

WAKE COUNTY BOARD OF COMMISSIONERS

Regular Meeting

January 21, 2014

2:00 P.M.

Room 2700, Wake County Justice Center

Commissioners Present: Chairman Matthews and Commissioners Joe Bryan, Paul Coble, Tony Gurley, Caroline Sullivan, Betty Lou Ward and James West

Staff Present: Joe Durham, Interim County Manager, Scott Warren, County Attorney, Johnna Rogers, Deputy Manager, Denise Foreman, Assistant to the Manager, Denise Hogan, Deputy Clerk, and Susan Banks, Clerk to the Board

Meeting Called to Order: Chairman Phil Matthews

Pledge of Allegiance

Invocation: Commissioner Betty Lou Ward

Items of Business

Approval of Agenda

Phil Matthews motioned, seconded by Betty Lou Ward, to the agenda as presented. The motion passed unanimously.

Approval of the Minutes of the Commissioners' Regular Meeting of January 6 and Work Session of January 13, 2014

Paul Coble motioned, seconded by James West, to the Minutes of the Commissioners' Regular Meeting of January 6 and Work Session of January 13, 2014. The motion passed unanimously.

Recognition of National Arts Program Winners Among Wake County Employees and Their Family Members

Ms. Eleanor Jordan shared that four family members of Wake County employees won prizes in the 11th annual National Arts Program Exhibit and Awards Competition for the City of Raleigh and Wake County staffs and their families. There are five categories of awards: professional, intermediate and amateur among adults; and two age groups among youth. Best-of-show and first place winners among the adult categories received \$300; second-place, \$200; and third, \$100. Youth first-place winners receive \$75; second-place,

\$50; and third, \$25. The exhibition is sponsored by the United Arts Council of Raleigh and Wake County and the City of Raleigh Arts Commission, in collaboration with The National Arts Program Foundation Inc. of Malvern, Pennsylvania. Prizes are funded by the national program.

The Wake County winners are:

Best of Show-Ian Brown, for his work "St. John's Divine". Ian is 11 years old and is the nephew of Sharon Brown with Wake County Libraries.

Second place (Adult Amateur)--Kaitlyn Pechanek, for her untitled work. A student at Appalachian State University, she is the daughter of Karin D. Pechanek, Human Resources Technician, Wake County Human Resources.

Honorable Mention (Adult Amateur)--Julie Pechanek, for her work entitled "Blind Contour." Julie is Kaitlyn's sister and also the daughter of Karin Pechanek.

Honorable Mention (Professional) -- Anna Ludwig, for her work entitled "Fox Hunt." She is a relative of a Wake County Human Resources employee.

Retiree Recognition

Mr. Joe Durham, Interim County Manager, recognized Mr. Charles "Gene" Lambert, Public Safety Training Specialist in Emergency Medical Services on his retirement after thirty-one years of service to Wake County.

Consent Agenda

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

Affordable Housing Development Conversion Request from DHIC for Beechridge Limited Partnership

Joe Bryan motioned, seconded by Paul Coble, to consent to the conversion of Beechridge Limited Partnership to Beechridge Housing, LLC. in accordance with North Carolina Law; consent to Community Revitalization and Preservation Corporation (CRPC), a non-profit subsidiary of DHIC, as the sole member and manager of Beechridge Housing, LLC and, authorize the Chairman to execute the statement of lender consent subject to terms and conditions acceptable to the County Attorney. The motion passed unanimously.

Wake Coordinated Transportation Services Interlocal Agreement with the City of Raleigh for Shared Transportation Resources

Joe Bryan motioned, seconded by Paul Coble, to authorize the County Manager to enter into an Interlocal Agreement between the City of Raleigh and Wake County regarding Shared Transit Resources upon terms and conditions acceptable to the County Attorney; and accept and appropriate funds from the City of Raleigh for reimbursement of related transportation expenses for transfer to the Wake County General Fund in the amount of \$349,482 for a period of six months as specified in the Revenue Contract. The motion passed unanimously.

Approval of Human Resources Benefits Consultant Multi-Year Agreement

Joe Bryan motioned, seconded by Paul Coble, to authorize the County Manager to enter into a four-year contract with Buck Consultants to assist in the ongoing management of the County's health and benefit plans, subject to terms and conditions acceptable to the County Attorney. The motion passed unanimously.

Accept and Appropriate \$21,702 from the Governors Crime Commission to the Raleigh/Wake City-County Bureau of Identification (CCBI)

Joe Bryan motioned, seconded by Paul Coble, to accept and appropriate \$21,702 in the grants and donations fund from the 2012 CCBI-Paul Coverdell Grant Award from the Governors Crime Commission. The motion passed unanimously.

Approve Memorandum of Understanding for a Law Enforcement Agency to Use the City-County Bureau of Identification (CCBI) SPEX Forensics Automated Finger and Palm Print Database

Joe Bryan motioned, seconded by Paul Coble, to authorize the CCBI Director to enter into a Memorandum of Understanding with each participating law enforcement agency for the use of the CCBI SPEX Forensic Automated Finger and Palm Print Database, subject to terms and conditions acceptable to the County Attorney. The motion passed unanimously.

Regular Agenda

[Public Hearing on a Request from First Choice Medical Transport, LLC. for Non-Emergency Ambulance Franchise \(First Reading\)](#)

Dr. Brent Myers, Emergency Medical Services Director, presented the first reading of a request from First Choice Medical Transport, LLC for a Non-Emergency Ambulance Franchise. First Choice Medical Transport is located in

Cary, North Carolina. Dr. Myers has reviewed the application for a non-emergency convalescent care franchise and determined that First Choice Medical Transport's representations are consistent with the requirements of Wake County's ambulance franchise ordinance. There are currently four franchised non-emergency ambulance providers in Wake County including First Choice Medical Transport, LLC. Dr. Myers noted that approval of an ambulance franchise requires two readings and this was the first of two readings for this requested franchise. Mr. Scott Warren stated that if the franchise was unanimously approved, the second reading could be placed on the consent agenda for approval.

Chairman Matthews opened the public hearing. There were no speakers. Chairman Matthews closed the public hearing.

Joe Bryan motioned, seconded by Tony Gurley, to approve the first reading of the Request from First Choice Medical Transport, LLC. for a Non-Emergency Ambulance Franchise. The motion passed unanimously.

Memorandum of Understanding with UNC Health Care Regarding WakeBrook Expansion

Ms. Denise Foreman, Assistant to the Manager, presented a Memorandum of Understanding (MOU) with UNC Health Care for moving forward in the design phase of a proposed 12 bed addition to the inpatient facility at WakeBrook and the appropriation of \$50,000 from UNC Health Care for preliminary design of the facility expansion. She reported that staff has been working with UNC Health Care over the last eighteen months to open and operate the 16 beds at WakeBrook for psychiatric services. The beds are full most of the time.

UNC Health Care has agreed to operate 28 beds in Wake County. They have received the Certificate of Need approval to add the additional 12 beds to the facility. UNC will pay for construction on those beds but Wake County will own the building and the expansion. This agreement will allow the process to begin by funding \$50,000 from UNC for funding preliminary design of the project that will provide the project scope and construction cost estimates.

Ms. Foreman said the MOU sets out the initial terms but staff will return with a budget for the project, funding and construction agreement setting forth the funding transaction, payment terms, and deliver of construction services for the project, and an amendment to the WakeBrook Lease Agreement setting forth the parties respective rights as to ownership and occupancy of the addition. When mutually satisfactory terms are reached, the Board of Commissioners will be requested to approve the Funding and Construction Agreement and Amendment to the WakeBrook Lease Agreement.

Joe Bryan motioned, seconded by Caroline Sullivan, to approve a Memorandum of Understanding with UNC Health Care for proceeding with the design phase of a proposed 12 bed addition to the inpatient facility at WakeBrook, subject to terms and conditions acceptable to the County Attorney, and upon execution of the Memorandum of Understanding, accepts and appropriates \$50,000 from UNC Health Care for preliminary design of the facility expansion at WakeBrook. The motion passed unanimously.

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

THIS MEMORANDUM OF UNDERSTANDING, made and entered into this _____ day of _____, 2013 by and between WAKE COUNTY, a public body politic and corporate of the State of North Carolina, hereinafter referred to as "Wake County" and UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM, a State agency and an affiliate entity of the University of North Carolina, on behalf of UNC Hospitals and other affiliated entities, hereinafter referred to as "UNCHCS." Wake County and UNCHCS are also referred to herein as "the Parties."

WHEREAS, Wake County is the owner of the newly constructed WakeBrook campus and its facilities located at 107 Sunnybrook Road and 111 Sunnybrook Road, Raleigh, North Carolina, 27610; and

WHEREAS, UNCHCS currently leases the County's WakeBrook facility at 111 Sunnybrook Road under the terms of a Lease Agreement approved by the Wake County Board of Commissioners on January 7, 2013 ("WakeBrook Lease") and operates 16 inpatient psychiatric beds and support functions at this location; and

WHEREAS, UNCHCS with the support of the County Commissioners applied for a Certificate of Need to add 12 additional beds to the inpatient psychiatric unit and the North Carolina Department of Health and Human Services, Division of Health Service Regulation has recently approved UNCHCS's Certificate of Need; and

WHEREAS, the behavioral health services currently provided by UNCHCS at WakeBrook and the services that can be provided as a result of the contemplated addition of 12 beds with additional patient support functions should greatly benefit Wake County citizens in need of behavioral health services; and

WHEREAS, UNCHCS desires to proceed with the construction of an addition to the WakeBrook facility to be able to offer expanded behavioral health services and has the financial capability to proceed with the design and construction of such addition; and

WHEREAS, Wake County as the owner of the WakeBrook facility supports the construction of such addition to the WakeBrook facility but desires to maintain control over significant physical alteration or improvements to the facility; and

WHEREAS, in consideration of Wake County acquiring at no cost the new addition to the WakeBrook facility and all related improvements as defined by this Memorandum of Understanding and the Funding and Construction Agreement contemplated herein, Wake County is willing to offer rent free occupancy to UNC Healthcare and to share the cost of Annual Operations for the 12 bed addition with UNC Healthcare so long as UNCHCS provides services at this location pursuant to the terms of any funding and provider agreements then in place with Wake County and/or Alliance Behavioral Health Care (or its successor); and

WHEREAS, contingent upon the satisfaction of certain terms and conditions herein, the parties desire to enter into an agreement or agreements which will facilitate the funding, design, construction, and use of an addition to the WakeBrook facility at 111 Sunnybrook Road for the purpose of accommodating 12 additional psychiatric beds, referred to herein as the “WakeBrook Addition Project” or “Project.”

WHEREAS, the WakeBrook Addition Project is not intended to limit or abridge Wake County’s right at this time to add infrastructure at Wake County’s cost to permit future expansion, or to in the future improve or alter the constructed addition to the WakeBrook facility, or to otherwise utilize the addition in any manner not inconsistent with this MOU or the terms of the WakeBrook Lease as it may be amended by the parties from time to time.

NOW THEREFORE, in consideration of the promises and mutual understandings of the parties, Wake County and UNCHCS hereby agree to the following terms and conditions:

1. GENERAL CONDITIONS

- A.** The parties’ obligations with respect to proceeding with the WakeBrook Addition project are expressly conditioned upon and subject to the parties receiving proper approval from their governing boards and/or leadership, as appropriate, to enter into mutually acceptable written agreements as to all aspects of the funding, design, construction, development, and leasing of the project (“Agreements”). Accordingly, except to the extent that specific responsibilities of the parties are set forth herein, this MOU shall not impose obligations on either party to proceed with the WakeBrook Addition project or otherwise enter into agreements with respect thereto.

- B. Unless and until superseded by written amendment or final Agreements, this MOU contains the entire understanding of the parties with respect to proceeding with the WakeBrook Addition project.

2. PURPOSE

The purpose of this Memorandum of Understanding is to set forth the understanding of the parties as it relates to the conditions that must occur in order to proceed with the plan for Wake County to construct a new 12 bed addition to the WakeBrook campus located at 111 Sunnybrook Road, Raleigh, North Carolina, and UNCHCS to fund such construction.

3. TERM

The Term of this Memorandum of Understanding shall be for a period of six months from the date of execution by the last party; or until such time as all documents set forth in Section 5 herein shall be fully and finally executed, whichever is shorter. The parties may extend this Term by separate written agreement or addendum executed by both parties as required for carrying out the purposes set forth herein.

4. RESPONSIBILITIES OF UNCHCS

- A. \$50,000.00 Payment. UNCHCS shall tender to Wake County the amount of **Fifty Thousand and no/1.00s Dollars (\$50,000.00)** upon its approval of the design consultant services contract described in Paragraph 5(A). Such amount shall be designated exclusively for engaging a design consultant to complete the preliminary design phase of the Project providing project scope and construction cost estimates as defined in “Responsibilities of Wake County” herein. Any part of the \$50,000.00 not spent toward the design phase shall be refunded to UNCHCS. The initial \$50,000.00 or any additional funds required for design or testing fees shall not be advanced by Wake County and shall be the sole responsibility of UNCHCS; provided that UNCHCS shall not pay any additional fees unless approved in writing by UNCHCS, and related solely to the initial scope of the design phase. In the event that UNCHCS does not proceed with the Project, the initial \$50,000.00 (to the extent expended) and any additional amounts expended by UNCHCS are non-refundable. The parties shall have equal rights to ownership or use of the design work product subject to the agreement of the design consultant.
- B. CON and Design information. UNCHCS shall tender to Wake County full copies of the Application for the Certificate of Need, and a summary of the desired construction features and requirements for the Project. Thereafter, upon

engagement of the design consultant, UNCHCS shall provide regular input to the design consultant to ensure that the design schematics, project scope, and construction cost meet UNCHCS's requirements for the Project.

- C. Acceptance of Design. Within thirty (30) days of the design consultant making a formal report and presentation to Wake County and UNCHCS delivering schematic designs, scope of design, and estimated cost of construction, UNCHCS shall inform Wake County in writing if the schematic designs, scope of design, and estimated cost of construction are accepted and whether UNCHCS is prepared to move forward with the Project.
- D. Financing. UNCHCS shall be solely responsible for providing all necessary funds reasonably required to construct the Project, including pre-development costs, permitting and associated fees, and construction, pursuant to a construction budget and Funding and Construction Agreement mutually agreed upon by the parties. UNCHCS shall not be responsible for any construction costs beyond the scope of work of the Project proposed (such as additional costs incurred to support future expansion of the facility). UNCHCS shall provide proof of its authority and ability to fund the Project upon request from Wake County and prior to Wake County's approval of a Funding and Construction Agreement.
- E. CON Requirements. UNCHCS as the owner of the Certificate of Need shall be responsible for complying with all aspects of the Certificate of Need, including reporting requirements.

5. RESPONSIBILITIES OF WAKE COUNTY

- A. Engage Design Consultant. Within twenty (20) days of execution of the responsibilities of UNCHCS set forth in Section 4 A and B, Wake County shall engage a design consultant pre-qualified by Wake County Facilities, Construction & Design standards to provide schematic designs and a final cost related to planning, design, plans, filing for permits, preparation of construction documents, construction administration, and final estimated cost for the Project, as outlined in the state Office of Construction "Blue Book."

Wake County shall provide UNCHCS with a copy of the proposed Services Agreement with the design consultant prior to execution. UNCHCS shall review the services agreement and confirm to Wake County that the scope of services and anticipated fee schedule are acceptable prior to execution. Wake County shall provide copies of all bills/charges from design consultant when and as received, and Wake County shall not pay to design consultant any UNCHCS

funds for services beyond what is included in the services agreement as approved by UNCHCS. UNCHCS reserves the right to audit the charges and expenditure of funds for design consultant upon request.

- B. Include UNCHCS in the Design Process. Wake County shall ensure that representatives from Wake County and UNCHCS have an opportunity to participate and provide input during the design process.
- C. Acceptance of Design. In the event that UNCHCS accepts the schematic designs, scope of design, and estimated cost of construction presented by design consultant, Wake County must inform UNCHCS in writing if Wake County is prepared to move forward with the Project. As a condition of moving forward, Wake County may add a contingency between 7% -10% based upon Wake County standard and usual construction practices to the extent not included in the design consultant's estimate.
- D. Construction. Upon the authorization and execution of the Funding and Construction Agreement, Wake County shall assume responsibility for the bidding and construction of the Project, subject to the terms of the Agreements entered into by and between the parties. It is the expectation of the parties that the Agreements shall provide for Wake County to control all aspects of the development and build out of this project, subject to the input, participation of, and appropriate review of costs and expenses by UNCHCS; and that Wake County shall determine the appropriate delivery method of services required to complete the Project. Final execution of all documents described in this MOU is subject to acceptance of construction bid prices by the Board of Commissioners, and approval of the Funding and Construction Agreement.
- E. CON Requirements. Wake County shall reasonably cooperate with UNCHCS in providing information necessary to comply with all aspects of the Certificate of Need, including reporting requirements.

6. ADDITIONAL DOCUMENTS REQUIRED TO BE EXECUTED BY THE PARTIES TO EFFECTUATE THIS TRANSACTION

- A. **Construction and Funding Agreement** setting forth the funding transaction, payment terms, and delivery of construction services for the Project.

- B. **Amendment to WakeBrook Lease Agreement** setting forth terms and conditions relating to UNCHCS's right to occupy and use the space created for the 12 additional beds as a result of the Project ("Amendment to Lease"). The Amendment to Lease shall be prepared and mutually approved as to form and content prior to the execution of the Funding and Construction Agreement. Nothing herein is intended to prevent the parties from modifying terms of the original WakeBrook Lease Agreement.
- C. **Memoranda** of any enumerated document requested by the other party for the purpose of recording in the Wake County Registry.

7. CONTEMPLATED SEQUENCE OF EVENTS

- A. Wake County Board of Commissioners authorizes Manager to enter into Memorandum of Understanding.
- B. UNCHCS executes this Memorandum of Understanding, executes the conditions set forth in Section 4.B, and, upon approval of the design consultant Services Agreement, executes the conditions set forth in 4.A.
- C. Wake County engages design consultant.
- D. Design consultant makes a presentation to Wake County and UNCHCS by April 30, 2014.
- E. UNCHCS shall accept or decline design and cost estimate for Project.
- F. Wake County shall accept or decline design and cost estimate for Project.
- G. UNCHCS and Wake County shall concurrently prepare and finalize the terms of a Funding and Construction Agreement and Amendment to Lease .
- H. Contingent upon the negotiation of mutually acceptable terms, Wake County and UNCHCS shall seek approval from their respective governing authorities or leadership, as appropriate, to enter into the Funding and Construction Agreement and Amendment to Lease. Even if the design and cost estimate are satisfactory to both parties, neither Wake County nor UNCHCS is obligated to proceed with this transaction unless and until the terms of the Funding and Construction Agreement and Amendment to Lease are acceptable to both parties.
- I. Upon execution of Funding and Construction Agreement, Wake County shall begin construction.

- J. Upon completion of construction and fulfillment of all terms and conditions and payment terms of the Funding and Construction Agreement, Wake County shall execute Amendment to Lease. Nothing herein shall prevent the parties from entering into the Amendment to Lease upon modifying or waiving completion of any term or condition of the Funding and Construction Agreement by mutual agreement set forth in writing.

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IN TESTIMONY WHEREOF, WAKE COUNTY AND UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM through their authorized officers and by their own hands has hereunto set forth their hands and seals of the day and year first above written.

WAKE COUNTY

By: _____

Title: Manager

Date: _____

UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM, on behalf of UNC Hospitals

By: _____

William L. Roper, M.D., MPh
CEO

Date: _____

Attest:

Secretary

[SEAL]

**Request to Adopt a Resolution for Variable Rate Bond Liquidity and
Remarketing Agents for 2003B, 2003C, 2007A, and 2007B Variable Rate
General Obligation School Bonds**

Commissioner Bryan asked to be recused from voting on this item due to him being employed by Wells Fargo.

Paul Coble motioned, seconded by Tony Gurley, to recuse Commissioner Joe Bryan from voting on this item due to him being an employee of Wells Fargo. The motion passed unanimously.

Ms. Nicole Kreiser, Debt and Capital Manager, recognized Mr. Tom Lee, County's Bond Counsel, and shared information about the variable rate strategy for the bonds. The \$200 million of variable rate debt is backed by liquidity facilities from Wells Fargo Bank that will expire March 30, 2014. Wells Fargo also serves as the remarketing agent for the County's variable rate debt. On December 2, 2013 the County issued a request for proposals for liquidity facilities (or standby bond purchase agreements) and received eight responses for alternatives to standby bond purchase agreements. County staff, the County's financial advisor and bond counsel, reviewed the responses and recommended to continue to utilize standby bond purchase agreements and remarketing agreements for the County's variable rate debt as this approach allows the County to not have to provide the liquidity needed to support the County variable rate debt. Of the five responses for liquidity facilities, two were recommended in order to diversify the County's exposure to providers of liquidity for its variable rate debt and to take advantage of low rates proposed for liquidity for the County's variable rate debt. Both agreements are for three years and would expire in March 2017.

It is requested that the Board of Commissioners approve the adoption of standby bond purchase and fee agreements with Mizuho Bank, Ltd for the 2007A&B variable rate general obligation school bonds. As of September 30, 2013, Mizuho Financial Group was the 15th largest bank in the world, and had assets of \$1.9 trillion. Its long term ratings are Moody's (A1), S&P (A+), and Fitch (A-). Mizuho has offered an annual liquidity fee of 0.155 percent, and offers the lowest cost to the County for liquidity. Merrill Lynch, Pierce, Fenner, & Smith Incorporated is requested to be appointed as the remarketing agent; its annual fee is 0.06 percent, which is one basis point lower than the fee charged by the current remarketing agent.

It is requested that the Board of Commissioners approve an amendment to the existing standby bond purchase agreements and fee agreements with Wells Fargo Bank, National Association in order to extend for three years the agreement for the 2003B&C variable rate general obligation public improvement bonds.

Wells Fargo Bank is the 22nd largest bank in the world and had assets of \$1.5 trillion as of September 30, 2013. Its long term ratings are Moody's' (Aa3), S&P (AA-), and Fitch (AA-). Wells Fargo offered an annual liquidity fee of 0.30 percent and offers the County experience as it is the County's current liquidity provider and remarketing agent. It is also requested that the remarketing agreement for the 2003B&C bonds with Wells Fargo be amended to reflect a fee of 0.06 percent, which is one basis point lower than its current remarketing fee.

Variable Rate Overview					
	Principal				
Fiscal Year	Series 2003B	Series 2003C	Series 2007A	Series 2007B	Total
Liquidity provider	Wells Fargo	Wells Fargo	Wells Fargo	Wells Fargo	
Termination date	03/30/14	03/30/14	03/30/14	03/30/14	
2016	\$ 10,000,000				\$ 10,000,000
2017	15,000,000				15,000,000
2018	30,000,000				30,000,000
2019		32,000,000			32,000,000
2020		13,000,000			13,000,000
2021					0
2022				21,000,000	21,000,000
2023				21,000,000	21,000,000
2024			13,000,000	8,000,000	21,000,000
2025			21,000,000		21,000,000
2026			16,000,000		16,000,000
Total	\$ 55,000,000	\$45,000,000	\$ 50,000,000	\$ 50,000,000	\$200,000,000

The resolution and proposed liquidity and remarketing agreements and amendments and fee agreements are included as an attachment to the agenda item. Also attached is a summary of responses to the County's Request for Proposal and a copy of the memorandum distributed to the Board of Commissioners on November 18, 2013 regarding the County's variable rate general obligation school bonds. The County's debt and capital financial model, which will be discussed at the Board's February 14, 2014 planning retreat, will be updated to reflect the lower costs for liquidity as shown below.

Update to Model January 2014							
Variable Rate Assumptions							
Variable Rate Assumptions in Model (May 2013)	2014	2015	2016	2017	2018	2019	2020
Investment Rate	0.50%	1.00%	1.50%	2.00%	2.00%	2.00%	2.00%
Tax-exempt variable interest rate	0.38%	0.75%	1.13%	1.50%	1.50%	1.50%	1.50%
Variable Rate Fees	0.55%	0.55%	0.85%	0.85%	1.10%	1.10%	1.10%
Total All-In Variable Rate Costs	0.93%	1.60%	1.98%	2.35%	2.60%	2.60%	2.60%
Variable Rate Assumptions (January 2014)	2014	2015	2016	2017	2018	2019	2020
Investment Rate	0.50%	0.65%	1.25%	1.75%	2.00%	2.00%	2.00%
Tax-exempt variable interest rate	0.25%	0.39%	0.81%	1.23%	1.50%	1.50%	1.50%
Variable Rate Fees	0.49%	0.32%	0.32%	0.38%	0.58%	0.58%	0.58%
Total All-In Variable Rate Costs	0.74%	0.71%	1.13%	1.61%	2.08%	2.08%	2.08%

Ms. Kreiser asked that the Board approve a standby purchase agreement. She said the model will reflect the new fees. She asked the board to approve the resolution for this action as provided.

Betty Lou Ward motioned, seconded by Caroline Sullivan, to approve the attached resolution authorizing the Deputy County Manager and Finance Director to: 1. Enter into three year agreements with Mizuho Bank, Ltd, acting through its New York Branch, to provide liquidity support for the 2007A and 2007B variable rate general obligation school bonds; 2. Enter into agreements with Merrill Lynch, Pierce, Fenner, & Smith Incorporated to provide remarketing services for the 2007A and 2007B variable rate general obligation school bonds; and 3. Amend agreements with Wells Fargo Bank, National Association to provide liquidity support and remarketing services for the 2003B and 2003C variable rate general obligation public improvement bonds.

Mr. Scott Warren stated the motion should read that the resolution authorizes the Interim County Manager instead of the Deputy Manager, Joe Durham to enter into the agreements. Both Commissioners Ward and Sullivan agreed to the amendment to the motion.

Commissioner Bryan said the strategy which staff recommended has saved Wake County taxpayers \$70 million on this debt program.

The motion passed unanimously.

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 January 21, 2014, with Phil Matthews, Chairman, presiding. The following Commissioners were:

PRESENT: Joe Bryan, Paul Coble, Tony Gurley, Caroline Sullivan, Betty Lou

Ward and James West

ABSENT: N/A

ALSO PRESENT: Joe Durham, Interim County Manager, Scott Warren, County Attorney, Nicole Kreiser, Wake County Debt Manager, Denise Hogan, Deputy Clerk and Susan Banks, Clerk to the Board.

* * * * *

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

RESOLUTION APPROVING AND AUTHORIZING THE AMENDMENT OF THE LIQUIDITY FACILITY AND REMARKETING AGREEMENT RELATING TO THE COUNTY'S VARIABLE RATE PUBLIC IMPROVEMENT BONDS, SERIES 2003B AND SERIES 2003C, THE SUBSTITUTION OF THE LIQUIDITY PROVIDER AND REMARKETING AGENT FOR THE COUNTY'S VARIABLE RATE SCHOOL BONDS, SERIES 2007A AND SERIES 2007B, AND THE EXECUTION AND DELIVERY OF STANDBY BOND PURCHASE AGREEMENTS, REMARKETING AGREEMENTS AND CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, pursuant to an Indenture of Trust, dated as of April 1, 2003 (the "Indenture"), between the County of Wake, North Carolina (the "County") and U.S. Bank National Association (as successor to First-Citizens Bank & Trust Company), as trustee, the County has heretofore issued its \$55,000,000 Variable Rate School Bonds, Series 2003B (the "Series 2003B Bonds"), all of which are currently outstanding, and its \$45,000,000 Variable Rate School Bonds, Series 2003C (the "Series 2003C Bonds" and, together with the Series 2003B Bonds, the "Series 2003 Bonds"), all of which are currently outstanding; and

WHEREAS, pursuant to an Indenture of Trust, dated as of March 1, 2007 (the "2007 Indenture" and together with the 2003 Indenture, the "Indentures"), between the County and Regions Bank, as trustee, the County has heretofore issued its \$50,000,000 Variable Rate School Bonds, Series 2007A (the "Series 2007A Bonds") and \$50,000,000 Variable Rate School Bonds, Series 2007B (the "Series 2007B Bonds" and, together with the Series 2007A Bonds, the "Series 2007 Bonds"), all of which are currently outstanding; and

WHEREAS, the Indentures provide that the Series 2003 Bonds and the Series 2007 Bonds (collectively, the "Bonds") tendered by the owners thereof for purchase, to

the extent not remarketed, are required to be purchased by Liquidity Providers (as defined in the Indentures) pursuant to the terms and conditions of the applicable Liquidity Facility as described therein; and

WHEREAS, the Liquidity Facilities for the Series 2003 Bonds and the Series 2007 Bonds were provided by Wells Fargo Bank, National Association (“Wells Fargo”), and the terms of such Liquidity Facilities will expire on March 30, 2014; and

WHEREAS, the County desires to replace the Liquidity Facilities for the Series 2007 Bonds with Alternate Liquidity Facilities (as defined in the Indentures) to be provided by Mizuho Bank, Ltd., New York Branch (“Mizuho”) pursuant to the provisions of the Indentures, and enter into separate Standby Bond Purchase Agreements with Mizuho in relation to each series of the Series 2007 Bonds; and

WHEREAS, in connection with the proposed transaction described above, there has been presented at this meeting a form of Standby Bond Purchase Agreement, between the County and Mizuho, the form of which will be duplicated for each series of the Series 2007 Bonds (each, a “2007 Standby Agreement”); and

WHEREAS, in connection with the execution of the 2007 Standby Agreements, the County also desires to appoint Merrill Lynch, Pierce, Fenner & Smith Incorporated as remarketing agent (“Merrill Lynch”) for the Series 2007 Bonds and enter into a Remarketing Agreement with Merrill Lynch (the “2007 Remarketing Agreement”) in connection therewith; and

WHEREAS, the County desires to extend the term of the Liquidity Facilities for the Series 2003 Bonds pursuant to amendments thereto (the “Amended 2003 Liquidity Facilities”) and amend the Remarketing Agreement with Wells Fargo (the “Amended 2003 Remarketing Agreement” and, together with the 2007 Standby Agreements, the 2007 Remarketing Agreement, and the Amended 2003 Liquidity Facilities, the “County Agreements”) relating to the remarketing of such bonds; and

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

Section 1. The Board hereby approves the form of the County Agreements presented at this meeting and the Interim County Manager and the Finance Director of the County are each hereby authorized to execute and deliver on behalf of the County the County Agreements, in substantially the forms presented, containing such insertions, deletions and filling in of blanks the Interim County Manager and Finance Director of the County shall approve, such execution and delivery to be conclusive evidence of authorization by the Board of any such changes. The Clerk is hereby authorized to affix the official seal of the County thereto and to attest the same.

Section 2. Merrill Lynch is hereby named as the successor remarketing agent for the Series 2007 Bonds. The Interim County Manager and the Finance Director of the County are each hereby authorized to execute and deliver on behalf of the County any necessary remarketing agreements and any necessary remarketing materials, including such supplements to the official statements related to the Series 2007 Bonds as shall be deemed useful in connection with the transactions contemplated hereby. Any actions heretofore taken by the Interim County Manager, the Finance Director or Debt Manager of the County in connection therewith are hereby authorized, ratified and approved.

Section 3. The Interim County Manager and the Finance Director of the County are each hereby authorized to execute and deliver such documents, certificates, undertakings, notices, consents and agreements or other instruments as each, with the advice of bond counsel and the County's financial advisor, may deem necessary or appropriate to affect the matters contemplated by this resolution. The Board authorizes the Interim County Manager, the Finance Director and the Debt Manager of the County to take any and all action deemed appropriate on behalf of the County in connection with the execution and delivery of the County Agreements and any remarketing materials relating to the Series 2007 Bonds.

Section 4. To the extent necessary, the County hereby requests the approval of the North Carolina Local Government Commission of the 2007 Standby Agreements, Amended 2003 Liquidity Facilities and the change in the remarketing agent for the Series 2007 Bonds.

This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Betty Lou Ward, seconded by Commissioner Caroline Sullivan, the foregoing resolution entitled "RESOLUTION APPROVING AND AUTHORIZING THE AMENDMENT OF THE LIQUIDITY FACILITY AND REMARKETING AGREEMENT RELATING TO THE COUNTY'S VARIABLE RATE PUBLIC IMPROVEMENT BONDS, SERIES 2003B AND SERIES 2003C, THE SUBSTITUTION OF THE LIQUIDITY PROVIDER AND REMARKETING AGENT FOR THE COUNTY'S VARIABLE RATE SCHOOL BONDS, SERIES 2007A AND SERIES 2007B, AND THE EXECUTION AND DELIVERY OF STANDBY BOND PURCHASE AGREEMENTS, REMARKETING AGREEMENTS AND CERTAIN OTHER DOCUMENTS IN CONNECTION THEREWITH" was passed by the following vote:

Ayes: Joe Bryan, Paul Coble, Tony Gurley, Phil Matthews, Caroline Sullivan, Betty Lou Ward and James West

Noes: N/A

* * * * *

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 and complete copy of so much of the proceedings of said Board of Commissioners at a regular meeting held January 21, 2014, as relates in any way to the passage of the foregoing resolution providing for the substitution of liquidity facilities for the benefit of variable rate general obligation school bonds of said County and substitution of the remarketing agent therefor, and the amendment of liquidity facilities for the benefit of variable rate general obligation public improvement bonds of said County and amendment of the remarketing agreement related thereto, as described in such proceedings and that said proceedings are recorded in the minutes of said Board of Commissioners.

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 seal of said County, this 21st day of January, 2014.

[SEAL]

Clerk to the Board

Community Capital Project Funding

Ms. Nicole Kreiser, Debt and Capital Manager, said the board approved a process for selection of the projects to receive Community Capital funding. The project would be reviewed and receive funding through a competitive, analytical process which included a request for proposals, submissions by applicants, finalist interviews, and analysis by an evaluation team comprised of external and internal stakeholders. Nine projects were submitted with five projects recommended by the evaluation team to receive funding. These projects have been presented to the board and they have a mix of funding sources, rely on Wake County funding of no more than 35 percent to total project funding, request an amount of no more than \$1 million, describe an operating plan in detail, and demonstrate a self-sufficient operating budget. Staff presented their recommendation for funding of Community Capital projects to the Board of Commissioners at their January 13, 2014 work session. A Memorandum of Agreement detailing the use of project funds, conditions of funding, reporting requirements, and monitoring to be done. Also included in the agreements are provisions for the repayment of fund if terms of the agreement are not met or if the project ceases to be used for the purposes stated in the agreement.

The recommendations were as follows:

Tony Gurley motioned, seconded by Betty Lou Ward, to:

1. Allocate Community Capital Project Funds between FY 2014 and FY 2018 in the amount of \$815,000 for Boys and Girls Clubs, \$750,000 to SouthLight Healthcare, \$140,000 to Inter-faith Food Shuttle, \$450,000 to Hospice of Wake County, and \$450,000 to Wake Health Services;
2. Authorize the Interim County Manager to enter into memorandums of agreement with Boys and Girls Clubs, SouthLight Healthcare, Inter-faith Food Shuttle, Hospice of Wake County, and Wake Health Services subject to terms and conditions acceptable to the County Attorney; and,
3. Reallocate \$605,000 of existing Community Capital Project Reserve for Future Project funds and appropriates FY 2014 funding of \$415,000 to Boys and Girls Clubs, \$140,000 to Inter-faith Food Shuttle, and \$50,000 to Wake Health Services.

The motion passed unanimously.

Public Comments:

Mr. Steve Rau, Town of Morrisville Councilman, spoke about the traffic issues in Morrisville and suggested that the Board of Commissioners consider a transportation plan. He said that economic development improvements are being held up in Morrisville because of traffic issues. He said recent development is transit oriented. The tax revenue is \$320 Million. He asked for support for the hotel and motel tax for the ice facility in Morrisville.

Resolution Recognizing Passage Home's Designation as a Community Services Block Grant Agency in Wake County

Ms. Jeanne Tedrow, Passage Home President and Chief Executive Officer, asked the Board's support by approving a resolution allowing Passage Home to continue to provide services as a Community Services Block Grant Agency in Wake County to receive the federal block grant funds. She introduced present staff: Lisa Crossland, Chief Program Officer, Christy Page, Social Worker and Lamont Wilkerson, Youth Services Director.

Commissioner West said that he and Commissioner Bryan are on the Passage Home Board and attend their meetings.

Ms. Tedrow said the State Office of Economic Opportunity requires that this designation be done annually.

Passage Home, a Wake County based non-profit that works with homeless women and children and those at or below the poverty level has received its designation by the State OEO as a Community Services Block Grant (CSBG) agency in Wake County. This designation will allow us to receive additional funding opportunities and expand our current service offerings within Wake County.

Ms. Tedrow said that the agency is awarded federal pass-through funds from the State Office of Economic Opportunity to address causes and conditions of poverty, helping low-income families and individuals with employment, education, better use of available income, housing, emergency assistance and other use of resources.

Ms. Tedrow shared information about the families and the enrollment. She said that CSBG funds are also being used to support the operations of the afterschool program that has 30 youth enrolled by budgeted for a total of 40. Funds are being used to fund the adult self-sufficiency program where 50 families are being provided comprehensive wrap-around services in order to move them above the poverty guidelines.

She spoke about services being offered in the Eastern Wake area. There will be services at Pleasant Grove Baptist Church in Wendell, NC.

Commissioner Ward complimented the program. Commissioner West said that there have been hot spots identified that have needs for services. He said that the collaboration of services that identify capacity and move families to self-sufficiency.

Ms. Tedrow said Passage Home is about developing people and places. Economic Development is important. Integration of services is important to improve the community.

Commissioner Ward said that Passage Home is making an impact in the community.

James West motioned, seconded by Betty Lou Ward, to approve the resolution recognizing Passage Home's designation as a Community Services Block Grant Agency in Wake County. The motion passed unanimously.

RESOLUTION

RESOLUTION of the Wake County Board of County Commissioners

APPROVING THE SUBMISSION OF APPLICATION FOR GRANT FUNDS FOR
COMMUNITY SERVICES BLOCK GRANT TO NC OFFICE OF ECONOMIC OPPORTUNITY

WHEREAS, the Federal Government has provided Community Services Block Grant funding to the state of North Carolina: and

WHEREAS, the NC Office of Economic Opportunity has been delegated the responsibility for The administration of this grant program, establishing necessary procedures: and

WHEREAS, Wake County is eligible to receive an allotment of funds to support the low income Citizens of this county: and

WHEREAS, Passage Home will enter into an agreement with the NC Office of Economic Opportunity to carry out the program

NOW, THEREFORE, BE IT RESOLVED that the Wake County Board of Commissioners

1. Certifies that County Commissioners will support Passage Home through Representation on the agency's Board of Directors.
2. Approves the filling of a funding application by Passage Home.

Approved and adopted the 21st day of January, 2014, I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by Wake County Board of Commissioners.

Following Roll Call Vote: Ayes: 7
 Nos:
 Absent:

Clerk/Secretary for the Governing Board

Other Business

Chair Matthews said that he, Vice-Chair Tony Gurley and Interim Manager Joe Durham met with the Board of Education Chairman Christine Kushner, Vice Chair Tom Benton and Dr. Jim Merrill, Superintendent of Wake County Public School System, and they agreed to have a joint meeting in February. There will be an agenda worked out by the two leadership groups. He said there were two dates proposed and asked the commissioners if they could attend a meeting scheduled for Friday, February 21st at 9am here at the Wake County Justice

Center. The commissioners all agreed to attend on this date. The meeting will be held in the new Justice Center, Room 2800. Commissioner West said he thought the main topic would be the interlocal agreement.

Commissioner Coble said there have been discussions about security and safety inside of school buildings because the emergency workers cannot communicate by mobile phones or radios once they enter the school buildings. He asked Mr. Michael Wright and Mr. Joe Durham discuss installing repeaters to help with emergency communications in the schools.

Mr. Durham said that conversations have taken place about communications within the school facilities and an update will be provided for the board at a future meeting. Chair Matthews explained the process of installing the repeaters.

Adjourn

Paul Coble motioned, seconded by Tony Gurley, to adjourn the meeting at 3:05 p.m. The motion passed unanimously.

Respectfully submitted,

Susan J. Banks, NCCCC
Clerk to the Board
Wake County Board of Commissioners