Mr. Eric Staehle, Project Manager, Facilities Design and Construction Manager. Vice-Chair Bryan asked about the process of choosing design teams. Mr. Staehle said that Ms. Hatchell was hired previously to work on the Lake Myra Master Plan through an RFP process. Mr. Smith has worked with the county on a similar project at Lake Crabtree County Park.

Joe Bryan motioned, seconded by Paul Coble, to approve the Schematic Design for Robertson's Mill Pond Preserve and Turnipseed Nature Preserve; reallocate \$50,000 from the Open Space Admin Account to Robertson's Mill Pond Preserve, Turnipseed Nature Preserve, and Procter Farm Preserve; and to appropriate an additional \$185,000 of Open Space General Obligation Bonds in order to complete design of the Robertson's Mill Pond Preserve and the Turnipseed Nature Preserve. The motion passed unanimously.

Approval of an Interlocal Agreement with Transit Stakeholders for the Cost Sharing and Procurement of Consulting Services Related to the Development of a Wake County Transit Investment Strategy

Mr. Tim Gardiner, Wake County Planner, said that the Board of Commissioners discussed on July 21, 2014 about taking steps to address current and future transit needs in the community. He presented the Interlocal Agreement (ILA) and other action items as described below:

The Request for Proposals was released on July 25th and the proposals are due August 15th. The ILA is a partnership between Wake County, City of Raleigh, Triangle Transit, Capital Area Metropolitan Planning Organization and the Town of Cary. Other partners can join the ILA as needed. The ILA has been reviewed by the Wake County Attorney's office. The ILA establishes the grown rules for cost sharing and management of the consultant.

Mr. Gardiner shared that the next steps include working with the transit partners to establish investment strategy that addresses Feasibility, Finance, and Governance. Wake County staff will manage the project in partnership with the stakeholders. The maximum budget has been set at \$210,000 with Wake County's share being around \$50,000. He stated today's request includes approval of the Interlocal Agreement and the county's financial portion of the project. Staff will provide feedback and regular reports on the project. Vice-Chair Bryan asked how the total budget was determined. Mr. Gardiner said the budget was a targeted amount agreed to among the transit partners after looking at the RFP. He said if it is determined that they need additional funds they will come back to the board with a request for additional

funds. Vice-Chair Bryan asked how the information is publicized so everyone can be considered in the process. Mr. Gardiner said the RFP was released on the county website and sent it out using Facilities Design and Construction list of consultants which they maintain. In addition, the transit partners will also release the RFP to the partners they deal with on projects. Manager explained the process. Vice-Chair Bryan asked if the proposals could be submitted in just three weeks. Mr. Gardiner said the schedule was ambitious but felt based on how the RFP was structured, the timeframe was adequate. Commissioner West asked if the local sales tax item would affect the future investment strategies with the impending legislation in the General Assembly. Mr. Gardiner said they are waiting to see how the legislation is finalized and how it will fit together with their plans. They are looking to give the Board of Commissioners options. The goal is to allow flexibility in the plan taking the funding piece into consideration. Commissioner West said the sales tax cap could affect the revenue that could be received. Mr. Gardiner agreed with Commissioner West.

Commissioner Gianni said he had received a message from Commissioner Ward stating her support of the transit item and asked that it be included in the record since she was not able to participate in the meeting.

Paul Coble motioned, seconded by Joe Bryan, to authorize the County Manager to enter into an Interlocal Agreement with the City of Raleigh, Capital Area Metropolitan Planning Organization, Triangle Transit, Town of Cary and other transit partners for the cost sharing and procurement of consulting services related to a transit investment strategy subject to terms and conditions acceptable to the County Attorney; and, appropriate \$210,000, \$160,000 of which will be reimbursed by the cost sharing partners, for the procurement of consulting services as noted in the action above. The motion passed unanimously.

Consideration of Local Option Sales Tax

Chair Matthews reported that teachers have been awarded a seven percent pay raise by the State Legislature. He said the Governor should sign the budget today which enables the schools to maintain the teachers' assistant positions. The Wake County Board of Commissioners passed an increase to Wake County Teachers' Supplemental Pay which makes them the highest paid in the state for supplemental pay and approved a school bond referendum.

Commissioner Sullivan made the following comments:

"Since we initially discussed this matter 6 weeks ago, actions taken by the General Assembly have changed the dynamics of the situation, but

they did change but the most important reasons for proceeding with the referendum.

The General Assembly did give the teachers across the state a raise after 6 years of stagnant pay. While this will help beginning teachers, it does almost nothing for our veteran teachers. To address the current teacher shortage, we must do our best to reward all of our teachers.

Our most seasoned educators will see raises in the hundreds of dollars, which will exacerbate the already alarming rate of early retirements. Remember that in April, Wake County's midyear retirements were up 41%. Many of those were experienced teachers that took early retirement to go to jobs in other states or the private sector. And these veteran teachers are terribly important to a school. Just as you would not run a successful hospital with only new doctors, or a business with all employees fresh out of school, you cannot run a school with inexperienced teachers. My children's principal explained, you have to have the mix of experienced and new teachers to have a successful school. The experienced teachers know what excellence looks like, and if they are gone, the new teachers spend the year figuring it out instead of working towards it.

This budget also caps educators' salaries at \$50,000, which is thousands of dollars lower than it is now. There is no incentive to stay past year 25. The plan also collapsed the Masters Pay and Board Certification pay, so these highly trained teachers will get less money from the state each year. This is important to Wake County because we have the most Nationally Board Certified teachers in the nation. These teachers are highly recruited from other school systems and now the state will be paying them less for the degrees than they were paid last year.

So while this raise is a great start, it will not solve our recruitment problems and it is not 7%; the Governor even said last week it was 5.5%, average, with experienced educators getting almost nothing at all. Teachers now will see an end of longevity pay; something that all other state employees still have.

The budget also has a cut of 64 million dollars. We do not yet know the implication here in Wake for this year, but we should assume there will be some negative impacts. Also, remember that the teacher assistants were paid in one time money, so next year we will have to address the loss of them. In the senate budget that was initially approved, this would be a 23 million dollar impact here in Wake.

These raises are also paid in one-time funds and lottery proceeds, which is not the way the state has ever paid for these recurring expenses. This, coupled with the fact that next year, the state will have 680 million dollars less due to the tax cuts that went into effect in January, will make next year's budget lean indeed. Who knows if the support for teachers will stay the same or decrease, it looks like this was a one-time deal.

The General Assembly also decided last week to mandate when counties can hold elections; elections that we, not the state, pay for. We will now be unable to hold elections where we ask the people for guidance; this is direct democracy, in the odd numbered years. Our successful school bond referendum that we had in 2013 would not be allowed under this legislation. I cannot understand why they did this, but they did.

Any of us who have considered having a sales tax referendum for schools now cannot put this off until next year. We either vote to put the question on the ballot today or wait until 2016, so our teachers will not see additional resources until the spring of 2017. How many teachers will have left by then?

Here is what has not changed. We still have a teacher recruitment problem, locally and nationally. 55 % of public school teachers nationwide will still leave the profession within the first five years of being in the classroom. Baby boomer teachers will still leave in a massive wave of 2 million nationally in the next 5 years. The budget that the General Assembly delivered will accelerate that in North Carolina by not paying our Boomer and generation X teachers at the rate that they even got last year in longevity pay.

Here in Wake County, we still have a teacher shortage in math and special education. WCPSS had to pay \$1,000 bonuses to get teachers in these areas this year and this will continue next year. We are competing against other counties to get these teachers in our classrooms. The teacher pipeline is still dwindling to dangerous levels. The teaching fellows program and new Master's Degree bonuses were eliminated. Education schools in our state are still down 25-35 percent in undergraduate students and over 30 percent in graduate students and mid-career students in education.

It is still our job to provide the support so that Wake County remains competitive among our peer counties within the state. IT is actually imperative that we do so. We hire the most teachers. We have the most student growth. We are opening 16 new schools in the next 4 years. And we sell smart here in Wake County. In fact, we use that word smart all

the time in business recruitment here. When you ask business leaders why they moved or expanded their businesses here they say the same thing; access to talent, educated workforce, high quality of life and good public schools.

Remember back to the budget meeting in June, it was clear that interstate teacher recruitment was important to our entire board. We passed a resolution to have Wake County pay the highest average teacher supplement. We have the excess ABC revenues to put toward an average increase of \$240 per teacher.

That is a great goal, and I would love to have our teachers receive the highest supplement in the state. Not only will we now not be able to pay the highest supplement, but we will soon be blown out of the water by our peer counties.

Mecklenburg and Guilford have both voted to put the quarter cent local option sales tax on their ballots in November. In Mecklenburg County, 28.8 million dollars will go to teacher supplement. Mecklenburg could pay \$3,000 more per teacher and Guilford could pay \$2,770. Why on earth would a new graduate in education not go to a place that would pay them \$3,000 more? What is the incentive to come teach in Wake?

We cannot let Wake County be behind in local support within the state. Through the years of stagnant wages, increased class size, loss of Teaching Assistants, loss of professional development lagging technology budgets and cuts to textbooks and supplies our teachers have been working in the classroom with our children, doing more and more with less and less. They all buy supplies out of their own pockets because the state and locals have cut these budgets. Most have second and third jobs. We have heard from them through letters and at our hearings. It is now time that we as a community show them that we support and value them and that we want the best and the brightest teachers to come to Wake County.

I am simply asking that we let the voters decide if they think it is important for Wake County to remain competitive in teacher recruitment and retention, if they think it is important that we pay our teachers more. If they do not, we cannot levy the tax. This is direct democracy and I believe we should give our voters the same opportunity that the voters of Mecklenburg and Guilford have been afforded by their Commissioners.

We can send a message to current teachers and potential teachers; we want you to teach here, we value you and want you to stay and the

community supports the very important work that you do. We are making a sustainable, long term commitment to our local teachers.

In Wake County, we have always aspired to have the best school system not just in North Carolina but in the nation. I still want that. We cannot have it if we cannot remain competitive within the state.

I want Wake County to be able to recruit and retain the best teachers and treat them as the valuable professionals that they are."

Commissioner West shared his thoughts about what had been heard today and expressed there is a sense of urgency on the sales tax option due to the competitiveness of Wake County with other counties. He said the board needs to make some changes that can be maintained. In his opinion, the state budget is not sustainable. He said he appreciated the legislators work but did not believe it would work for Wake County's benefit. True leaders have the ability to go oppose matters and do not need to conform for the sake of conformity. True leaders can go against the grain when necessary, especially for the county. These leaders have true purpose, long-term goals, and good performance standards, not just doing things right but emphasized doing the right things. He said Wake County has been put in a corner and targeted. Wake County is competitive with other large urban counties. Politics should not be a key factor in decisions that are made by the board. Politics are beginning to cramp good common sense. Education is being pitted against transit. The funds will be reduced if the county does not support the local option sales tax and may pit teacher against teacher at some point. There are structural, philosophical and value issues that should be addressed as a board. He said the state budget is shaky with laden consequences that will come back to hurt the county. He quoted Jim Collins: "Go slow when you can, go fast when you must." He said they need to move fast because when you start late in the race of life you always remain behind. He said this is what is happening on these issues with Wake County. It is very important to allow the voters to have a choice by having input on this referendum. He said there will be impacts on other services because of the lack of sustainability. The county will pay for these decisions in the future. He said a board member said they should wait and see what happens. He quoted Jim Collins stating "It's what you do before the storm comes that must determine how well you will do when the storm comes." He said he wasn't predicting a storm but prays that the board's decisions are the right decisions. An event or a creative future for the county should be created. Some participatory planning and thinking should be done. Dr. King said, "Today is the day and now is the time." At the last meeting a board member said something related to the sales tax to this effect, "Let's vote now, make a decision, stop posturing." He said he read in the paper about the board putting off the decision on the sales tax for a year or two but

that may not be possible. The real future of this county is in the hands of this board. There have been some board members that have held this up and he said he was seeing a pattern of holding things up between transit, education and the funding. There is a stalling in this process. He questioned if the budget is sustainable and can it be maintained. He said Commissioner Sullivan addressed the sustainability and the lack of flexibility for Wake County. He said the county would have to match some of these plans but we do not know the amounts which effects teacher longevity. He spoke the proceeds, non-recurring funds, impact on health, human services, Medicaid and many others. He said while working with Cooperative Extension Service, he worked in every county in the state and loved them all but they need to take care of Wake County. He said they were putting Wake County in a non-competitive position. He referred to a comment made at County Assembly Day by Speaker Tillis about how the state needs to collaborate with the counties and be more creative in the funding. He said this may be an opportunity for the county to be more creative in funding to make up for some aspects of this budget. It is not a very disciplined budget. He spoke of the Rating Agencies visit, the AAA rating, being an example for the state and how impressed he was with staff and the tour of the county. Commissioner West quoted Jim Collins stating: "Go slow when you can and fast when you must." We could be the only major player with the ability to make this life changing decision to have the number one school system. Wake County should be put first.

Commissioner Coble said that comments have been that caused him concern. He said if the state budget is not sustainable and in bad shape then he questioned the board taking the action to lock the county into anything and limit the ability to raise taxes. This is not the only problem the county will have to address. He said he believed the state budget would be fine. He stated citizens made comments about needing more money in the schools and in the classrooms. There were statements that the teachers did not have what they needed in the classrooms and there needed to be a source of funds that the county could give to the teachers. He said those funds are available in a \$70 million slush fund in the Wake County Public School System budget. He said they already have the conversation that will be held with the school system as soon as they can justify their budget. This is gives the opportunity to create an ongoing resource to do these things. He said he was not sure he saw the argument for raising the sales tax. The resolution presented gives 100% of the proceeds to the school system with no strings attached, no plan, and does not require them to spend the funds on teacher pay. He stated that when funds have been given to the school system without a purpose and function requirement, they have used it to build a \$70 million reserve fund. He said the board has already agreed that teachers' pay needs to be increased and there should be an adjustment for teachers that have been teaching longer than others, if the younger teachers starting salaries are already being addressed. The supplement is excellent as the highest in the state. If a plan

could be formalized for the WCPSS to return some of the surplus funds back to the county, then Wake County could create an ongoing stream of money that could be used to increase the supplement and do other things. The county would at least be in control of those decisions. What is currently proposed hands \$28 million to the school system without any requirements and does not put the county in control of those decisions. There is no requirement for the WCPSS to use the funds for teacher pay. He said Guilford and Mecklenburg counties have not passed their referendums, which these referendums do not typically pass in this state. He did not want to ask taxpayers to increase a tax in order to keep up with Guilford and Mecklenburg counties. The point is for Wake County to be competitive so people and businesses will continue to come here. Wake County tries to keep taxes low and keep regulations fair. This does not give up the ability to address sales tax down the road even with the changes made by the state. This gives the county an opportunity to put together a good plan and build community support. He said in response to the comment about some commissioners holding up the transit plans, in the last three months of meetings he has been in there has never been a motion made regarding sales tax until today. He said someone could have acted on it before now. There has never been a motion made on transit except the one motion Commissioner Ward made but it did not receive a second. He said he was the commissioner that actually brought the subject of transit forward. He said they had been waiting on a motion and the one brought up today was to hand over \$28 million generated from the quarter cent sales tax to the WCPSS without any guidelines, function or purpose. He said he was disappointed with the way this has come about and insinuations that he and others were injecting politics in the process. He said they had deliberately waited until this time to make a motion which was about as political as could be. He said he did not favor this motion but would love to have an explanation of how the money would be spent and that it did not end up being used on something other than where this board intends it to be used.

Commissioner Gianni said that teachers have not received an increase in the recent years past. He said in 2012, he believed they received a 1.5% salary increase. He said the Superintendent recently came to the Board and asked for funds for a 3.5% salary increase for teachers. There has been discussion about doing something to increase the supplement for teachers. The Manager is working with the Superintendent on addressing the supplement issue. The County recently increased the property tax by 4.4 cents to pay for building schools. In addition, he said the Legislature has put forth a 7% salary increase for teachers. He said his business experience is to get investors for startup companies and then he manages the funds. He views taxpayers as the investors in Wake County. He shared a scenario about asking his investors for funds for a 7% salary increase and then more funds for an additional 3.5% salary increase. He said from a business perspective, he did not believe his investors would be pleased with him. The voters will have a chance to let them

know if they agree with their decisions in November and he was willing to shoulder the responsibility. He said he was disappointed about the talk of this being about politics. He said he heard early on that if you don't agree with the other side, then it means you're playing politics. He said he was not playing politics but trying to look at things from his own perspective or viewpoint. He agreed with Commissioner Coble's comments about putting a plan together like in business so they know what they are going to do with the funds. If a plan was in place, he believed there would be a different discussion. Vice-Chair Bryan said he had made most of his comments at the last meeting this was discussed. However, he wanted to mention some highlights. It should be noted that the 7% statewide pay increase was the largest ever for educators in the history of the state. Teacher pay was a statewide issue and responsibility. He added that if urban counties got too far out ahead of the rural counties in teacher pay, then there would not be a successful North Carolina. Wake County has the current highest teacher supplement at approximately \$6,500. There is still flexibility going forward such as the quarter cent sales tax, half cent sales tax and a property tax rate increase of 4.4 cents or 8.25% tax increase. One of the major issues Commissioner Coble spoke about was the significant amount of money for several years now that the school system has waived their own policy and kept more money their reserve fund. It was shown with as much as \$50 million in their reserve fund, the County could increase its annual appropriate as much as \$10 million per year. He said to ask the public to extract more money from them, when there is money sitting in their fund balance not being used, is totally inappropriate. He said he would oppose the motion. He said the board set forth a goal to work with the school system, had a system-wide plan that increases academic excellence for the children, and not to just keep adding what has already been a twice as large pay increase as the Superintendent asked of the board. Commissioner Bryan said there had been well over the time policy on discussion and called the question. Mr. Hartmann said he had information that should be shared before the board made a decision. He stated there would be an impact on the local government from the pay raise causing the cost of the supplement to increase. He reported the preliminary numbers from the effects of the teachers' pay raise on Wake County are:

County supplement match - about \$11 million
Teaching Assistants - \$9 million
Transportation - \$520,000
Central Office - \$97,000
At-Risk - \$739,000

Mr. Hartmann said this information was just received and staff would continue to work with the schools staff in evaluating their fund balance. He said they would work to try to make sure the funds do not always have to come out of program cost. Commissioner West said by cutting off debate it cuts off

teamwork and trust. He said on an issue this important there should be some order. He added that he \$70 million in the schools fund balance is non-recurring. He said that anyone can second the motions on transit but there has not been any seconds to the transit motions. He also stated that without a strategic vision, they would not be going anywhere.

Caroline Sullivan motioned, seconded by James West, to direct the Wake County Board of Elections to conduct an advisory referendum on November 4, 2014 on the question of whether to levy a local sales and use tax in the county pursuant to Article 46 of Chapter 105 of the North Carolina General Statutes. The statement of intent set forth in the agenda item is incorporated in this motion as if fully set forth.

WAKE COUNTY BOARD OF COMMISSIONERS POLICY
ON
STATEMENT OF INTENT REGARDING APPROPRIATION OF
POTENTIAL PROCEEDS OF ONE-QUARTER CENT
SALES AND USE TAX AUTHORIZED BY
ARTICLE 46 OF CHAPTER 105 OF
THE NORTH CAROLINA GENERAL STATUTES

WHEREAS, Article 46 of Chapter 105 of the North Carolina General Statutes allows the Board of County Commissioners of Wake County to institute a one-quarter cent sales and use tax subject to certain conditions, including approval by a majority of those voting in an advisory referendum for the levy; and

WHEREAS, the Board of County Commissioners of Wake County did on August 4, 2014 authorize and direct the Wake County Board of Elections to conduct on November 4, 2014 an advisory referendum on the question of whether to levy a local sales and use tax in Wake County as provided in Article 46 of Chapter 105 of the North Carolina General Statutes; and

WHEREAS, the Board of County Commissioners believes it would be advisable and in the best interests of all current and future residents of the County and, in particular, those persons casting a vote in the advisory referendum to be held November 4, 2014, to adopt a policy setting forth the intentions of this Board regarding how this additional revenue will be used, in this statement of intent regarding appropriation of the proceeds of the additional one-quarter cent sales and use tax should a majority of those voting in the referendum vote for the levy and should the Board of County Commissioners subsequently approve the levy of such tax.

NOW THEREFORE, BE IT RESOLVED, that the Board of County Commissioners shall, and hereby does, adopt the following statement of intent in the form of a Board policy regarding appropriation of the proceeds received from the levy of the proposed one-quarter cent sales and use tax

authorized by Article 46 of Chapter 105 of the North Carolina General Statutes should (1) a majority of those persons voting in the advisory referendum approve the levy of such tax and (2) the Board of County Commissioners following such approval, by resolution and after 10 days' public notice, levy such additional one-quarter cent local sales and use tax:

1. One hundred percent (100%) of the proceeds received shall be appropriated to the Wake County Public School System ("WCPSS") for the purpose of enhancing the quality of education in Wake County by increasing the salaries for teachers and the compensation for hourly paid classroom employees of the WCPSS.

AND BE IT FURTHER RESOLVED, that the amount of the proceeds received from the levy of the proposed one-quarter cent sales and use tax authorized by Article 46 of Chapter 105 of the North Carolina General Statutes appropriated to the Wake County Public School System shall be in addition to and shall not supplant or replace any amounts appropriated to WCPSS in the County's operating budget for the fiscal year immediately preceding the first year in which the proceeds received from the levy of the proposed one-quarter cent sales and use tax are appropriated to WCPSS.

The motion to the Wake County Board of Elections to conduct an advisory referendum on November 4, 2014 on the question of whether to levy a local sales and use tax in the county pursuant to Article 46 of Chapter 105 of the North Carolina General Statutes. The statement of intent set forth in the agenda item is incorporated in this motion as if fully set forth failed with a vote of 2 to 4.

AYES: Caroline Sullivan, James West
NOES: Joe Bryan, Paul Coble, Rich Gianni, Phil Matthews

Appointments

Commissioner Coble reviewed the committee appointments.

Wake County Commission for Women

Commissioner Coble nominated Trena Carpenter (District 5) and Commissioner Sullivan nominated Barrett Brewer (District 7) for the At-Large position. Commissioner Bryan nominated Ms. Martha Brock for the District 1 seat. Each commissioner spoke to the credentials of the individuals they nominated. Vacant seats remained for appointment by Commissioner Matthews (District 2) and Commissioner Gianni (District 3). Commissioners Matthews and Gianni agreed that since there were two nominations for the one At-Large seat, that they would allow one of those individuals nominated to fill one of the two vacant seats leaving one vacancy. The following members received

nominations: Ms. Martha Brock, Ms. Trena Carpenter, and Ms. Barrett Brewer.

Wake County Library Commission

Commissioner Bryan nominated Ms. Teresa Marcellin-Little (District 1) for the Library Commission.

Juvenile Crime Prevention Council

Commissioner Coble stated that the Juvenile Crime Prevention Council provided Ms. Carla Huff as a recommendation for the At-Large position. Recommendations for the remaining vacancies will be brought forward in the future. Vacancies are the following: Member of Business Community, Member of Faith Community and Person under 18 years of age.

Knightdale Land Use Review Board

Commissioner Coble stated Mr. Michael Blake was recommended for appointment by the Town Board for the Knightdale Land Use Review Board.

Wendell Planning and Zoning Board

Commissioner Coble stated the Town of Wendell recommended Ms. Ashley Anderson for the Wendell Planning and Zoning Board.

Paul Coble motioned, seconded by Rich Gianni, to accept nominations for appointment by acclamation.

The motion passed unanimously.

Upcoming Vacancies

Wake County Adult Care Home Community Advisory Committee:

3 Vacancies

Alliance Behavioral Healthcare:

1 Vacancy

City Of Raleigh Board Of Adjustment:

1 Vacancy

Wake County Nursing Home Community Advisory Committee:

2 Vacancies

Wake County Open Space And Parks Advisory Committee:

1 Vacancy – District 6

Juvenile Crime Prevention Council:

3 Vacancies

Member of Faith Community

Member of Business Community

Person Under 18

United Arts Grants Panels:

1 Vacancy (District 3)

Other Items

There were no committee reports or closed session.

Other Business

Informational Items for the Board of Commissioners

Reference Interim Monthly Financial Statements for May 2014

Adjourn

Paul Coble motioned, seconded by Joe Bryan, to adjourn the meeting at 3:55 p.m. The motion passed unanimously.

Respectfully submitted,

Susan J. Banks, NCCCC

Clerk to the Board

Wake County Board of Commissioners