



INFORMATION Regarding the 6PM MEETING

Chowan County Board of Commissioners' Meetings scheduled for June 15, 2020, at 6:00 p.m. in the Commissioners' Meeting Room on the first floor of the Chowan County Public Safety Center 305 West Freemason St. Edenton, NC, The meeting room will be open to the public and public seating will be set up to adhere to social distancing guidelines.

*If the room reaches maximum capacity, a call-in number is provided below for anyone who wishes to call in to listen to the meeting remotely. Those participating remotely who wish to submit public comment, please see instructions in the below.

The meeting will include a public comment session.

The information for public comment procedure is below in the agenda

If you do not wish to participate in person, residents may also listen by telephone.

Call **1-408-418-9388** Meeting number (access code): 132 843 0636 if prompted the password is 246926

If you have any questions about access to the electronic meeting please contact the Board Clerk Susanne Stallings at 252-482-8431 x1 or by email **Susanne.stallings@chowan.nc.gov**

Chowan County Board of Commissioners

Regular Meeting

Monday, June 15, 2020

**Chowan County Public Safety Center
305 West Freemason Street**

AGENDA

Regular Meeting

- a. Call to Order
- b. Pledge
- c. Invocation Commissioner Faircloth

1. Approval of Draft Agenda

2. Public Comment

Public comment will be taken digitally on all items, with the following guidelines:

- any public comment must be sent in by 5 p.m. the day of the meeting via email to **Susanne.stallings@chowan.nc.gov** OR by calling 252-482-8431 x1 (NO LATER THAN 5:00pm) and leaving a voicemail
- must state which agenda item you are commenting on, or if it is for informal discussion
- must be no more than 350 words.

The Clerk will read public comments into the record during the meeting.

3. Consent Agenda

All items on the Consent Agenda are considered to be routine and may be enacted by one motion. If a County Commissioner requests discussion on an item, the item will be removed from the Consent Agenda and considered separately.

a. Approval of Minutes

Attached are the minutes of the May 18, 2020 meeting for the Board's review and consideration.

4. Amazon Wind Facility

Chair Kersey at the last meeting noted that Gigi Badawi will speak to the Board regarding her personal experience living adjacent to the Amazon Wind Facility in Perquimans County. The Board may also receive written comments from John Nixon owner of Nixons Solutions IT.

5. Draft Ordinance Presentation – Article 8.109 Wind Energy Facilities TA-20-04

Planner Brandon Shoaf will provide the Board with a draft amendment to the Chowan County Zoning Ordinance regarding Article 8.109 Wind Energy Facilities. Commissioners were asked to submit their proposed amendments. The Board has scheduled a public hearing for the July 13, 2020 meeting to consider the final draft text amendment.

6. Public Hearing for the FY 2020-21 Budget

The Board will open the Public Hearing to receive comment on the proposed FY 2020-21 Chowan County Budget. Budget materials are available for public inspection on the Chowan County website, and the office of the County Manager.

In the event the room reaches maximum capacity, a call-in number is provided for the public to listen remotely. Those who come to provide public comment in person may still sign up to speak. If the room reaches maximum capacity due to COVID 19 social distancing restrictions, areas will be designated for speakers to wait until the appropriate time to come in to the meeting room to provide comment.

OR

Individuals who wish to participate remotely will be allowed to submit their public comments on this and any agenda topic electronically with the following guidelines:

- Any public comment MUST be sent in by 5:00pm on the day of the meeting via email to: Susanne.stallings@chowan.nc.gov (**Preferred method**), or by calling 252-482-8431 x1 (no later than 5:00pm on the day of the meeting) and leaving a voicemail.
- You must state which agenda item you are commenting on or if it is for information discussion
- Must be no more than 350 words.
- The Clerk will read the comments into the record during the meeting.

7. Additional June Meeting

The Board schedule an additional meeting to consider adoption of the FY 2020-21 budget. The proposed meeting date is June 29, 2020 at 5:00pm.

8. Public Hearing 1/4¢ Sales and Use Tax Resolution and Resolution for Designation of the Tax

The Board will open the public hearing to consider Resolution Calling for a Special Advisory Referendum Concerning the Levy of a One-Quarter Cent (1/4¢) County Sales and Use Tax. (Article 46 of Chapter 105) The Board of Commissioners indicated at their June 1st meeting that the revenues generated from the 1/4¢ sales and use tax will be designated to support and enhance capital needs of the Edenton Chowan School System, including the proposed renovations for John A. Holmes High School this will be considered in a separate resolution.

In the event the room reaches maximum capacity, a call-in number is provided for the public to listen remotely. Those who come to provide public comment in person may still sign up to speak. If the room reaches maximum capacity due to COVID 19 social distancing restrictions, areas will be designated for speakers to wait until the appropriate time to come in to the meeting room to provide comment.

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- You must state which agenda item you are commenting on or if it is for information discussion
- Must be no more than 350 words.
- The Clerk will read the comments into the record during the meeting.

9. CIP Projects

- **Engineer proposal for Ag Building Roof Replacement**

Attached is an architectural contract for the design for roof repair and HVAC repair at the Ag Building.

- **Engineer proposal for Courthouse HVAC replacement**

Attached is an engineering proposal to design a new HVAC system for the Courthouse.

- **Radio purchase for Sheriff Office**

10. Budget Amendments

The following Budget Amendments are attached to this agenda packet:

BA1920-067

BA1920-068

BA1920-069

BA1920-070

BA1920-071

BA1920-072

BA1920-073

BA1920-074

11. FY19-20 Budget Clean Up

The Board will authorize the Finance Officer and Manager to perform necessary FY 2019-20 budget clean up amendments and bring them back to the Board as FYI at a future regular meeting.

12. Finance Officer Report

Finance Officer Cathy Smith will provide the Board with financial reports through the month of May 2020.

13. External Board/Committee Report

Board members are asked to report on the activities of the external boards to which they have been appointed.

14. Manager's Report

County Manager Kevin Howard will update the Board on any pending matters.

15. Timely and Important Matters

16. Adjourn

**Chowan County Board of Equalization and Review
Meeting
Monday May18, 2020
Chowan County Public Safety Center
305 West Freemason Street
6:00pm**

This meeting was recorded. A copy of the recording is in the meeting file labeled May 18, 2020.

The meeting which is normally held in the Commissioner's meeting room at the Public Safety Center, 305 West Freemason St. Edenton, NC was be held however due to COVID19 restrictions, there was no meeting place where the public could be physically present.

The public was provided with instructions to view the meeting online via Live Facebook Stream (a copy of the live stream was also recorded and also located in the meeting file labeled May 18, 2020). A link was placed in the meeting notice and on the Chowan County Website. Additionally, residents were notified of instructions to call in for those who did not have internet access to listen to audio only of the meeting.

Board Clerk Susanne performed a roll call.

Present Chair Patti Kersey, Commissioners Greg Bonner, Ron Cummings, Larry McLaughlin, Don Faircloth, Bob Kirby and Ellis Lawrence

Staff present County Attorney Lauren Womble, County Manager Kevin Howard, Board Clerk Susanne Stallings and Finance Officer Cathy Smith.

Chair Kersey called the Board of Equalization and Review to Order.

Appeals

Tax Administrator Melissa Radke stated she did not have any open appeals to be heard by the Board. She then asked the Board to adjourn the Board of E&R for 2020.

Adjourn

Commissioner Kirby moved to adjourn the Board of Equalization and Review. Chair Kersey asked for all in favor, the motion passed unanimously (7-0)

Regular Meeting
Monday, May 18, 2020
Chowan County Public Safety Center
305 West Freemason Street
6:00pm

This meeting was recorded. A copy of the recording is in the meeting file labeled May 18, 2020.

Present Chair Patti Kersey, Commissioners Greg Bonner, Ron Cummings, Don Faircloth, Larry McLaughlin, Bob Kirby and Ellis Lawrence

Staff present County Manager Kevin Howard, Board Clerk Susanne Stallings and County Attorney Lauren Arizaga-Womble.

Call to Order

Chair Kersey called the regular meeting to order she then offered the invocation.

Approval of Draft Agenda

Commissioner Faircloth moved to approve the draft agenda. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Public Comment

Ms. Stallings noted that she checked the voicemail and she checked her email and there was no public comment submitted.

Consent Agenda

All items on the Consent Agenda are considered to be routine and may be enacted by one motion. If a County Commissioner requests discussion on an item, the item will be removed from the Consent Agenda and considered separately.

a. **Tax Refund/Release Report**

McKesson, M.	\$2,733.42	Paid twice
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b. **Approval of Minutes**

Attached are the minutes of the April 20, 2020 and May 4, 2020 meetings for the Board's review and consideration.

Commissioner McLaughlin moved to approve the consent agenda as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Resolution for Urban Housing & Community Service Corporation

Chair Kersey noted the Board will consider a resolution that approves AZIDA's issuance of the bonds and the financing of the assisted living facility the "Edenton House" located in Chowan County.

Attorney for the applicant, Carlos Manzano stated that federal tax laws require that the elected legislative body that has jurisdiction over the area in which the facility is to be financed with tax-exempt bonds approve the issuance of the bonds. The bonds will not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County and are payable solely from the revenues generated by the assisted living facility. He noted a public hearing was held on May 15th and there were no public comments submitted.

Commissioner McLaughlin asked what the remainder of the bond is used for.

Mr. Manzano stated it will be used to purchase other assisted living facilities (6 in NC and 2 in Alabama).

County Attorney Lauren Arizaga Womble stated that this was the first time this type of request has come before the Board. She stated that when someone is seeking to utilize federal tax-exempt bonds the federal tax code requires this type of hearing. She stated this does not obligate Chowan County and this is an NC owned company which previous owners were not.

Commissioner Lawrence asked what are the direct benefits for Chowan County.

Ms. Womble stated that she was not aware of any benefit to Chowan other than North Carolina based company owning the company. She stated that the company purchasing the facility has been running it for some time but will have full ownership of the facility. She stated the benefit is the service to County residents.

Commissioner Bonner moved to approve the resolution. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

A RESOLUTION

REGARDING THE ISSUANCE BY THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY OF ITS SENIOR LIVING REVENUE BONDS IN ONE OR MORE SERIES IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$75,000,000, FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ASSISTED LIVING FACILITIES LOCATED IN THE COUNTY AND OTHER RELATED MATTERS.

WHEREAS, The Arizona Industrial Development Authority ("AZIDA") is a nonprofit corporation and political subdivision of the State of Arizona. AZIDA is a conduit issuer of municipal revenue bonds with the ability to assist private and public borrowers across the country. AZIDA issues conduit revenue bonds for the benefit of private users. Repayment of the bonds is the obligation of the private user only. The proceeds of these revenue bonds may be used for commercial enterprises of any kind, and the interest on the bonds may be exempt from federal income taxation;

WHEREAS, Urban Housing & Community Services Corporation, a California nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as

amended (the “*Code*”), or affiliates thereof (collectively, the “*Borrower*”), has applied to AZIDA to issue its Senior Living Revenue Bonds (the “*Bonds*”) in one or more series in an aggregate principal amount of \$75,000,000, of which approximately \$8,650,000 will be loaned to the Borrower to be used, in part, to (1) finance the acquisition, construction and equipping of the 60-bed Edenton House assisted living facility located at 323 Medical Arts Drive, Edenton, NC 27932 (collectively, the “*Project*”), (2) fund a portion of the interest on the Bonds, (3) fund certain reserve and other funds related to the Bonds, and (4) pay costs associated with the issuance of the Bonds. The Bonds will constitute “qualified 501(c)(3) bonds” within the meaning of Section 145(a) of the Code;

WHEREAS, the Project will be initially owned and operated by the Borrower;

WHEREAS, pursuant to Section 147(f) of the Code and the Treasury Regulations promulgated thereunder (collectively, the “*Federal Tax Requirements*”), prior to the issuance of the Bonds by AZIDA, and after a public hearing held following reasonable public notice, the Borrower has requested the Board of Commissioners of the County (the “*Board*”), as the highest elected representatives of the County, the governmental unit having jurisdiction over the area in which the Project is located, to approve AZIDA’s issuance of the Bonds and the financing the Project in the County;

WHEREAS, on May 14, 2020, prior to any deliberations regarding this Resolution, Jeffrey A. Poley held a public hearing at which all interested persons have been given a reasonable opportunity to express their views on the location of the Project, the issuance of the Bonds and other related matters. Written comments on the subject of the public hearing were allowed until 24 hours after the public hearing. The public hearing was duly noticed by publication, attached as Exhibit A, in a newspaper having general circulation in the County, not less than 7 days prior to the date of the public hearing. A compilation of the comments received is set forth in Exhibit B; and

WHEREAS, at the Borrower’s request, the Board now desires to approve AZIDA’s issuance of the Bonds and the financing of the Project in order to satisfy the Federal Tax Requirements.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. It is hereby found, determined and declared that Project and the Bonds will give rise to no pecuniary liability of the County, or a charge against its general credit or taxing power.

Section 2. As required by and in accordance with the Federal Tax Requirements, the Board, as the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located, approves AZIDA’s issuance of the Bonds and the financing of the costs of the Project in the County solely for the Federal Tax Requirements.

Section 3. **The County has no responsibility for the payment of the principal of or interest on the Bonds or for any costs incurred by the Borrower with respect to the Bonds or the Project. The County pledges neither its taxing power nor revenues for the Bonds. The County has no responsibility for, and has not reviewed the Borrower or the Project, and has no responsibility for the success of the Project.**

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force and effect from and after its adoption.

Adopted this 18th day of May 2020.

EXHIBIT A

NOTICE OF PUBLIC HEARING

EXHIBIT B

COMMENTS

At 9:00 am, Thursday, May 14, 2020, I, Jeffrey A. Poley, opened a public hearing relating to the matters covered in the resolution to which this Exhibit B is attached. The public hearing was duly published pursuant to State of North Carolina law and Internal Revenue Service guidance. No member of the public dialed into the public hear or commented within 24 hours of said public hearing. Accordingly, there were no comments made with respect to the matters covered in the resolution to which this Exhibit B is attached.

Respectfully admitted,
Jeffrey A. Poley, Esq.

Trillium Annual Report

Chair Kersey noted that the Board has received the annual report from Bland Baker with Trillium Health Resources a copy of the report is in the Board packet. The Board will acknowledge receipt of the annual report.

Commissioner McLaughlin stated that he serves on this Board. He then moved to accept the annual report as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Tax Items

Tax Administrator Melissa Radke presented the Board with the following late listing exemption requests from:

- KADESH AME Zion Church

Ms. Radke stated that in 2017 an audit was performed and found to not follow the exemption.

Fondella Leigh stated is the presiding elder at the church. She stated that she oversees 19 churches and 6 of them are in Chowan County. She stated this situation was brought to her attention a few months ago. She stated that she was not aware of the incomplete forms. She filled them out and delivered them. She stated she will ensure the form is completed going forward. She requested that the Board allow the late submittal of the tax exemption form.

Ms. Radke stated that the properties qualify for the exemption. She noted this is for the 2020-21 tax year.

Commissioner Lawrence moved to accept the late exemption. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

- Penelope Barker Foundation

Ms. Radke stated that 304 E Queen Street was sold by the Garrett Company in December 2018. She stated the Barker House building only was given to the Penelope Barker Foundation.

Mike Irvin stated that the person in charge of the foundation was in Florida during the time of application. He stated he was not eligible to apply for the exemption until Mr. Willis returned.

Commissioner Lawrence moved to accept the late exemption. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

School Resolution Presentation – High School Project

Chair Kersey noted that Superintendent Dr. Rob Jackson has requested the opportunity to present the enclosed Resolution passed by the Board of Education at their May 12, 2020 meeting.

Dr. Jackson stated he brought Board of Education Chair Gene Jordan to speak.

Gene Jordan thanked the Board for the opportunity to speak. He stated that he is asking the Commissioners to revisit the vote they took at the last meeting. He said the vote was a surprise to the Board of Education. He said it brought the goal to a halt (the goal being the high school project). He stated the vote delayed the project. He stated for the 21 ½ years there has been a need for a new high school. He said there have been facility studies and hiring architects. He said that circumstances have always gotten in the way of the project. He said he felt that stars were aligning to get the project. He discussed the county's efforts to decrease its debt. He discussed monies designated by the state to assist with capital needs. He stated a new high school would be a benefit for economic development. He stated that interest rates are at an all time low. He asked the Board to reconsider the previous vote and listen to Rick Ott and Superintendent Jackson. He stated he would like for the voters to decide.

Rick Ott thanked the Board for the time to speak to them on the project. He provided the Board with a PowerPoint presentation. A copy of the PowerPoint is in the meeting file labeled May 18, 2020. He stated that a high school project would be minimal impact to the tax payers. He stated the estimated project cost is \$61,143,000. He stated that there is potential to secure \$26,000,000 in state funds. He stated interest rates are currently at historic lows. He stated the County has up to seven years to sell the bonds and that could be extended up to 10 years. He stated a 2020 referendum will allow the Board to minimize financial risk to tax payers. He stated with successful referendum there are options.

Mr. Ott discussed Bond Anticipation Notes (BAN) that are selling at 0% interest on short term. He stated a \$5 million BAN for the \$15 million project. He stated the \$20 million would allow the County to get through design and phase I of the project. He stated that the GO Bonds would not be sold until 2023 and the first payment would be in 2024.

Mr. Ott reviewed a 2022 bond referendum does not guarantee state monies will be available. He stated the BANS will sell at market rates. He stated that 2023/2024 would be the first repayment. He stated that one point would be an additional \$7.5 million a two point would be \$15 million. He discussed the risk is a loss of the state funds \$15 million. He discussed construction inflation is another potential risk. He stated this could result in an additional \$5 million. Mr. Ott reviewed the scenarios provided by the County's financial consultant, Davenport and Associates. He noted that there were three scenarios provided with a zero percent tax increase. He stated the current 20-year rate is 1/7%. He shared information from current client sales of bonds.

Dr. Jackson thanked the Board for the time to speak. He stated he has enjoyed working with the County's Bond Counsel and Financial Advisor. He stated that the time line has been discussed in recent calls. He stated that the bond counsel indicated it was doable. He stated that if the Board acts by their June meeting it is possible to proceed. He stated that public involvement is crucial for the project. He noted the timeline includes public participation in the schedule. He discussed previous meetings online that were broadcast prior to the pandemic to ensure the public understands the project design and need. He stated that there are 154 days until the election to make sure the public is knowledgeable of the project prior to the referendum. He stated that in the seven years of his tenure this project has been discussed and each time there is an opportunity to move forward, something happens. He stated that something this time is a pandemic. He stated there is an opportunity to do this for the children of Chowan County. He stated that everyone benefits from this project with job creation and economic development. He said that he believes this is an opportunity to do right by the

children of Chowan County. He presented the Commissioners with a resolution from the Board of Education.

Chair Kersey stated that she would like for the Board to consider a motion to consider the Board of Education's resolution. She stated the motion would be to consider, the Board will discuss and go from there.

Commissioner Lawrence moved to consider the resolution. He stated he intends to vote in favor of the resolution.

Chair Kersey stated the Board will discuss the motion to consider now and discuss later.

Chair Kersey called for all in favor of consideration of the resolution, the motion failed (3-4 Cummings, McLaughlin, Bonner and Kirby).

Commissioner Kirby requested the opportunity to read a statement into the record. A copy of the written statement is in the meeting file labeled May 18, 2020.

Commissioner Kirby read:

Lord Willing and the Creek Don't Rise

This American slang expression implying strong intentions subject to complete frustration by uncommon but not unforeseeable events so appropriately describes what we, as your Chowan County Board of Commissioners, have been faced with on so many fronts in the approximately ten (10) weeks since the COVID-19 Pandemic has quite literally turned everyone's life upside down throughout our Country and the World as a whole.

On a local front, we have all had to adjust to the term, "Social Distancing", and at least until Saturday afternoon, a radically altered status of even how we were permitted to worship. Meanwhile, the days, weeks, and months, tick onward. Time waits for no man! This Board is obligated by law to develop a County Budget and establish appropriate tax rates by no later than June 30, and with a dedicated County Manager and his staff, we are collectively working toward that goal. In fact, the very next item on our Agenda is the formal presentation of the County Manager's Budget. But first I need to address the Resolution from The Edenton Chowan Public School Board that we just voted on.

First, I would like to share a message of hope to the citizens of Chowan County. Our vote a couple of weeks ago was only to delay the Bond Referendum to allow us the opportunity to assess the total impact and refine our financial plans for the High School to reflect the realities of COVID-19. In fact, at this point, the delay in the Bond Referendum to 2022 will have absolutely zero impact on the schedule for funding of construction of the High School.

Your Board of Commissioners has been working in concert with the School Board to develop a plan for a High School to either significantly repair or replace the one which has served our community since 1950. A Joint Committee was formed in August 2018 and there have been many open meetings on such varied subjects as County Population Projections and where to physically "Build" the actual school.

Your Board of Commissioners is required, by law, to "provide the funds which they, upon investigation, shall find to be necessary for providing buildings suitably equipped" for public schools. Our objective has always been to provide the greatest service at the lowest possible cost, all while protecting the health, safety, and welfare of the Citizens. Historically, there has been some Grant Funding available from the State of North Carolina for Tier-I Counties such as Chowan which can significantly help with Public School Construction. In addition, the North Carolina General Assembly included a special Grant for Chowan County in their 2019-21 Biennium Budget. Earlier this year, even in advance of a Resolution from the Board of Education, Your Board of-Commissioners took the first

formal legal steps toward putting a Bond Referendum before the voters on the 2020 Ballot by hiring both a Bond Counsel and a Bond Financial Consultant.

So, up until mid-March, the financial pieces were coming together. We had a strong chance to secure State Grant money of up to some \$26 Million, and all indicators were pointing toward putting a General Obligation Bond Referendum before the Voters in November of this year. It is important here to note that although we had anticipated putting the Bond Referendum on the November 2020 ballot, Your Board of Commissioners had repeatedly stated that they would pay off existing County Capital Debt of some \$10 Million before taking on new debt, so Ground Breaking for the School would be in 2024. Although the planned Bond Referendum would not be on the ballot until November, the legal required notices, meetings, state reviews and hearings necessitated that formal process commence with a series of resolutions by your board of Commissioners no later than June 1, 2020, and in order to meet that date, our Bond Counsel required that we notify them no later than May 15, 2020 of our intent to proceed (of course that was last Friday). That meant that the Board of Commissioners meeting on May 4, 2020 would be the last scheduled opportunity for a vote on that matter at hand, and after appropriate debate, your Board of Commissioners determined that due to the impact of COVID 19, we would no longer pursue a bond referendum for 2020.

While I cannot speak for this entire Board, I believe I am correct in saying that we did not take our decision lightly. We collectively have come face-to-face with a devastating public health crisis, which according to most indicators we have met with courage and conviction which identifies us as uniquely American. That, however, does not mean we are unscathed. Unemployment rates ultimately could rival those of the Great Depression. Many small businesses, and some not-so-small will ultimately shutter their doors forever. The State of North Carolina is facing a revenue shortfall in the range of \$1.5 to \$2.5 Billion, and State Grant Money is "no longer on the table". Just as we have since I was sworn in back in December 2018, The Chowan County Board of Commissioners remains committed to the High School, and to a groundbreaking in 2024, Lord willing and the Creek don't rise!

Commissioner Bonner stated that his vote was independent and not influenced. He stated that at this point and time the country is in the worst shape it has ever been. He stated people are struggling. He stated he wants this project to go forward. He stated he represents the County and schools and he stated he is fearful to go into this project until he can see clearly where the County is headed he cannot vote in favor of the project.

Commissioner McLaughlin stated that he appreciated the school's presentation. He thanked the joint committee for their work and the public hearings that have been held regarding the location of the high school. He stated that many positive things have come from this project. He stated that public buy in for the bond issuance is critical. He stated that COVID 19 has thrown a wrench into the project. He stated the County's debt decreases in 2024. He stated the vote is to delay the project. He stated this will allow for more public input. He stated that is unknown if the state grant monies will be available. He stated that school ADM is also an unknown factor as a result of COVID 19. He noted that a windmill project is to come online that could bring additional revenues. He stated that he looks forward to the project however the timing is not right.

Commissioner Lawrence stated he wanted to let the voters decide on the referendum.

FY 2020-21 Budget Presentation

Mr. Howard will present the Board with the proposed FY 2020-21 budget and budget message. He also presented a PowerPoint highlighting the message. A copy of the PowerPoint and Budget message are in the meeting file labeled May 18, 2020.

Honorable Chair Kersey and County Commissioners:

This FY 2020-2021 budget is presented to you in accordance with the *North Carolina Local Government Budget and Fiscal Control Act*. The proposed budget is presented subject to a public hearing and the Chowan County Board of Commissioners revisions and approval. This budget is balanced and identifies the estimated revenues and expenditures for the Fiscal Year 2020-2021.

The FY 2020-2021 proposed budgeted revenues and expenditures for the General Fund, including the Social Services Fund, are \$17,764,240 compared to the approved FY 2019-2020 budget of \$17,710,626.

As in years past, County Administration received budget requests, revenue estimates and other financial information from department heads and other various officials, officers, and agencies of Chowan County. The proposed budget is based on these budget requests, along with information provided by staff and input from the County Commissioners. Each department or agency presented an original budget request to the Finance Office. The Finance Officer and County Manager, upon receipt of individual departmental requests, developed a budget to be submitted to the Chowan County Board of Commissioners. Developing the budget this year has been a challenge due to the uncertain economic impact that we face due to the COVID-19 crisis. The financial effect of the COVID-19 crisis has not yet been determined and we have estimated revenues to the best of our abilities using guidance from multiple sources, including Local Government Commission, UNC School of Government, and our colleagues in other local governments.

The Budget Officer will publish a statement in the Chowan Herald that the budget has been submitted to the Chowan County Board of Commissioners and is available for public inspection in the office of the Clerk to the Board and on the Chowan County web site. The same published statement will also give notice of the time and place of the public hearing during which any person who may wish to comment on the budget may appear before the Board of Commissioners.

No earlier than ten days after the public hearing and not later than June 30, 2020, the Chowan County Board of Commissioners must adopt a budget ordinance making appropriations, estimating revenues and levying taxes for FY 2020-2021.

Proposed Tax Rate

The FY 2020-2021 budget, as recommended, does not include an Ad Valorem tax rate increase from the 2019-2020 budget. The property tax rate remains at \$0.755 per one hundred-dollar (\$100.00) value on Real and Personal Property and Motor Vehicles listed as of January 1, 2020. The estimated tax base, which is provided to the County Manager by the Tax Administrator, is used in this budget to determine the amount of property tax revenue that will be available in the FY 2020-2021 budget. The amount of revenue that is expected to be collected in the coming year is determined by the tax base amount and the collection rate.

General Fund Revenues

Below is a summary of the proposed general fund revenues (excluding Social Services) by service for FY 2020-2021 followed by detail of each service:

Service	Proposed Revenue FY 2021	% of Gen Fund Budget
Ad Valorem Taxes	\$11,186,463	71%
Sales Tax	\$1,840,524	12%

Departmental	\$687,605	4%
Permits and Fees	\$362,410	2%
Miscellaneous	\$609,571	4%
Other Taxes	\$49,110	0%
Fund Balance	\$1,126,584	7%
Total Revenues	\$15,862,267	100%

Ad Valorem Taxes

- **Property Tax Collections** - Estimated property tax revenues for FY 2020-2021 are calculated based upon the audited tax collection rate for FY 2018-2019. According to the 2019 audit, the collection rate for real and personal property was 98.44% and the collection rate for motor vehicles was 100%. These rates are used to estimate next year's property tax revenues.

The Chowan County 2020 tax year valuation estimate provided by the Tax Administrator anticipates a total valuation for FY 2020-2021 of \$1,476,060,702. This valuation includes real and personal property, including public utilities, and motor vehicles. At 100% collection, each penny of the property tax rate assessed will produce \$147,606. Applying a collection rate of 98.44% to real and personal property and 100% to motor vehicles, each penny of the assessment will produce \$145,516.

With the proposed tax rate of \$0.755 per \$100.00 valuation, the 2020-2021 budget year projected revenues for real and personal properties and utilities are estimated at \$9,957,300. Revenues for motor vehicles are anticipated to be \$1,029,163.

The FY 2020-2021 budget also anticipates the collection of \$150,000 in prior years' delinquent real and personal property taxes as well as 50,000 in penalties, interest and other miscellaneous charges assessed upon delinquent taxes.

Therefore, the FY 2020-2021 budget anticipates the collection of \$11,186,463 in ad valorem and motor vehicle tax revenues, which represents 71% of General Fund Revenues.

Sales Tax Revenue

- Chowan County anticipates collecting \$933,784 in FY 2020-2021 from the local 1-cent Article 39 sales tax. The County also predicts revenues of \$637,942 in the General Fund from the ½ cent Article 40 sales tax. An additional thirty (30) percent of the Article 40 sales tax by statute is restricted for school capital projects and is sent directly to the School Capital Reserve and is not reflected in the General Fund. The County further projects collecting from the ½ cent Article 42 sales tax a total of \$88,646. An additional sixty (60) percent of the Article 42 sales tax by statute is restricted for school capital projects and is sent directly to the School Capital reserve and is not reflected in the General Fund. Chowan County anticipates collecting \$180,152 from the ½ cent Article 44 sales tax. The budgeted sales tax revenue for 2020-2021 reflects a reduction of 25% from the current year projected revenue (2019-2020) due to the undetermined financial impact of COVID-19.

Therefore, the total amount of sales tax revenue anticipated in the General Fund budget is \$1,840,524, which represents 12% of General Fund Revenues.

Departmental Revenue

- **Register of Deeds Revenues** – The FY 2020-2021 budget projects revenues from real estate registration (recording fees), vital statistics and marriage licenses in the amount of \$189,920. This amount includes \$102,000 in excise tax (deed stamps) to be divided between Chowan County and the State of North Carolina.
- **Sheriff** – Chowan County anticipates revenues in the amount of \$150,757 from the School Resource Officer program and other miscellaneous fees for the FY 2020-2021 budget.
- **Tri-County Animal Shelter** – The FY 2020-2021 budget estimates revenues of \$138,616 from Gates and Perquimans Counties for operations, as well as miscellaneous revenues of \$8,400. Total anticipated revenues for the Animal Shelter are \$147,016.
- **Recreation** – The FY 2020-2021 budget estimates revenues of \$61,150 from registration fees, concessions, and special events.
- **Soil & Water** – The FY 2020-2021 budget estimates revenues for Soil and Water in the amount of \$45,774.

Permits and Fees

- **Planning and Inspections Office** – Planning and Inspections for FY 2020-2021 are anticipated to generate \$110,000 in building permit fees, \$5,000 in public nuisance fees and \$4,000 in planning fees.
- **Fines & Forfeitures** - The FY 2020-2021 budget anticipates \$90,000 in the receipt of fines and forfeitures, which are remitted to the Edenton-Chowan Board of Education.
- **Jail** – The FY 2020-2021 budget anticipates \$33,500 in jail fees.
- **Court Fees** – The FY 2020-2021 budget anticipates \$40,000 in court costs and \$12,500 in court facility fees which must be used to maintain the county courthouse.
- **Senior Center/Nutrition** – The FY 2020-2021 budget predicts revenues of \$12,800 from registration fees, other fees and from the Albemarle Commission for the Nutrition Program.

Miscellaneous

- **Building Rental** - The budget for FY 2020-2021 estimates revenues of \$157,574 in building rental fees.

- **ABC** - The FY 2020-2021 budget anticipates \$80,000 in profit distribution from the ABC Store.
- **Interest Earned** – The budget for FY 2020-2021 estimates \$37,500 in interest earned on investments.
- **Transfers In** – The budget for FY 2020-2021 projects revenue of \$100,000 from the Water Department fund for administrative services.
- **JCPC Grant** – Revenues of \$97,394 are estimated for the FY 2020-2021 budget from the Juvenile Justice programs, including the After School Program (\$43,562) and Intensive Supervision Program (\$53,832).
- **Town of Edenton** – The FY 2020-2021 budget projects \$100,387 in reimbursement from the Town of Edenton for Information Technology and \$42,578 for Building Inspections services.

Other Taxes

- The FY 2020-2021 budget projects \$49,110 in revenues for miscellaneous taxes.

Fund Balance

- The FY 2020-2021 budget anticipates using \$1,126,584 from Fund Balance. However, if revenues are better than projected, it will not be necessary to use the entire amount.

General Fund Expenditures

Below is a summary of Chowan County's proposed expenditures for the General Fund (excluding Social Services) for FY 2020-2021 by function:

Function	Proposed Funding FY 2021	% of Gen Fund Budget
Public Safety (Sheriff/SRO, 911, Jail, EMS, Animal Shelter)	\$6,009,820	38%
Public Education (ECPS, COA, Library)	\$4,323,528	27%
Government (Elections, ROD, Tax, Admin)	\$2,734,265	17%
Human Services (Rec, Health & Mental Health, Ag, SR Citizens)	\$2,486,177	16%
Other Services (Planning, Forestry)	\$308,477	2%
Total Expenditures	\$15,862,267	100%

Public Safety

- **Sheriff's Office** – The FY 2020-2021 budget appropriates \$1,493,826 for the Chowan County Sheriff's Office, which includes salaries and benefits for of \$1,200,421. The appropriation also includes \$58,738 for vehicle leases, \$86,500 for Supplies, \$34,500 for Maintenance & Repairs and \$45,667 for capital needs. The FY 2020-2021 budget also appropriates an additional \$200,561 for the School Resource Officer program.
- **Jail** – The FY 2020-2021 budget appropriates \$887,702 for the operation of the Chowan County Detention Center.
- **Central Communications** – The FY 2020-2021 provides \$560,332 for the operation of the 911 emergency communications system.
- **Emergency Medical Service** - The FY 2020-2021 budget appropriates \$962,917 to the EMS Enterprise Fund to cover a revenue shortfall in that amount.
- **Building Inspections** - The FY 2020-2021 budget appropriates \$231,279 for the Inspections Department.
- **Animal Shelter** – The FY 2020-2021 budget appropriates \$216,673 for Tri County Animal Shelter operations. The budget includes \$30,000 for parking lot repairs. It is estimated that \$138,616 will be reimbursed to Chowan County, as fiscal agent, from Gates (\$64,844) and Perquimans (\$73,772) Counties.
- **Animal Control** – The FY 2020-2021 budget appropriates \$70,693 for operations of the Animal Control Office.
- **Building Maintenance** – The FY 2020-2021 budget provides \$217,998 for maintenance needs and improvements for the Public Safety Center building, the Courthouse, and the Jail.

Public Education

- **Edenton – Chowan Public Schools** –The school current expense appropriation provided for in the FY 2020-2021 budget is \$3,500,000. The appropriation will be distributed in twelve (12) equal monthly payments.
- **Community Colleges** - The FY 2020-2021 budget appropriates \$200,000 to College of the Albemarle to be used for current expense for the Chowan Campus and \$25,000 for capital

outlay. The current expense appropriation will be distributed in twelve (12) equal monthly payments, and capital outlay will be distributed to COA on a reimbursement basis, after prior approval and after consultation with the Board of Commissioners for capital outlay expenditures and projects. Reimbursable projects under \$5,000 shall not require Board of Commissioner approval.

- **Shepard Pruden Memorial Library** - The FY 2020-2021 budget appropriates \$193,000 for operating expenses and \$38,985 for building maintenance needs.

Government

- **Administration and Finance** – The budget for FY 2020-2021 provides \$464,751 for administrative and finance operations.
- **Maintenance** - The FY 2020-2021 budget provides \$425,170 for Maintenance Department operations.
- **Tax Collections** - The FY 2020-2021 budget appropriates \$389,677 for tax office operations.
- **Information Technology** – The FY 2020-2021 budget appropriates \$304,016 for County IT expenditures.
- **Register of Deeds**– The proposed FY 2020-2021 budget provides \$253,036 for the operation of the Register of Deeds Office.
- **Insurance** – The FY 2020-2021 budget provides \$221,764 for Worker’s Compensation and Professional Liability insurance.
- **Revaluation** – The FY 2020-2021 appropriates \$131,240 to the Revaluation Fund in preparation for the county-wide tax revaluation that is performed every eight (8) years. The next revaluation must be complete by January 1, 2022.
- **Land Records** – The FY 2020-2021 budget provides \$127,287 to the Land Records/GIS Department located in the Register of Deeds Office.
- **Elections** – The FY 2020-2021 budget appropriates \$117,299 for the operations of the Elections Office.

Human Services

- **Social Services**– The FY 2020-2021 budget appropriates \$939,493 in County funds to the Social Services fund. While all Social Services budgets were previously in Fund 11, they have been budgeted in Fund 12 since FY 2012-2013. However, for auditing purposes, Social Services remains part of the General Fund.
- **Recreation** – The FY 2020-2021 budget provides \$513,424 for the Recreation Department to operate community recreational programs. The budget also provides \$69,000 for maintenance needs, including an HVAC replacement, for the Northern Chowan Community Center (NCCC).
- **Senior Center/Nutrition** – The FY 2020-2021 budget provides \$156,881 to fund the Senior Center and Nutrition Program for Chowan County senior citizens. The budget also appropriates \$18,136 for maintenance needs for the Swain School building.
- **Public Health** – The FY 2020-2021 budget provides an appropriation in the amount of \$94,904 payable to Albemarle Regional Health Services for public health services.
- **Mental Health** - The FY 2020-2021 budget provides \$34,925 to Trillium Health Resources which includes the county's \$2.13 per capita contribution and the transfer of \$5,000 in bottle tax revenues.
- **Cooperative Extension** - The FY 2020-2021 budget appropriates \$209,271 to Cooperative Extension Services. The budget also provides \$31,050 for maintenance needs to the Agriculture building.
- **Veterans Affairs** - The FY 2020-2021 budget appropriates \$18,016 for Veterans Affairs services.

Other Services

- **Soil Conservation** - The FY 2020-2021 budget appropriates \$122,971 for the Soil and Water Conservation Program. This includes funds for Beaver Management, Water Quality Management, and Soil and Water Management.
- **Planning** – The FY 2020-2021 budget provides \$101,723 for the Planning Department.
- **Forestry** - The FY 2020-2021 budget provides an appropriation in the amount of \$82,783 to the Forestry program.

Social Services Fund

- The Social Services program anticipates a FY 2020-2021 budget of \$2,841,466 in revenues and expenditures. This includes an appropriation from the General Fund of \$939,493.

Fire Districts

- **Revenues** - The FY 2020-2021 Fire District Special Revenue Fund anticipates \$526,153 in ad valorem and motor vehicle tax revenues and \$38,908 in sales tax revenues for the benefit of fire departments in Chowan County. This fund uses \$152,157 in fund balance for a total budget of \$717,718.
- **Expenditures** - The FY 2020-2021 budget provides \$234,968 to the Center Hill Crossroads Volunteer Fire Department for operations and equipment.

The budget further provides \$422,415 to the Town of Edenton for its fire services to the non-town residents of Chowan County. This amount is recalculated each year based upon a five year average of Edenton Fire Department calls outside of the town limits. The budget also appropriates \$45,335 in capital outlay for equipment.

The FY 2020-2021 budget provides \$15,000 for a tanker to the Belvidere Chappell-Hill Fire Department.

E911/Central Communications Fund

- The E-911 Special Revenue Fund anticipates \$261,498 in revenues and expenditures for the FY 2020-2021 budget. This fund is not projected to use any fund balance.

Re-Valuation Fund

- The Re-Valuation Fund anticipates a budget for FY 2020-2021 of \$231,240 which includes a transfer from the General Fund for \$131,240. The fund is projected to use \$100,000 in fund balance.

Debt Service

- The FY 2020-21 budget provides \$1,568,139 in principal and \$160,334 in interest toward the County's debt obligation, a total of \$1,728,473 for debt service.

Capital Reserve Fund

- The Capital Reserve Fund projects revenues and expenditures for the FY 2020-2021 budget of \$300,000. Revenues received for the Capital Reserve Fund are from Land Transfer tax.

School Capital Reserve Fund

- The FY 2020-2021 budget anticipates revenues from Article 40 and Article 42 sales tax in the amount of \$693,838 for the School Capital Fund. These revenues are designated specifically for capital outlay.

Lottery Fund

- The FY 2020-2021 budget provides \$103,573 for the sixteenth year for the debt payment due July 1, 2020 for the QZAB (Qualified Zone Academy Bonds) interest-free loan, which provided funds for renovations to John A. Holmes High School. Proceeds from lottery funds are designated for this debt payment.

Tourism Development Authority

- The budget for FY 2020-2021 for the Tourism Development Authority (TDA) Fund estimates revenue and expenditures at \$153,661. Revenues for TDA are received from Occupancy Tax and are projected to decrease by 20% due to the potential economic impact of COVID-19. The financial effect of the crisis to tourism is still uncertain at this time and will be monitored during the year.

Emergency Medical Service Fund

- The Emergency Medical Systems (EMS) Enterprise Fund revenues are estimated at \$900,000 for the FY 2020-2021 budget. A transfer from the General Fund of \$962,917 was budgeted to cover the revenue short-fall. Expenditures for FY 2020-2021 are projected at \$1,862,917, which include salaries and benefits of \$1,529,670, Worker's Comp and Liability insurance of \$53,335, maintenance needs of \$53,500 and equipment lease of \$47,312.

Water Fund

- The FY 2020-2021 recommended budget for the Water Department Enterprise Fund is \$1,701,088 in revenues and expenditures. Charges for utilities are estimated at \$1,600,000. Budgeted expenditures include salaries and benefits of \$493,636, professional fees of \$562,000, chemicals and supplies of \$146,000, capital outlay of \$114,000 and maintenance needs of \$84,000.

Solid Waste Fund

- The FY 2020-2021 proposed budget for the Solid Waste Enterprise Fund is \$1,176,300, which includes \$133,300 in fund balance for the year. Budgeted expenditures include \$124,000 for capital improvements to convenience sites.

Conclusion

This budget represents our best estimate of revenues and expenditures for the upcoming fiscal year. Due to the uncertainty we are facing in the economy, adjustments may be required during the year to amend the adopted budget. The Chowan County Board of Commissioners is required to approve any such budget adjustments, which increase or decrease a department's total expenditures during the course of the fiscal year.

I urge the Commissioners to carefully consider and study this proposed budget. If there are any questions or concerns, please do not hesitate to contact me.

On behalf of your County staff, we look forward to working with the Commissioners during the coming year to provide the best services possible at the most reasonable cost to the taxpayers of Chowan County.

Ms. Stallings noted that the budget materials can be found on the County Website under Departments/Finance/ Budget Information FY 2020-21.

Lease – Carolina Telephone/Century Link

Mr. Howard stated that the County currently has a long-term lease in place that expires on May 31, 2020 with Carolina Telephone. The Board will consider a one-year renewal of the ground lease for the property located at Pin# 6897-00-25-4050 1416 Virginia Rd. (well site located on Highway 32 between Macedonia and Morristown Roads).

Commissioner Faircloth moved to approve the lease as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Hazard Mitigation Plan Update Resolution

Planner Brandon Shoaf stated the Albemarle Regional Hazard Mitigation Plan has been updated from the 2015 document. This plan is essential to have in place to be eligible to apply for and receive federal disaster aid funds should the need arise and they become available. We were informed last Thursday, that the existing plan expires on May 12, 2020, and in order to ensure continued compliance, FEMA has authorized communities to proceed with adoption immediately, as the plan is considered a living document that is subject to change. Under normal conditions, we would have had the opportunity to review the draft in a timelier manner, but given deadlines imposed by FEMA, we recommend the Commissioners consider adopting the prepared resolution. He noted this allows the County to receive FEMA reimbursement and shows FEMA the county is working to mitigate any known issues. He stated the draft was sent Thursday and he has not had the time to digest all of the info. He noted he has sent in corrections. He noted the document is a living document and can be amended if needed.

Chair Kersey noted the staff and the Board have not had time to digest all of the information. She asked if the Board is able to fix any issues.

Mr. Shoaf stated yes.

Mr. Howard noted that Cord Palmer will be listed at the contact in the resolution and if the question is Land Use that will be delegated to Mr. Shoaf.

The Board discussed the procedure for amendment the document.

Mr. Shoaf stated that if the Board sees anything that needs to be amended to let him know.

Commissioner Bonner moved to approve the resolution as presented. Chair Kersey asked for all in favor, the motion passed (6-1 Cummings).

**RESOLUTION ADOPTING THE
ALBEMARLE REGIONAL HAZARD MITIGATION PLAN**

WHEREAS, Chowan County is vulnerable to an array of natural hazards that can cause loss of life and damages to public and private property; and

WHEREAS, the County and participating municipal jurisdictions desire to seek ways to mitigate situations that may aggravate such circumstances; and

WHEREAS, the development and implementation of a hazard mitigation plan can result in actions that reduce the long-term risk to life and property from natural hazards; and

WHEREAS, it is the intent of the Chowan County Board of Commissioners to protect its citizens and property from the effects of natural hazards by preparing and maintaining a local hazard mitigation plan; and

WHEREAS, it is also the intent of the Chowan County Board of Commissioners to fulfill its obligation under North Carolina General Statutes, Chapter 166A: North Carolina Emergency Management Act and Section 322: Mitigation Planning of the Robert T. Stafford Disaster Relief and Emergency Assistance Act to remain eligible to receive state and federal assistance in the event of a declared disaster affecting Chowan County; and

WHEREAS, Chowan County actively participated in the planning process for the Albemarle Regional Hazard Mitigation Plan and has prepared a regional hazard mitigation plan update with input from the appropriate local and state officials; and

WHEREAS, the North Carolina Division of Emergency Management and the Federal Emergency Management Agency have reviewed the Albemarle Regional Hazard Mitigation Plan for legislative compliance and have approved the plan pending the completion of local adoption procedures;

NOW, THEREFORE, be it resolved that the Board of Commissioners of Chowan County hereby:

1. Adopts the Albemarle Regional Hazard Mitigation Plan; and
2. Vests Cord Palmer with the responsibility, authority, and the means to:
 - (a) Inform all concerned parties of this action.
 - (b) Cooperate with Federal, State and local agencies and private firms which undertake to study, survey, map, and identify floodplain or flood-related erosion areas, and cooperate with neighboring communities with respect to management of adjoining floodplain and/or flood-related erosion areas in order to prevent aggravation of existing hazards.

3. Appoints Cord Palmer to assure that, in cooperation with the other participating jurisdictions, the Hazard Mitigation Plan is reviewed annually and every five years as specified in the Plan to assure that the Plan is in compliance with all State and Federal regulations and that any needed revisions or amendments to the Plan are developed and presented to the Chowan County Board of Commissioners for consideration.
4. Agrees to take such other official action as may be reasonably necessary to carry out the objectives of the 2020 Albemarle Regional Hazard Mitigation Plan.

Safe Kids Contract

County Attorney Lauren Arizaga Womble stated that at the September 16, 2019 meeting, the Board approved the Sheriff's Department to manage the Safe Kids grant program for Chowan County. The Sheriff's Department has participated in this program for years; however, Vidant Chowan Hospital had been the grant manager. The County received a formal contract for the program. She noted she has reviewed the contract and her concerns have been addressed. Staff recommends approval of the contract.

Deputy Stulick covered the procedures for Safe Kids events and programming. He stated that the liability does not fall on the County. He noted that the event is covered, the OSFM covers liability and he stated that there is no cost or liability. He stated that the program there is no cost to the County and has been in place for some time.

Ms. Womble noted she has requested that two changes be made to the draft contract. She stated that she would like an indemnity provision added that sovereign immunity is not waived and section on governing law. She stated that is Chowan County North Carolina.

Commissioner McLaughlin asked if this is a line item in the Sheriff budget.

Finance Office Cathy Smith stated that this is discretionary monies and there is currently \$3,900 in that account.

Chair Kersey thanked Deputy Stulick for stepping up and keeping the program running.

Ms. Womble noted that there may be some changes made after this she asked for discretion in making any necessary changes.

Commissioner McLaughlin moved to approve the contract based on final review by legal counsel. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Older Americans Month Proclamation

Commissioner McLaughlin stated Area Agency on Aging has provided the annual proclamation that declares May as Older Americans Month for the Board's consideration. At the May 4th meeting Commissioner McLaughlin requested the item be tabled for revision. Attached is the revised proclamation for the Board's consideration.

Commissioner Kirby noted one correction to the second Whereas and recommended it be taken off.

Commissioner McLaughlin then moved to approve the amended resolution as amended. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Older Americans Month 2020
A PROCLAMATION

Whereas, the Chowan County Board of Commissioners celebrate and value the contributions, knowledge, wisdom and life experiences of our older citizens

Now, therefore, in keeping with the National proclamation, Chowan County proclaims the month of May to be Older Americans Month - 2020.

Dated this 18th day of May, 2020

Planning Board Appointment

Chair Kersey noted that the Board has three applications to consider for Planning Board vacancies in areas B and D. There is a vacancy advertised for Area A but that has only been advertised for a couple of weeks. Under your new appointment policy, vacancies that have been advertised for more than four months, applications from other areas may be considered. The following individuals have been recommended for consideration for the vacancies in Area B and D:

Haywood Bond (resides in Area D)
Don Herr (resides in Area C)
George Little (resides in Area C)

Commissioner McLaughlin moved to nominate Haywood Bond to fill the seat in Area D. Chair Kersey asked for all in favor the motion passed (5-2 Kersey and Kirby).

Commissioner Faircloth moved to appoint Don Herr to the vacancy in Area B. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Ms. Stallings noted that these will be three-year appointments. The Board agreed.

Chair Kersey called for a five-minute recess, after five minutes she called the meeting back to order.

RFQ – Feasibility Study

Mr. Howard presented the Chowan County recently advertised for Request for Qualifications (RFQ) soliciting Statements of Qualification from engineering consultants interested in providing services for a regionalization feasibility study including a preliminary evaluation of the feasibility to implement a regional water supply and treatment facility providing a future safe drinking water supply for Chowan County, Edenton, a portion of Perquimans County, and perhaps others systems. The County received two proposals. Staff recommends Rivers and Associates to address the County's needs.

Commissioner Kirby asked if the contract comes in above the grant amount.

Mr. Howard stated that they will have to stay under \$50,000.

Commissioner Cummings moved to approve Rivers and Associates.

Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Budget Amendments

Finance Officer Cathy Smith presented the following budget amendments:

BA1920-058

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Water Department			
61-3839-890-00	Miscellaneous Revenue	3,098.00	
61-7120-187-00	Bank Fees		3,098.00
	Balanced	3,098.00	3,098.00
Justification:			
	<i>To amend the 2020 budget to include additional bank card fees received from customers and paid to Voice Data Solutions.</i>		

BA1920-059

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Register of Deeds			
11-3418-415-00	*Preservation/Automation	796.80	
11-4180-298-00	*Dept Supplies - Auto/Pres		265.60
11-4180-440-00	*Contr Svcs - Automation/Pres		265.60
11-4180-511-00	*C/O - Auto / Pres		265.60
Sheriff's Office			
11-3431-232-00	*Sheriff Donations	70.00	
11-4317-440-00	*Donation - Expense		70.00
11-3431-235-00	*Sheriff Executions	600.00	
11-4316-440-00	*Sheriff Executions		600.00
Animal Shelter			
11-3438-894-00	*Donations - Chowan	525.00	
11-3438-894-02	*Donations - Perquimans	375.00	
11-4381-600-00	*Donation - Expense		900.00
11-3438-895-00	*Adoption - Chowan	580.00	
11-3438-895-01	*Adoption - Gates	76.00	
11-3438-895-02	*Adoption - Perquimans	260.00	
11-3438-895-03	*Adoption - Other	400.00	
11-4381-441-00	*Contr Svcs - Spay/Neuter		1,316.00
Cooperative Ext:			
11-3495-378-00	*4-H Fees Discretionary	620.52	
11-4953-448-00	*4-H Fees Discretionary		620.52
11-3495-379-00	*Livestock Program	6,136.00	
11-4953-449-00	*Livestock Program		6,136.00
11-3495-380-00	*ECA Discretionary	20.00	
11-4953-450-00	*ECA Discretionary		20.00
Senior Center			
11-3616-532-00	*Donations - Home Del Meals	245.00	
11-4268-904-01	*Donations - Home Del Meals		245.00
11-3616-535-03	*Healthways	1,437.00	
11-4268-352-02	*Healthways		1,437.00
	Balanced	12,141.32	12,141.32
	Total Discretionary Income Received FYE 2020	169,053.99	
Justification:			
	<i>To amend the 2020 budget to include Discretionary income received through April 2020.</i>		

BA1920-060

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Tax Administration			
11-3346-105-00	Attorney Fees	2,570.37	
11-4140-199-00	Professional Services - Legal Fees		2,570.37
	Balanced	2,570.37	2,570.37
Justification:			
	<i>To amend the budget to include attorney fees collected from customers and paid to Zacchaeus Legal Services through April 2020.</i>		

BA1920-061

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
TDA			
51-3832-530-00	Co-Op Advertising	1,750.00	
51-8150-370-01	Advertising - Co-op		1,750.00
	Balanced	1,750.00	1,750.00
Justification:			
	<i>To amend the 2020 budget for TDA to include Co-Op Income through April 2020.</i>		

BA1920-062

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Social Services			
12-5310-121-00	Salaries - FT		(4,000.00)
12-5310-231-00	Departmental Supplies		4,000.00
	Balanced	-	-
Justification:			
	<i>To amend the budget to include purchases for COVID-19. Monies are being transferred between line items and there is no additional funding requested.</i>		

BA1920-063

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Elections			
11-4170-122-00	Salaries - PT		1,153.00
11-4170-311-00	Travel		(1,153.00)
11-4170-182-00	Retirement		40.00
11-4170-491-00	Dues & Subscriptions		(40.00)
11-4170-126-00	Salaries - PT Precinct		3,997.00
11-4170-261-00	Office Supplies		(1,200.00)
11-4170-321-00	Telephone		(250.00)
11-4170-341-00	Printing		(1,600.00)
11-4170-380-00	IT Support		(947.00)
	Balanced	-	-
Justification:			
	<i>To amend the budget to include additional expenses for the 3rd election. No additional funding requested. Monies are being transferred between line items.</i>		

BA1920-064

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Social Services			
12-3531-230-01	Social Services Admin	2,939.63	
12-5380-539-21	Low Income Energy Assistance		2,939.63
	Balanced	2,939.63	2,939.63
Justification:			
	<i>To amend the 2020 budget based on the Division of Social Services Funding Authorization, which increases revenue and expenditures from \$82,330 to \$85,270.</i>		

Commissioner Kirby moved to approve the budget amendments as presented. Chair Kersey asked for all in favor, the motion passed unanimously (7-0).

Finance Officer Report

Finance Officer Cathy Smith will provide the Board with financial reports through the month of April 2020. A copy of the financials is in the meeting file labeled May 18, 2020.

External Board/Committee Report

Chair Kersey stated that Board members are asked to report on the activities of the external boards to which they have been appointed.

Commissioner Kirby noted the Albemarle Commission Board is currently conducting interviews for Executive Director.

Manager's Report

County Manager Kevin Howard will update the Board on any pending matters.

He stated that all projects are currently on schedule. He stated the Boys and Girls Club will move in their building in early July.

COVID19 Monies

Mr. Howard stated the County will receive \$476,000. He stated he has participated in several conference calls on how this money can be spent. He stated that the County can apply for funds for the Town of Edenton. He stated the County is allowed to make appropriations to nonprofits as well as create grant monies for small businesses. He stated the County should know more by the first meeting in June. He stated a general plan is required and that plan can be amended. He noted all funds have to be spent by December.

Commissioner McLaughlin asked where the monies came from.

Mr. Howard stated that it is federal monies sent to the state and divided among counties. He stated that Counties are currently not being allowed to use the funds for revenue loss. He stated that there is a push to allow counties to use the monies for this purpose.

Chair Kersey stated that Counties will need guidance on how to give the monies away. She stated the County needs to identify all the COVID expenses. She stated she emailed Congressman Murphy's office to see if the bill could be amended.

Mr. Howard stated the Association of County Commissioners is working with Counties to assist with the distribution of the funds. He stated the County is responsible for all funds. He stated if the monies are spent on something they should not be the County is responsible to pay the monies back.

Finance Officer Ms. Smith stated that most of the County's expenses are \$20,000 in purchases. She noted the County has paid Emergency Family Leave. She stated that salaries are also reimbursable.

Chair Kersey stated that she would like to see monies left over go into a community grant.

Timely and Important Matters

Ms. Stallings noted upcoming budget meetings, May 21st, May 26th and June 11th.

Adjourn

Commissioner McLaughlin moved that the meeting be adjourned. Chair Kersey asked for all in favor, the motion passed unanimously (7-0)

Patti F. Kersey, Chair

Susanne Stallings, Clerk



Chowan County
305 West Freemason Street
Edenton, NC 27932
(252) 482-5618

STAFF REPORT

To: Chowan County Commissioners, County Manager
Date: June 9, 2020
Case: CC-TA-20-04

GENERAL INFORMATION

Requested Action: Review and recommend an amendment to the Chowan County Zoning Ordinance regarding the following: **Article 8.109 Wind Energy Facilities.**

ANALYSIS

At your last regularly scheduled Commissioners' meeting I presented the discussion from the last Planning Board meeting. Once that was heard I was directed to work on the proposal that I had included in your agenda packet with input from Commissioners.

Early last week, Vice Chair Kirby sent an idea he'd like to have included that called for adding an RF study as part of the application for a new Wind Facility and provided support from the wind industry itself for that.

Commissioner Cummings stopped by and also gave his support for inclusion of an RF study and provided me with a copy of proposed ideas and language he'd like included. The two other main points he suggested were changing the amount of the required escrow account to be available to the County, to \$500,000 and increasing the multiplier for setbacks for small and large wind facilities.

Chair Kersey provided input that included changing the naming of the different sizes of wind facilities to private and commercial. She, like myself and others, also proposed reducing the allowable decibel levels, something that is recommended by the World Health Organization now. Addressing the escrow, her proposal included maintenance of the account if it dipped below \$20,000.

I took these and merged it all together in the proposal you have and tried to make it flow like the current County Zoning Ordinance does.

Proposed Language:

Attached, you'll find the portion of the ordinance as it is now and the proposal I shared with the Planning Board and the Commissioners, including language from Commissioners that provided it to me.

RECOMMENDATION

Review all of the proposed language and identify what makes sense to move forward as an amendment to the Wind Facilities Ordinance. Vote on a motion to approve that amendment at a Public Hearing set for the July meeting, and already voted on at the last regular County Commissioner's meeting.

Any vote that you make in tonight should also be preceded by, and voted on, a statement of consistency with the current Land Use Plan. For example:

This amendment will be consistent with the 2018 Land Use Plan or any other plan officially adopted by the Board of Commissioners because it clarifies the intent of the County Zoning Ordinances.

Attachments:

Current Ordinance language
Proposal with editing

8.109 Wind Energy Facilities (Small, Medium, Large)

A. Zoning Districts

Small:	A-1
Medium:	A-1
Large:	A-1

B. Preamble

Wind Energy Facilities may be permitted in districts as designated in the Table of Permitted Uses, found at Article 5, Table 5-1, subject to the following requirements:

1. A Permit Application for a Wind Energy Facility shall contain the following:
 - (a) A narrative describing the proposed Wind Energy Facility, including an overview of the project;
 - (b) The proposed total rated capacity of the Wind Energy Facility;
 - (c) The proposed number, representative types and height or range of heights of Wind Turbines to be constructed, including their rated capacity, dimensions and respective manufacturers, and a description of ancillary facilities;
 - (d) Identification and location of the property or properties on which the proposed Wind Energy Facility will be located;
 - (e) A site plan showing the planned location of all Wind Turbines, property lines, setback lines, access roads, substation(s), electrical cabling from the Wind Energy Facility to the substation(s), ancillary equipment, building(s), transmission and distribution lines. The site plan must also include the location of all Occupied Buildings, Residences, and other features sufficient to demonstrate compliance with the setbacks required by this Article;
 - (f) Any Environmental Assessment required by state or Federal law;
 - (g) Decommissioning plans that describe the anticipated life of the Wind Energy Facility, the estimated decommissioning costs in current dollars, the salvage value of the equipment, and the anticipated manner in which the Wind Energy Facility will be decommissioned and the site restored;
 - (h) Documentation of agreement between Participating Landowner(s) and the Applicant, Facility Owner, or Operator; and Signature of the Applicant.
 - (i) The applicant shall establish an escrow account in the name of Chowan County in the amount of \$50,000 to be used by the

County for all County expenses related to the project.

2. Throughout the permit process, the Applicant shall promptly notify Chowan County of any proposed changes to the information contained in the permit application that would materially alter the impact of the project.
3. Changes to the approved application that do not materially alter the initial site plan may be administratively approved by the Zoning Administrator. Major modifications to the approved Conditional Use Permit will require a new Application and approval by the Planning Board and Board of County Commissioners in the same manner as the original Conditional Use Permit. Major Modification is defined as an expansion of the project boundary or an increase in the number of turbines. A decrease in the number of turbines or the relocation of any turbine on the site plan within the project boundary is not a Major Modification so long as the turbine locations conform to development standards of the ordinance.
4. Wind Turbine Height and Setback Multipliers and Minimum Lot Sizes:
The Setbacks shall be calculated by multiplying the required setback number by the Wind Turbine Height and measured from the center of the Wind Turbine base to the property line or the nearest point on a public road right-of-way or the nearest point on the foundation of a Residence or an Occupied Building. For a Wind Energy Facility, Large, the minimum lot size is the minimum combined acreage of lots that are under lease or agreement with the Applicant or Wind Energy Facility Owner pertaining to the Wind Energy Facility.

Lot Size, Setback and Height Requirements

Facility Type	Minimum Lot Size	Minimum Setback Requirements				Maximum Height
		Occupied Buildings	Residences	Property Line (Non-Participating Property)	Public Roads	
Small Facility	43,000 Sq. Ft.	1.5	1.5	1.1	1.5	120 feet
Medium Facility	250 Acres	2.0	2.0	1.5	1.5	250 feet
Large Facility	500 Acres	2.5	2.5	1.5	1.5	600 feet

Setback requirements may be waived by a property owner so long as such waiver is in writing and signed by the property owner and recorded in the Chowan County Register of Deeds Office.

5. Sound and Shadow Flicker

This Section shall only apply to Large Wind Energy Facilities. Sound and Shadow Flicker issues for Small and Medium Wind Energy Facilities are addressed by setbacks.

- (a) Audible sound from a Large Wind Energy Facility shall not exceed fifty-five (55) dBA, as measured at any Occupied Building or Residence on the property of a Non-Participating Landowner.
- (b) Shadow Flicker on any Occupied Building or Residence on a nonparticipating landowner's property caused by a Large Wind Energy Facility must not exceed thirty (30) hours per year.
- (c) Sound and/or Shadow Flicker provisions may be waived by a property owner so long as such waiver is in writing, signed by the property owner and recorded in the Chowan County Register of Deeds Office.

6. Installation and Design

- (a) The installation and design of the Wind Energy Facility shall conform to applicable industry standards, including those of the American National Standards Institute, and take into consideration local conditions.
- (b) All structural, electrical and mechanical components of the Wind Energy Facility shall conform to relevant and applicable local, state and national codes.
- (c) The visual appearance of a Wind Turbine shall at a minimum:
 - i. Be a non-obtrusive color such as white, off-white or gray;
 - ii. Not be artificially lighted, except to the extent required by the Federal Aviation Administration or other applicable authority that regulates air safety; and
 - iii. Not display advertising (including flags, streamers or decorative items), except for identification of the Wind Turbine manufacturer, Facility Owner and Operator.

7. Decommissioning

- (a) The Wind Energy Facility Owner shall have twelve (12) months to complete decommissioning of the Wind Energy Facility if no electricity is generated for a continuous period of twelve (12) months. For purposes of this Section, this twelve (12) month period shall not include delay resulting from Force Majeure.

- (b) Decommissioning shall include removal of Wind Turbines, buildings,

cabling, electrical components, roads, and any other associated facilities down to thirty-six (36) inches below grade.

- (c) Disturbed earth shall be graded and re-seeded, unless the landowner requests in writing that the access roads or other land surface areas not be restored.
- (d) Prior to the issuance of a building permit, the owner of a Medium or Large Wind Energy Facility shall provide a cash bond in favor of the County in an amount equal to the estimated removal cost of the Wind Energy Facility. The bond shall remain in full force and effect until any necessary site restoration is completed to restore the site to a condition comparable to that which existed prior to the issuance of the Conditional Use Permit.

8.110 Recycling Centers

A recycling center developed as a principal use shall be permitted in accordance with Table 5-1, subject to the following:

- A. Recycling centers shall be located five hundred feet or more from any existing residential use. This distance shall be measured from the location of the actual recycling center operation, and not from the property boundaries within which the use is located.
- B. No recycling center operation shall exceed five acres in size.
- C. Any given piece of material collected through operation of the recycling center may not remain on-site for a period exceeding thirty days.
- D. No recycling centers may be developed within a defined Highway Corridor Overlay District.
- E. All new recycling centers must comply with the landscaping screening standards outlined under Section 16.04 (B). If a newly established recycling center is not subject to these standards then screening shall be provided to shield the operation from the right-of-way or road providing access to the site. The method used for screening may be determined by the applicant, but must be approved by the Planning Board in conjunction with the issuance of a special use permit.

8.111 Welding Shops

A. Where Development Standards are Required

8.109 Wind Energy Facilities (~~Small, Medium, Large~~) (Private, Commercial)

A. Zoning Districts

Private: A-1

~~Medium: A-1~~

Commercial: A-1

B. Definitions

Private Wind Energy Facility- for the supply of energy, to be used on site, to a single residence or a single commercial use

Commercial Wind Energy Facility- industrial scale, for the production of energy to be used offsite and/ or for resale.

C. Preamble

Wind Energy Facilities may be permitted in districts as designated in the Table of Permitted Uses, found at Article 5, Table 5-1, subject to the following requirements:

1. A Permit Application for a Wind Energy Facility shall contain the following:
 - (a) A narrative describing the proposed Wind Energy Facility, including an overview of the project;
 - (b) The proposed total rated capacity of the Wind Energy Facility;
 - (c) The proposed number, representative types and height or range of heights of Wind Turbines to be constructed, including their rated capacity, dimensions and respective manufacturers, and a description of ancillary facilities;
 - (d) Identification and location of the property or properties on which the proposed Wind Energy Facility will be located;
 - (e) A site plan showing the planned location of all Wind Turbines, property lines, setback lines, access roads, substation(s), electrical cabling from the Wind Energy Facility to the substation(s), ancillary equipment, building(s), transmission and distribution lines. The site plan must also include the location of all Occupied Buildings, Residences, and other features sufficient to demonstrate compliance with the setbacks required by this Article;
 - (f) Any Environmental Assessment required by state or Federal law;
 - (g) A Radio Frequency study, conducted by a third party consultant, modeling and mitigating interference to radio, television, cellular, broadband or other electromagnetic transmission(s);
 - (h) Decommissioning plans that describe the anticipated life of the Wind Energy Facility, the estimated decommissioning costs in current

dollars, ~~the salvage value of the equipment~~, and the anticipated manner in which the Wind Energy Facility will be decommissioned and the site restored;

(i) The applicant shall provide a surety bond or other irrevocable financial instrument, payable to Chowan County to cover the cost of decommissioning. The amount shall be established by an independent expert not previously associated with the Project or its company and shall be reviewed at five-year intervals and revised as applicable. The bond or other instrument shall remain in full force and effect until any necessary site restoration is completed to restore the site to a condition comparable to that which existed prior to the issuance of the Conditional Use Permit, unless otherwise agreed upon by the property owner;

(j) Documentation of agreement between Participating Landowner(s) and the Applicant, Facility Owner, or Operator; and Signature of the Applicant.

(k) The applicant shall establish an escrow account in the name of Chowan County in the amount of ~~\$50,000~~ \$500,000 to be used by the County for all County expenses related to the project. The escrow account shall be replenished whenever it drops to \$20,000. Operating permits will be immediately revoked in case of failure to replenish the escrow account;

2. Throughout the permit process, the Applicant shall promptly notify Chowan County of any proposed changes to the information contained in the permit application that would materially alter the impact of the project.

3. Changes to the approved application that do not materially alter the initial site plan may be administratively approved by the Zoning Administrator. Major modifications that would materially alter the impact of the project to the approved Conditional Use Permit will require a new Application and approval by the Planning Board and Board of County Commissioners in the same manner as the original Conditional Use Permit. Major Modification is defined as an expansion of the project boundary or an increase in the number of turbines or wattage specified in the permit, location of turbines and or transmission/distribution lines, substations. A decrease in the number of turbines or the relocation of any turbine on the site plan within the project boundary is not a Major Modification so long as the turbine locations conform to development standards of the ordinance.

4. Wind Turbine Height and Setback Multipliers and Minimum Lot Sizes: The Setbacks shall be calculated by multiplying the required setback number by the Wind Turbine Height and measured from the center of the Wind Turbine base to the property line where an occupied building or residence is located, or the nearest point on a public road right of way. For a Wind Energy Facility, Commercial, the minimum lot size is the minimum combined acreage of lots that are under lease or agreement with the Applicant or Wind Energy Facility Owner pertaining to the Wind Energy Facility.

Lot Size, Setback and Height Requirements

Facility Type	Minimum Lot Size	Minimum Setback Requirements				Maximum Height
		Property Lines for Occupied Buildings	Property Lines for Residences	Property Lines for Non-Participating Property	Public Roads	
Private Facility	43,000 Sq. Ft.	1.5 X	1.5 X	1.4 5	1.5 3	120 feet
Medium Facility	250 Acres	2.0	2.0	1.5	1.5	250 feet
Commercial Facility	500 Acres	2.5 X	2.5 X	1.5 5	1.5 3	600 feet

Setback requirements may be waived by a property owner so long as such waiver is in writing and signed by the property owner and the applicant and recorded in the Chowan County Register of Deeds Office.

5. Sound and Shadow Flicker

This Section shall only apply to Large Wind Energy Facilities. Sound and Shadow Flicker issues for Small ~~and Medium~~ Wind Energy Facilities are addressed by setbacks.

- (a) Audible sound from a Large Wind Energy Facility shall not exceed forty-five (45) dBA for more than 10 consecutive minutes, as measured at the closest property line. Each occurrence shall be a separate violation of this ordinance. Penalties may be established by the county and shall be cumulative. The 45 dBA level is a proxy value for infrasound levels. The offending equipment shall be shut down immediately upon notification by County officials and not restarted until the correction is confirmed by an independent licensed engineer.
- (b) There shall be no shadow Flicker on any Occupied Building or Residence on a nonparticipating landowner's property caused by a Commercial Wind Energy Facility ~~must not exceed thirty (30) hours per year.~~
- (c) Sound and/or Shadow Flicker provisions may be waived by a property owner so long as such waiver is in writing, signed by the property owner and applicant and recorded in the Chowan County Register of Deeds Office.

6. Installation and Design

- (a) The installation and design of the Wind Energy Facility shall conform to applicable industry standards, including those of the American National Standards Institute, and take into consideration local conditions.
- (b) All structural, electrical and mechanical components of the Wind Energy Facility shall conform to relevant and applicable local, state and national codes.
- (c) Radio, television, cellular, broadband or other electromagnetic transmission(s) or reception on other properties shall not be disturbed or diminished.
- (d) The visual appearance of a Wind Turbine shall at a minimum:
 - i. Be a non-obtrusive color such as white, off-white or gray;
 - ii. Not be artificially lighted, except to the extent required by the Federal Aviation Administration or other applicable authority that regulates air safety; and
 - iii. Not display advertising (including flags, streamers or decorative items), except for identification of the Wind Turbine manufacturer, Facility Owner and Operator.

7. Decommissioning

- (a) The Wind Energy Facility Owner shall have twelve (12) months to complete decommissioning of the Wind Energy Facility if no electricity is generated for a continuous period of twelve (12) months. For purposes of this Section, this twelve (12) month period shall not include delay resulting from Force Majeure.
- (b) Decommissioning shall include removal of Wind Turbines, buildings, cabling, electrical components, roads, and any other associated facilities down to thirty-six (36) inches below grade.
- (c) Disturbed earth shall be graded and re-seeded, unless the landowner requests in writing that the access roads or other land surface areas not be restored.
- (d) Prior to the issuance of a building permit, the owner of a ~~Medium-or~~ Commercial Wind Energy Facility shall provide a cash bond in favor of the County in an amount equal to the estimated removal cost of the Wind Energy Facility. The bond shall remain in full force and effect until any necessary site restoration is completed to restore the site to a condition comparable to that which existed prior to the issuance of the Conditional Use Permit.
- (e) If the applicant or subsequent owner abandons the facility or fails to decommission as remove the facility in accordance with this ordinance, Chowan County will utilize the cash bond to have the decommissioning accomplished.

**RESOLUTION CALLING FOR A SPECIAL ADVISORY REFERENDUM
CONCERNING THE LEVY OF A ONE-QUARTER CENT (1/4¢) COUNTY
SALES AND USE TAX**

WHEREAS, the General Assembly has enacted the “One-Quarter Cent (1/4¢) County Sales and Use Tax Act,” Article 46 of Chapter 105 of the North Carolina General Statutes (Session Law 2007-323), which authorizes counties to levy a local sales and use tax; and

WHEREAS, in order to levy the local sales and use tax, the County of Chowan must conduct an advisory referendum in accordance with the provisions of North Carolina General Statutes Section 163-287;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners for the County of Chowan:

Section 1. In accordance with the North Carolina General Statutes, a special advisory referendum is hereby called to be held between the normal time the polls are open, on Tuesday, November 3, 2020, at which there shall be submitted to the qualified voters of the County of Chowan the question set forth in Section 3 of this Resolution.

Section 2. The Chowan County Board of Elections shall conduct said Referendum.

Section 3: The ballot question shall be in the following form:

**“[] FOR [] AGAINST
Local sales and use tax at the rate of one-quarter percent (0.25%)
in addition to all other State and local sales and use taxes.”**

Section 4: The Clerk to the Board of Commissioners is authorized and directed to transmit a certified copy of this Resolution to the Chowan County Board of Elections within three (3) days after the passage hereof.

Section 5: The Board of Elections shall publish legal notice of the special advisory referendum in accordance with the North Carolina General Statutes Section 163-287.

Section 6: This Resolution shall take effect upon its passage.

Thereupon, upon motion of Commissioner _____,
(No second required) the foregoing resolution entitled “RESOLUTION CALLING FOR A SPECIAL ADVISORY REFERENDUM CONCERNING THE LEVY OF AN ONE-QUARTER CENT (1/4¢) COUNTY SALES AND USE TAX” was passed by the following vote: Ayes:____ Noes:____

This the 1st day of June, 2020

ATTEST:

Patty F. Kersey, Chair
Chowan County Board of Commissioners

L. Susanne Stallings
Clerk

FAQ on local option sales tax

Frequently Asked Questions regarding local option sales tax

Counties have the option to increase the sales tax by 1-quarter of a penny, (the Article 46 sales tax in N.C. G.S. 105-535) provided the public approves via a referendum.

Question: What are the steps a county needs to consider when scheduling a referendum?

Answer: All counties must contact their local board of elections and the State Board of Elections in order to have the advisory referendum included on the ballot during a regularly scheduled election. An advisory referendum may be held only on the same date as a county or statewide general election, the primary election in even-numbered years, or in any other election during which all precincts in a county are open. Due to a new law passed in 2019, counties are prohibited from holding more than one referendum "within one year."

Question: Must the Board of County Commissioners levy the sales tax if the voters approve the referendum?

Answer: A Board of County Commissioners is not obligated to levy the tax even if the majority of those voting in a referendum vote in support of a levy.

Question: Can a county stipulate uses of the monies on the ballot as a part of the referendum?

Answer: A county may not stipulate the use of the money on the ballot. A county Board of Commissioners may adopt a resolution that stipulates how they plan to use the revenues.

Question: Is there a prescribed format for the question of the ballot?

Answer: Yes. Legislation specifies how the question must be presented on the ballot:

Ballot Question. - The form of the question to be presented on a ballot for a special election concerning the levy of the tax authorized by this Article shall be: '[] FOR [] AGAINST Local sales and use tax at the rate of 1-quarter% (0.25%) in addition to all other State and local sales and use taxes.'

Note: The sale tax amount is set at a rate of .25%.

Question: When is the earliest the sales tax will become effective if the Board of County Commissioners levies the sales tax via resolution following a successful referendum?

Answer: The sales tax may become effective on the first day of any calendar quarter so long as the county gives the Secretary of Revenue at least 90 days' advance notice. For example, if a referendum is held in November during the general election and passes, the earliest a county could begin collecting the revenue would be April one of the following year, provided it adopts a resolution levying the tax and forwards it to the

Department of Revenue prior to December 31.

Question: If the voters pass the referendum for the sales tax, what happens next?

Answer: If the Board of Commissioners wishes to levy the tax, it must provide 10 days public notice of its intent to adopt a resolution to levy the tax. After it adopts the resolution, it must send a certified copy of the resolution along with a certified copy of the election results of the referendum to the Department of Revenue. The DoR's address is:

Department of Revenue
P.O. Box 25000
Raleigh, NC 27640

The Association has prepared a [model resolution](#) PDF for a successful sales tax referendum.

Question: Are there restrictions on the use of the revenues?

Answer: No. The sales tax is not restricted or earmarked and can therefore be used for any allowed use by counties.

Question: If the referendum fails, can a county hold a subsequent referendum on the same question?

Answer: Yes, however, due to a [new law](#) passed in 2019, the county must wait one year to hold a subsequent referendum.

Question: Can a county spend public money educating citizens on issues related to the referendum?

Answer: Yes. Similar to an election for a general obligation bond, a county may spend money to educate the public on issues related to the sales tax referendum. However, a county may not spend money advocating for or against the sales tax.

Question: Can members of a county board of commissioners actively promote the passage of the referendum?

Answer: Yes. The board of commissioners may approve resolutions in support of the passage of a referendum for the sales tax. A county commissioner may publicly endorse and support the sales tax. A county may not reimburse any expenses incurred by an elected official while the official is advocating either for or against the tax measure.

Question: Does the sales tax apply to unprepared food or gas?

Answer: No. The local-option sales tax does not apply to unprepared food (i.e. groceries) or gas purchases. There is no local sales tax on gas purchases.

As with any local legal matter, we ask that you consult with your county attorney and county board of elections as you consider these local referendum options.

Article 46.

One-Quarter Cent (1/4¢) County Sales and Use Tax.

§ 105-535. Short title.

This Article is the One-Quarter Cent (1/4¢) County Sales and Use Tax Act. (2007-323, s. 31.17(b).)

§ 105-536. Limitations.

This Article applies only to counties that levy the first one-cent (1¢) sales and use tax under Article 39 of this Chapter or under Chapter 1096 of the 1967 Session Laws, the first one-half cent (1/2¢) local sales and use tax under Article 40 of this Chapter, and the second one-half cent (1/2¢) local sales and use tax under Article 42 of this Chapter. (2007-323, s. 31.17(b).)

§ 105-537. Levy.

(a) Authority. – If the majority of those voting in a referendum held pursuant to this Article vote for the levy of the tax, the board of county commissioners may, by resolution and after 10 days' public notice, levy a local sales and use tax at a rate of one-quarter percent (0.25%).

(b) Vote. – The board of county commissioners may direct the county board of elections to conduct an advisory referendum on the question of whether to levy a local sales and use tax in the county as provided in this Article. The election shall be held in accordance with the procedures of G.S. 163-287, except that the election shall not be held within one year from the date of the last preceding election under this section.

(c) Ballot Question. – The form of the question to be presented on a ballot for a special election concerning the levy of the tax authorized by this Article shall be:

"[] FOR [] AGAINST

Local sales and use tax at the rate of one-quarter percent (0.25%) in addition to all other State and local sales and use taxes."

(d) Repealed by Session Laws 2014-3, s. 14.22, effective May 29, 2014. (2007-323, s. 31.17(b); 2013-381, s. 10.14; 2014-3, s. 14.22; 2017-6, s. 3; 2018-146, ss. 3.1(a), (b), 6.1; 2019-169, s. 3.8(a).)

§ 105-538. Administration of taxes.

The Secretary shall, on a monthly basis, allocate to each taxing county the net proceeds of the tax levied under this Article. If the Secretary collects taxes under this Article in a month and the taxes cannot be identified as being attributable to a particular taxing county, the Secretary must allocate the net proceeds of these taxes among the taxing counties in proportion to the amount of taxes collected in each county under this Article in that month. For purposes of this Article, the term "net proceeds" has the same meaning as defined in G.S. 105-472.

Except as provided in this Article, the adoption, levy, collection, administration, and repeal of these additional taxes must be in accordance with Article 39 of this Chapter. G.S. 105-468.1 is an administrative provision that applies to this Article. A tax levied under this Article does not apply to the sales price of food that is exempt from tax pursuant to

G.S. 105-164.13B or to the sales price of a bundled transaction taxable pursuant to G.S. 105-467(a)(5a). The Secretary shall not divide the amount allocated to a county between the county and the municipalities within the county. (2007-323, s. 31.17(b); 2007-345, s. 14.5(a); 2008-134, s. 75; 2009-445, s. 18; 2016-5, s. 3.21.)

§§ 105-539 through 105-549: Reserved for future codification purposes.

What will I see on the ballot?

The ballot will look essentially like this:

Local sales and use tax at the rate of one quarter percent (0.25%) in addition to all other State and local sales and use taxes.

[] FOR [] AGAINST

Where do I go to vote? This is a countywide election, so you will go to your usual polling place. For more information on precinct locations, registration or One Stop Voting information, call the Sampson County Board of Elections at 592-5796.

SAMPSON COUNTY BOARD OF COMMISSIONERS

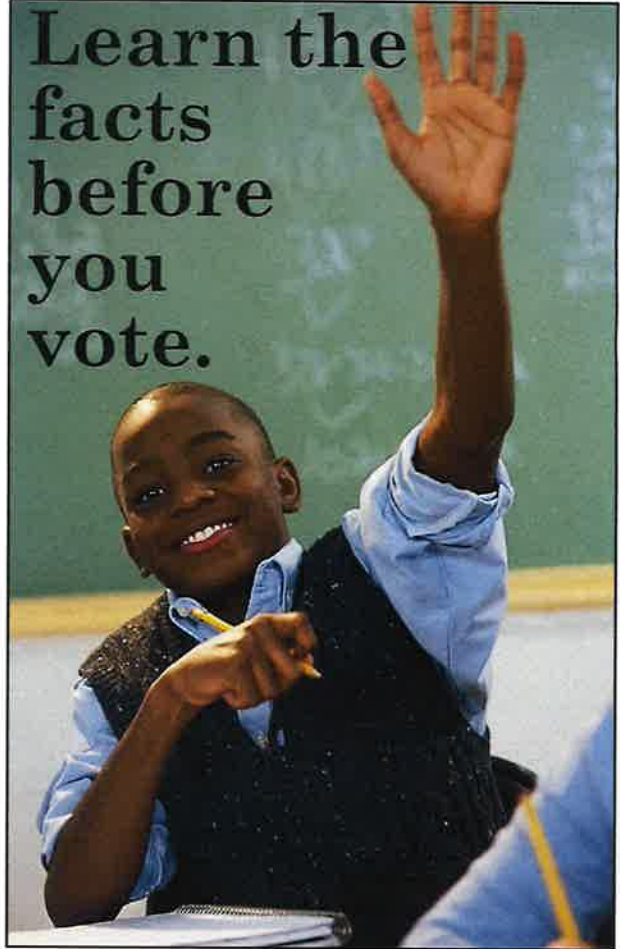
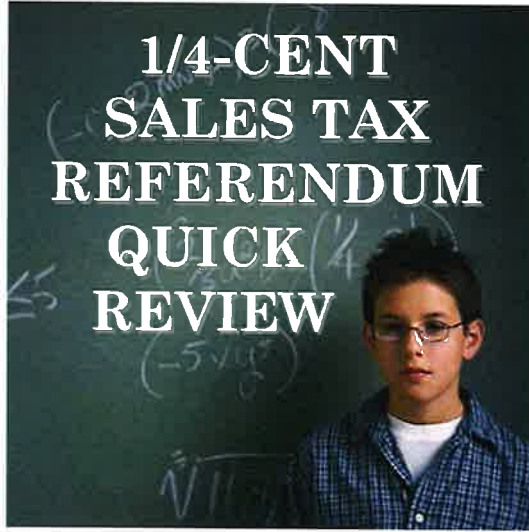
Jeffrey S. Wilson, Chairman
Jefferson B. Strickland, Vice Chairman
John A. Blanton
Malachi Faison
Jarvis. H. McLamb

*Citizen education paid for by
Sampson County Local
Government.*

*For more information,
592-6308
www.sampsonnc.com*

1/4-CENT SALES TAX REFERENDUM QUICK REVIEW

- ✓ Everybody benefits, and everybody pays.
- ✓ 1/4 cent sales tax generates 3 times more revenue than 1 penny on the property tax.
- ✓ The sales tax will be used to mitigate our need for future tax increases.
- ✓ Non-residents pay sales tax too, lessening the burden on property owners and elderly homeowners on fixed incomes.
- ✓ Know the facts. Vote on November 6, 2007.



SAMPSON COUNTY 1/4-CENT SALES TAX REFERENDUM

NOVEMBER 6, 2007

The Sampson County Board of Commissioners made a commitment to building new schools.

North Carolina General Statutes obligate counties to fund school buildings. But, beyond that, it is our civic responsibility to provide our children with the best educational environment possible and our communities with school facilities that support and promote our economic vitality. Therefore, in 2005, the Board



undertook an aggressive capital program that includes three new high schools

and a new elementary school, as well as a new detention center and more efficient county government office facilities. The total cost for these obligations: \$134.7 million.

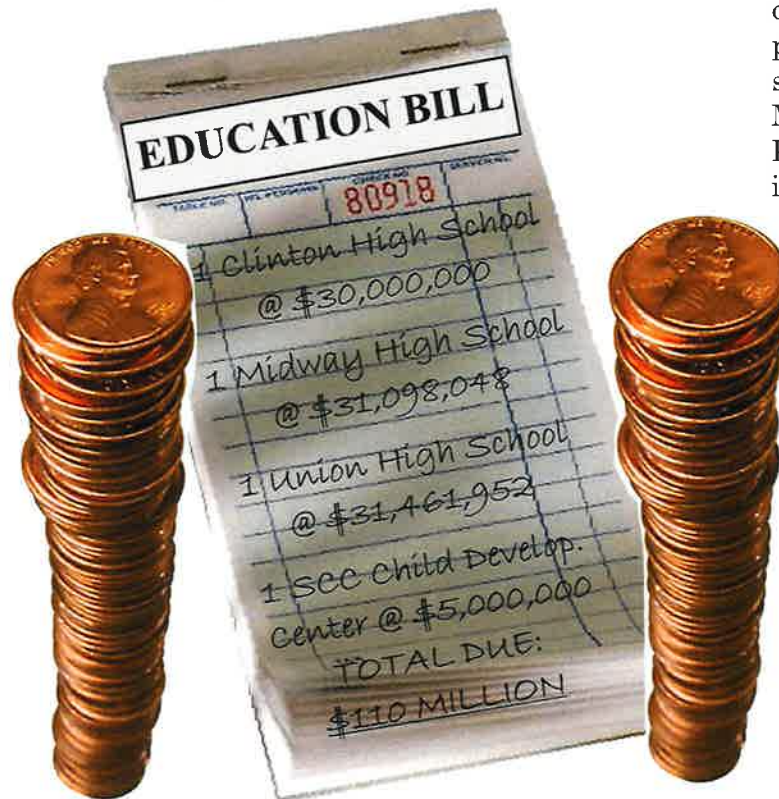
Now, it's time to decide if there is a better way to pay for them.

Wasn't Medicaid relief supposed to help?

Yes, the General Assembly voted this year to assume counties' cost for Medicaid over a period of three years (Sampson County's cost is about \$4 million a year). However, in exchange for this relief, the county will give up its Article 44 half-cent sales tax, and our proceeds from the Article 42 sales tax will be distributed differently. Bottom line, Medicaid relief alone will not be enough to pay the debt.

How about the "education" lottery? This is not a stable source of revenue yet. The County's proceeds from the lottery have been 22% less than originally projected, and changes in the 2007 laws will decrease these funds as well. As with Medicaid relief, lottery funds alone will not be enough to pay the debt.

Property taxes? The financial model adopted for our capital projects calls for the majority of costs to be paid by property taxes. But, this would require a potential increase in the property tax rate over five years of 24 cents for debt service and 6 cents for the operating costs of the new buildings, a total of 30 cents. But, is this the best way to pay?



There is another choice.

In 2007, as part of their Medicaid relief package, the General Assembly authorized counties to either levy a land transfer tax



or a 1/4 cent sales tax - subject to voter approval. The Sampson County Board of Commissioners - responding to what our citizens have told us - chose to put the sales tax on the ballot this November 6. Now you get a choice.

Why is the 1/4 cent sales tax the better choice?

Everybody benefits, so everybody pays. A sales tax allows all citizens to make their fair contribution to school needs - not just the property tax owners. Also, non-residents shopping in our county help pay too. Many hands make light work, as they say. Keeping the property tax down is important in recruiting new industry to our county, important to helping our elderly or disabled citizens on a fixed income who can't afford higher property taxes. Besides, think about it, if you spend \$4, your added cost would only be 1 shiny penny!

Let's compare:

1 penny of property tax = \$315,484/yr

1/4 penny of sales tax = \$911,308 (that's 3 pennies!)

11. **Question:** What happens if the sales tax referendum is defeated?

Answer: If the sales tax referendum is defeated, the school facilities and other improvements that would have been paid for with this sales tax revenue will instead have to be paid for with other local funds – primarily property taxes. At present, each 1 cent of property tax rate produces about \$470,000.

12. **Question:** If the referendum fails, can a county hold a subsequent referendum on the same question, and if so, must a county wait a certain period of time prior to holding another referendum?

Answer: According to Gerry Cohen (N.C. General Assembly Bill Drafting), there are no restrictions on resubmitting the new quarter-cent sales tax to the voters again if it has failed.

NOTE: *Voters who are already registered to vote need not re-register to vote in this election. Residents who are not registered to vote must register by October 12, 2007, to be eligible to vote in this election.*

IF YOU HAVE OTHER QUESTIONS OR DESIRE ADDITIONAL INFORMATION, CALL MACON C. SAMMONS, JR., COUNTY MANAGER, AT 401-8201 OR ANY MEMBER OF THE BOARD OF COUNTY COMMISSIONERS.

Chairman Craig Hunter	336-786-1356
Vice-Chairman Paul Johnson	336-351-5526
Commissioner Bill Hamlin	336-374-3318
Commissioner Jim Harrell, Jr.	336-835-3337
Commissioner Jimmy Miller	336-786-6829



118 Hamby Road
Dobson NC, 27017

Will You Support $\frac{1}{4}$ Of A Penny?



PUBLIC INFORMATION REGARDING
THE UPCOMING NOVEMBER 6, 2007
REFERENDUM FOR A ONE-FOURTH
PENNY SALES TAX

THE GENERAL ASSEMBLY HAS RECENTLY DECIDED TO PROVIDE COUNTIES WITH THE AUTHORITY TO CONDUCT A 0.25% SALES TAX REFERENDUM IN ORDER TO PROVIDE A MEANS OF FINANCING SCHOOL FACILITIES, CAPITAL NEEDS AND NEEDED INFRASTRUCTURE.

AS A PUBLIC SERVICE AND INFORMATION FOR THE VOTERS, THE FOLLOWING FREQUENTLY ASKED QUESTIONS ARE ANSWERED IN A BRIEF SUMMARY.



1. **Question:** Why is this referendum being conducted?

Answer: The 2007 General Assembly recognized that counties need alternative means of paying for school buildings, other public facilities and infrastructure. Also, for these same reasons, the Surry County Board of Commissioners and most counties have asked for the authority to establish a small additional sales tax to pay for capital needs. Furthermore, since everyone pays sales tax, it is seen by many as a fairer means of paying for public facilities. **Finally, because Surry County is a trade center for several counties, a significant share of these sales taxes will be paid by persons who are not Surry County residents.**

2. **Question:** What is the question that will be placed on the ballot?

Answer: Whether the voters wish to authorize the County Board of Commissioners to levy an additional ¼ of a penny sales tax, (one penny for each \$4.00 of taxable sales).

3. **Question:** Is there a prescribed format for the question on the ballot?

Answer: Yes. Legislation specifies how the question must be presented on the ballot: Ballot Question – The form of the question to be presented on a ballot for a special election concerning the levy of the tax authorized by this Article shall be:

**“[] For [] Against
Local sales and use tax at the rate
of one-quarter percent (0.25%)
in addition to all other State and
local sales and use taxes.”**

4. **Question:** When will the sales tax referendum be conducted?

Answer: Tuesday, November 6, 2007

5. **Question:** Are there restrictions on the use of the new sales tax revenues?

Answer: The sales tax is not restricted or earmarked.

6. **Question:** Can a county stipulate uses of the monies on the ballot as a part of the referendum?

Answer: A county may not stipulate the use of the money on the ballot.



7. **Question:** How much will a ¼% sales tax raise?

Answer: The State's estimate for Surry County is just over \$1.9 million dollars.

8. **Question:** How does this amount compare to our existing capital and debt service requirements?

Answer: In FY 06, the most recent fiscal year for which Surry County has audited results, the total cost of capital expense and debt service was \$15.4 million, with about 72% of this being for school facilities. The remaining 28% provided capital and debt funding for economic development, the community college, water and sewer and county projects.

9. **Question:** How much would the ¼% sales tax cost the individual?

Answer:

Examples:

<u>Taxable Goods</u>	<u>Tax</u>
\$100 purchase	25 cents
\$300 purchase	75 cents
\$500 purchase	\$1.25

10. **Question:** When is the earliest the sales tax will become effective if the Board of County Commissioners levies the sales tax via resolution (following a referendum) during November 2007?

Answer: April 1, 2008, so long as the resolution levying the tax is adopted in November 2007. The sales tax becomes effective on the first day of any calendar quarter so long as the county gives the Secretary of Revenue at least 60 days advance notice.



County	Art. 39 Distributable Proceeds, Month ending 7/16	Month ending 8/16	Month ending 9/16	Month ending 10/16	Month ending 11/16	Month ending 12/16	Month ending 1/17	Month ending 2/17	Month ending 3/17	Month ending 4/17	Month ending 5/17	Month ending 6/17	TOTAL	Quarter-Cent Local Option Sales Tax Estimate*
CHOWAN	102,575	104,603	102,728	102,017	113,016	98,652	84,056	79,942	98,379	97,888	104,378	85,541	1,169,774	292,444

*Estimated quarter-cent sales tax revenues based on N.C. Dept. of Revenue Art. 39 distributable proceeds for fiscal year 2017.



CHOWAN COUNTY, NORTH CAROLINA

P.O. Box 1030
Edenton, NC 27932
(252) 482-8431
(252) 482-4925 fax

**RESOLUTION OF THE CHOWAN COUNTY BOARD OF COMMISSIONERS
CONFIRMING THAT IF THE VOTERS OF THE COUNTY APPROVE A
ONEQUARTER CENT (1/4 cent) COUNTY SALES AND USE TAX THE ANNUAL
REVENUE PRODUCED THEREBY SHALL BE USED FOR PUBLIC SCHOOL
CAPITAL.**

WHEREAS, the Chowan County Board of Commissioners has by resolution called for a November 3, 2020 special advisory referendum concerning the levy of a one quarter cent (1/4) county sales and use tax; and

WHEREAS, the Chowan County Board of Commissioners recognizes the need for revenue to support future capital needs for Education within the County; and

WHEREAS, the Chowan County Board of Commissioners and Edenton-Chowan Board of Education have formed a joint committee to plan for the replacement of John A. Holmes High School; and

WHEREAS, the levy of Article 46 one-quarter cent (1/4 cent) County sales and use tax would provide an incremental source of revenue to Chowan County in the amount of approximately \$308,000 annually;

NOW, BE IT THEREFORE RESOLVED BY THE CHOWAN COUNTY BOARD OF COMMISSIONERS, The revenue from the Article 46 one-quarter cent (1/4) County sales and use tax to support and enhance education and training programs in the County.

ATTEST:

Patty F. Kersey, Chair
Chowan County Board of Commissioners

L. Susanne Stallings
Clerk

AIA® Document B104™ – 2017

Standard Abbreviated Form of Agreement Between Owner and Architect

AGREEMENT made as of the Tenth day of June in the year Two Thousand Twenty
(In words, indicate day, month and year.)

BETWEEN the Architect's client identified as the Owner:
(Name, legal status, address and other information)

Chowan County Government
305 W. Freemason Street
Edenton, NC 27932

This document has important
legal consequences.
Consultation with an attorney
is encouraged with respect to
its completion or modification.

and the Architect:
(Name, legal status, address and other information)

JKF Architecture PC
625 Lynndale Court, Suite F
Greenville, NC 27858
Telephone Number: 252-355-1068
Fax Number: 252-355-0216

for the following Project:
(Name, location and detailed description)

Chowan County Ag Center Roof Replacement
Edenton, NC
Replace existing shingle roof with new shingles and underlayment, replace plywood
substrate, reconstruct some or all of the Dormers previously removed and reconnect
HVAC to the exterior. Specify Test & Balance of the existing system.

The Owner and Architect agree as follows.

TABLE OF ARTICLES

- 1 INITIAL INFORMATION
- 2 ARCHITECT'S RESPONSIBILITIES
- 3 SCOPE OF ARCHITECT'S BASIC SERVICES
- 4 SUPPLEMENTAL AND ADDITIONAL SERVICES
- 5 OWNER'S RESPONSIBILITIES
- 6 COST OF THE WORK
- 7 COPYRIGHTS AND LICENSES
- 8 CLAIMS AND DISPUTES
- 9 TERMINATION OR SUSPENSION
- 10 MISCELLANEOUS PROVISIONS
- 11 COMPENSATION
- 12 SPECIAL TERMS AND CONDITIONS
- 13 SCOPE OF THE AGREEMENT

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth below:

(State below details of the Project's site and program, Owner's contractors and consultants, Architect's consultants, Owner's budget for the Cost of the Work, and other information relevant to the Project.)

Project scope based on JKF Architecture Feasibility Report dated 5/19/2020, Option #1. Project Budget estimated therein as \$490,053.

§ 1.2 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the schedule, the Architect's services and the Architect's compensation. The Owner shall adjust the Owner's budget for the Cost of the Work and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties will use AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.3.1 Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™-2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 ARCHITECT'S RESPONSIBILITIES

§ 2.1 The Architect shall provide the professional services set forth in this Agreement consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same

Init.

or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 2.2 The Architect shall maintain the following insurance until termination of this Agreement. If any of the requirements set forth below are in addition to the types and limits the Architect normally maintains, the Owner shall pay the Architect as set forth in Section 11.8:

(Identify types and limits of insurance coverage, and other insurance requirements applicable to the Agreement, if any.)

.1 General Liability

Architect's Standard Insurance. Certificate upon request.

.2 Automobile Liability

Architect's Standard Insurance. Certificate upon request.

.3 Workers' Compensation

Architect's Standard Insurance. Certificate upon request.

.4 Professional Liability

Architect's Standard Insurance. Certificate upon request.

ARTICLE 3 SCOPE OF ARCHITECT'S BASIC SERVICES

§ 3.1 The Architect's Basic Services consist of those described in this Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services not set forth in this Article 3 are Supplemental or Additional Services.

§ 3.1.1 The Architect shall coordinate its services with those services provided by the Owner and the Owner's consultants. The Architect shall be entitled to rely on (1) the accuracy and completeness of the services and information furnished by the Owner and (2) the Owner's approvals. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission, or inconsistency in such services or information.

§ 3.1.2 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.3 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 3.2 Design Phase Services

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

§ 3.2.2 The Architect shall discuss with the Owner the Owner's program, schedule, budget for the Cost of the Work, Project site, and alternative approaches to design and construction of the Project. The Architect shall reach an understanding with the Owner regarding the Project requirements.

§ 3.2.3 The Architect shall consider the relative value of alternative materials, building systems and equipment, together with other considerations based on program, aesthetics, and any sustainable objectives, in developing a design for the Project that is consistent with the Owner's schedule and budget for the Cost of the Work.

Init.

§ 3.2.4 Based on the Project requirements, the Architect shall prepare Design Documents for the Owner's approval consisting of drawings and other documents appropriate for the Project and the Architect shall prepare and submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.2.5 The Architect shall submit the Design Documents to the Owner, and request the Owner's approval.

§ 3.3 Construction Documents Phase Services

§ 3.3.1 Based on the Owner's approval of the Design Documents, the Architect shall prepare for the Owner's approval Construction Documents consisting of Drawings and Specifications setting forth in detail the requirements for the construction of the Work. The Owner and Architect acknowledge that in order to construct the Work the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.4.4.

§ 3.3.2 The Architect shall incorporate the design requirements of governmental authorities having jurisdiction over the Project into the Construction Documents.

§ 3.3.3 The Architect shall submit the Construction Documents to the Owner, update the estimate for the Cost of the Work and advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

§ 3.3.4 The Architect, following the Owner's approval of the Construction Documents and of the latest estimate of the Cost of the Work, shall assist the Owner in obtaining bids or proposals and awarding and preparing contracts for construction.

§ 3.4 Construction Phase Services

§ 3.4.1 General

§ 3.4.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A104™-2017, Standard Abbreviated Form of Agreement Between Owner and Contractor. If the Owner and Contractor modify AIA Document A104-2017, those modifications shall not affect the Architect's services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.4.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.4.1.3 Subject to Section 4.2, the Architect's responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.4.2 Evaluations of the Work

§ 3.4.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.2.2, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work.

§ 3.4.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents and has the authority to require inspection or testing of the Work.

§ 3.4.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.4.2.4 When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 3.4.2.5 The Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.4.3 Certificates for Payment to Contractor

§ 3.4.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 3.4.2 and on the data comprising the Contractor's Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified.

§ 3.4.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.4.4 Submittals

§ 3.4.4.1 The Architect shall review and approve, or take other appropriate action, upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. The Architect's review shall not constitute approval of safety precautions or any construction means, methods, techniques, sequences or procedures.

§ 3.4.4.2 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review and take appropriate action on Shop Drawings and other submittals related to the Work designed or certified by the Contractor's design professional, provided the submittals bear such professional's seal and signature when submitted to the Architect. The review shall be for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect shall be entitled to rely upon, and shall not be responsible for, the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals.

§ 3.4.4.3 The Architect shall review and respond to written requests for information about the Contract Documents. The Architect's response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness.

§ 3.4.5 Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to Section 4.2.3, the Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents.

§ 3.4.6 Project Completion

The Architect shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion; forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and received from the Contractor; and issue a final Certificate for Payment based upon a final inspection indicating that, to the best of the Architect's knowledge, information, and belief, the Work complies with the requirements of the Contract Documents.

ARTICLE 4 SUPPLEMENTAL AND ADDITIONAL SERVICES

§ 4.1 Supplemental Services are not included in Basic Services but may be required for the Project. The Architect shall provide the Supplemental Services indicated below, and the Owner shall compensate the Architect as provided in Section 11.2. Supplemental Services may include programming, site evaluation and planning, environmental studies, civil engineering, landscape design, telecommunications/data, security, measured drawings of existing conditions, coordination of separate contractors or independent consultants, detailed cost estimates, on-site project representation beyond requirements of Section 4.2.2, value analysis, interior architectural design, tenant related services, preparation of record drawings, commissioning, sustainable project services, and any other services not otherwise included in this Agreement.

(Identify below the Supplemental Services that the Architect is required to provide and insert a description of each Supplemental Service, if not further described in an exhibit attached to this document.)

None.

§ 4.2 The Architect may provide Additional Services after execution of this Agreement without invalidating the Agreement. Upon recognizing the need to perform Additional Services, the Architect shall notify the Owner. The Architect shall not provide the Additional Services until the Architect receives the Owner's written authorization. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.2 shall entitle the Architect to compensation pursuant to Section 11.3.

§ 4.2.1 The Architect shall provide services necessitated by a change in the Initial Information, changes in previous instructions or approvals given by the Owner, or a material change in the Project including size; quality; complexity; the Owner's schedule or budget for Cost of the Work; or procurement or delivery method as an Additional Service.

§ 4.2.2 The Architect has included in Basic Services Four (4) visits to the site by the Architect during construction. The Architect shall conduct site visits in excess of that amount as an Additional Service.

§ 4.2.3 The Architect shall, as an Additional Service, provide services made necessary by a Contractor's proposed change in the Work. The Architect shall prepare revisions to the Architect's Instruments of Service necessitated by Change Orders and Construction Change Directives as an Additional Service.

§ 4.2.4 If the services covered by this Agreement have not been completed within Twelve (12) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

ARTICLE 5 OWNER'S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements.

§ 5.2 The Owner shall establish the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner's other costs; and, (3) reasonable contingencies related to all of these costs. The Owner shall update the Owner's budget for the Project as necessary throughout the duration of the Project until final completion. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 5.3 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project; a written legal description of the site; and services of geotechnical engineers or other consultants, when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project.

§ 5.4 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 5.5 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests; tests for air and water pollution; and tests for hazardous materials.

§ 5.6 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 5.7 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 5.8 The Owner shall endeavor to communicate with the Contractor through the Architect about matters arising out of or relating to the Contract Documents.

§ 5.9 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

§ 5.10 Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of, or enforce lien rights.

ARTICLE 6 COST OF THE WORK

§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work also includes the reasonable value of labor, materials, and equipment, donated to, or otherwise furnished by, the Owner. The Cost of the Work does not include the compensation of the Architect; the costs of the land, rights-of-way, financing, or contingencies for changes in the Work; or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and shall be adjusted throughout the Project as required under Sections 5.2, 6.4 and 6.5. Evaluations of the Owner's budget for the Cost of the Work, and the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work prepared by the Architect, represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work, or from any estimate of the Cost of the Work, or evaluation, prepared or agreed to by the Architect.

§ 6.3 In preparing estimates of the Cost of Work, the Architect shall be permitted to include contingencies for design, bidding and price escalation; to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents; to recommend reasonable adjustments in the program and scope of the Project; and to include design alternates as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget. The Architect's estimate of the Cost of the Work shall be based on current area, volume or similar conceptual estimating techniques. If the Owner requires a detailed estimate of the Cost of the Work, the Architect shall provide such an estimate, if identified as the Architect's responsibility in Section 4.1, as a Supplemental Service.

§ 6.4 If, through no fault of the Architect, construction procurement activities have not commenced within 90 days after the Architect submits the Construction Documents to the Owner the Owner's budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the applicable construction market.

§ 6.5 If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget for the Cost of the Work, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality or budget for the Cost of the Work, and the Owner shall cooperate with the Architect in making such adjustments.

§ 6.6 If the Owner's current budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall

- .1 give written approval of an increase in the budget for the Cost of the Work;
- .2 authorize rebidding or renegotiating of the Project within a reasonable time;
- .3 terminate in accordance with Section 9.5;
- .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or
- .5 implement any other mutually acceptable alternative.

§ 6.7 If the Owner chooses to proceed under Section 6.6.4, the Architect shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.6.1. If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.

ARTICLE 7 COPYRIGHTS AND LICENSES

§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 7.2 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants.

§ 7.3 The Architect grants to the Owner a nonexclusive license to use the Architect's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations under this Agreement, including prompt payment of all sums when due pursuant to Article 9 and Article 11. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and suppliers, as well as the Owner's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.3, solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the authors of the Instruments of Service, the Owner releases the Architect and Architect's consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 7.5 Except as otherwise stated in Section 7.3, the provisions of this Article 7 shall survive the termination of this Agreement.

ARTICLE 8 CLAIMS AND DISPUTES

§ 8.1 General

§ 8.1.1 The Owner and Architect shall commence all claims and causes of action against the other and arising out of or related to this Agreement, whether in contract, tort, or otherwise, in accordance with the requirements of the binding dispute resolution method selected in this Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other, for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A104-2017, Standard Abbreviated Form of Agreement Between Owner and Contractor. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents, and employees of any of them, similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes or other matters in question, arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination of this Agreement, except as specifically provided in Section 9.6

§ 8.2 Mediation

§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 Mediation, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of this Agreement. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 8.2.3 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding dispute resolution shall be the following:

(Check the appropriate box.)

☐ Arbitration pursuant to Section 8.3 of this Agreement

☒ Litigation in a court of competent jurisdiction

☐ Other: (Specify)

If the Owner and Architect do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, the dispute will be resolved in a court of competent jurisdiction.

§ 8.3 Arbitration

§ 8.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement.

§ 8.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the claim, dispute or other matter in question would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the claim, dispute or other matter in question.

§ 8.3.2 The foregoing agreement to arbitrate, and other agreements to arbitrate with an additional person or entity duly consented to by parties to this Agreement, shall be specifically enforceable in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 8.3.4 Consolidation or Joinder

§ 8.3.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation; (2) the arbitrations to be consolidated substantially involve common questions of law or fact; and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 8.3.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 8.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

§ 8.4 The provisions of this Article 8 shall survive the termination of this Agreement.

ARTICLE 9 TERMINATION OR SUSPENSION

§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Owner shall pay the Architect all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, Reimbursable Expenses incurred, and all costs attributable to termination, including the costs attributable to the Architect's termination of consultant agreements.

§ 9.7 In addition to any amounts paid under Section 9.6, if the Owner terminates this Agreement for its convenience pursuant to Section 9.5, or the Architect terminates this Agreement pursuant to Section 9.3, the Owner shall pay to the Architect the following fees:

(Set forth below the amount of any termination or licensing fee, or the method for determining any termination or licensing fee.)

.1 Termination Fee:

20% of terminated services.

.2 Licensing Fee if the Owner intends to continue using the Architect's Instruments of Service:

None.

§ 9.8 Except as otherwise expressly provided herein, this Agreement shall terminate one year from the date of Substantial Completion.

ARTICLE 10 MISCELLANEOUS PROVISIONS

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A104-2017, Standard Abbreviated Form of Agreement Between Owner and Contractor.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement, including any payments due to the Architect by the Owner prior to the assignment.

§ 10.4 If the Owner requests the Architect to execute certificates or consents, the proposed language of such certificates or consents shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the Owner or Architect.

§ 10.6 The Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. However, the Architect's materials shall not include information the Owner has identified in writing as confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project. This Section 10.7 shall

survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 9.4.

§ 10.8 The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

.1 Stipulated Sum
(Insert amount)

\$44,550

.2 Percentage Basis
(Insert percentage value)

() % of the Owner's budget for the Cost of the Work, as calculated in accordance with Section 11.6.

.3 Other
(Describe the method of compensation)

§ 11.2 For Supplemental Services identified in Section 4.1, the Owner shall compensate the Architect as follows:
(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:
(Insert amount of, or basis for, compensation.)

Based on Architect's current Standard Hourly Rate Schedule.

§ 11.4 Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus Twenty percent (20%), or as follows:

§ 11.5 Where compensation for Basic Services is based on a stipulated sum or percentage of the Cost of the Work, the compensation for each phase of services shall be as follows:

Design Phase	<u>Thirty</u>	percent (<u>30</u>	%)
Construction Documents	<u>Forty</u>	percent (<u>40</u>	%)
Phase				
Construction Phase	<u>Thirty</u>	percent (<u>30</u>	%)
<hr/>				
Total Basic Compensation	one hundred	percent (100	%)

§ 11.6 When compensation identified in Section 11.1 is on a percentage basis, progress payments for each phase of Basic Services shall be calculated by multiplying the percentages identified in this Article by the Owner's most

recent budget for the Cost of the Work. Compensation paid in previous progress payments shall not be adjusted based on subsequent updates to the Owner's budget for the Cost of the Work.

§ 11.6.1 When compensation is on a percentage basis and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants, if any, are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

JKF Architecture 2020 Hourly Rate Schedule.

Employee or Category	Rate
-----------------------------	-------------

§ 11.8 Compensation for Reimbursable Expenses

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Permitting and other fees required by authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 Expense of overtime work requiring higher than regular rates if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the Project;
- .8 Expense of professional liability insurance dedicated exclusively to this Project or the expense of additional insurance coverage or limits requested by the Owner in excess of that normally maintained by the Architect and the Architect's consultants;
- .9 All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses; and
- .11 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect's consultants plus Ten percent (10.00 %) of the expenses incurred.

§ 11.9 Payments to the Architect

§ 11.9.1 Initial Payment

An initial payment of Zero Dollars and Zero Cents (\$ 0.00) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account in the final invoice.

§ 11.9.2 Progress Payments

§ 11.9.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect's invoice. Amounts unpaid Thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

(Insert rate of monthly or annual interest agreed upon.)

10 % monthly

§ 11.9.2.2 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in

Init.

the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.9.2.3 Records of Reimbursable Expenses, expenses pertaining to Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

(Include other terms and conditions applicable to this Agreement.)

1. Architect will include pre-bid meeting, pre-construction meeting, and up to 5 monthly meetings.
2. Architect shall have reimbursed mileage to and from the site at \$0.58 per mile. This is a reimbursable expense.
3. Architect shall be reimbursed for printing & reproduction costs for bidding purposes. Cost plus 10%.
4. Architect shall be reimbursed for the cost of Project advertising at cost.

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents identified below:

- .1 AIA Document B104™–2017, Standard Abbreviated Form of Agreement Between Owner and Architect
- .2 AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:
(Insert the date of the E203–2013 incorporated into this agreement.)
- .3 Exhibits:
(Clearly identify any other exhibits incorporated into this Agreement, including any exhibits identified in Section 4.1.)

N/A
- .4 Other documents:
(List other documents, if any, including additional scopes of service forming part of the Agreement.)

N/A

This Agreement entered into as of the day and year first written

OWNER (Signature)

(Printed name and title)

ARCHITECT (Signature)

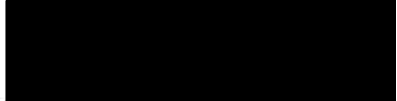
John K. Farkas, AIA LEED-AP, Principal

(Printed name, title, and license number, if required)

Certification of Document's Authenticity

AIA® Document D401™ – 2003

I, John K. Farkas, AIA President, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with this certification 21:33:37 ET on 06/10/2020 under Order No. 5833780979 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document B104™ - 2017, Standard Abbreviated Form of Agreement Between Owner and Architect, as published by the AIA in its software, other than changes shown in the attached final document by underscoring added text and striking over deleted text.



(Signed)

John K. Farkas, AIA LEED-AP
President
JKF Architecture PC

(Title)

6/10/2020

(Dated)

2020 JKF ARCHITECTURE HOURLY RATE SCHEDULE

JKF ARCHITECTURE, PC

STANDARD HOURLY RATE SCHEDULE

• Principal Architect	\$155
• Project Architect	\$115
• Intern Architect	\$75
• Designer III	\$85
• Designer II	\$65
• Designer I	\$45
• Administration/ Interior Designer	\$80
• Reimbursables (Printing, copies, repro)	Cost
• Consultant Mark-up	20%
• Mileage (current Federal Rates)	\$0.58



ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/16/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER McGriff Insurance Services 3318 West Friendly Ave., Ste. 400 Greensboro, NC 27410		CONTACT NAME: Cyndy Cagle PHONE (A/C, No, Ext): 336 547-2137 FAX (A/C, No): 8888318409 E-MAIL ADDRESS: ccagle@mcgriffinsurance.com	
INSURED JKF Architecture PC PO Box 20662 625 Lynndale Court, Suite F Greenville, NC 27858		INSURER(S) AFFORDING COVERAGE INSURER A : XL Specialty Insurance Company INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :	NAIC # 37885

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			DPS9936100	06/09/2019	06/09/2020	\$2,000,000 Each Claim \$2,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

If this contract is awarded, please contact the above insured for a certificate of insurance.

CERTIFICATE HOLDER

CANCELLATION

For proposal only
JKF Architecture
1020 Red Banks Road, Suite 202
Greenville, NC 27858

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/25/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Jonathan Gavigan Agency 2424 Charles Blvd. Greenville, NC 27858	CONTACT NAME: Jon Gavigan	FAX (A/C, No): 252-321-6162	
	PHONE (A/C, No, Ext): 252-756-1400	E-MAIL ADDRESS: j.gavigan@nationwide.com	
INSURED JKF ARCHITECTURE, P.C. 625 LYNNDAL CT STE F GREENVILLE NC 27858-5463	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: NATIONWIDE GENERAL INSURANCE COMPANY		23760
	INSURER B: NATIONWIDE MUTUAL INSURANCE COMPANY		23787
	INSURER C:		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			ACP BPOG 3008691031	06/05/2018	06/05/2019	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			ACP BAG 3008691031	06/05/2018	06/05/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N/A	ACP WC 3008691031	06/05/2018	06/05/2019	PER STATUTE <input checked="" type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Architecture Firm

CERTIFICATE HOLDER**CANCELLATION**JKF Architecture, PC
625 Lynndale Ct, Suite F
Greenville NC 27858

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Jonathan S. Gavigan

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102-A2 Regency Blvd. · Greenville · North Carolina 27834
Phone: (252) 439-0338 · Fax: (252) 439-0462

April 30, 2020

Chowan County Maintenance Director
Attn: Don Hoggard
305 West Freemason St
Suite 1147
Edenton, NC 27932

Re: Chowan County Courthouse HVAC Renovation, Edenton, NC

Don,

Please accept this proposal to provide Mechanical and Electrical design services for drawings and specifications on the above referenced project. As I understand from our discussion, we will provide documents for Renovation of the HVAC system currently operating in the Chowan County Courthouse. It is the intent to Look at getting the units out of the enclosed roof area an located in an area that will allow the units to get fresh air more easily and possibly to move some units to the ground. We will evaluate the building and make a recommendation on how to properly zone it to help with the Temperature and Humidity issues that you have been experiencing.

Scope of Services –Permit Documents

Design Services Provided:

- Heat Loss/Gain calculations (Trane Trace 700 format)
- Lay out and sizing new HVAC systems and any associated ductwork.
- Building ventilation and air balance design.
- Power design for HVAC equipment.
- Rework of any of the existing service or distribution as required to power the new HVAC equip.

Construction Administration Services (Optional):

- Submittal Review
- We will visit the site up to 5 times during construction as needed and scheduled with your office once the project has been bid and awarded.
- If no construction site visits are provided and the local AHJ requires an Appendix 5 HVAC Compliance Statement we will need to make (2) site visits during construction. One for duct inspection and one to witness the Test & Balance of the system.

Assumptions and Clarifications:

- Owner will provide floor plans or pay Engineering Source to Create a “Record Plan” of the building.
- Adequate electrical power is available.
- Engineering Source of NC is not responsible for any Building Appendix B calculations or statements.
- Drawings will be designed in Autocad LT 2020.

Our fee for providing the above scope of work for the listed project is as follows:

- Load Estimates and Concept Plan: **\$1,500**
- Design Development (75%) Plans: **\$5,000**

- Signed Permit Plans: **\$3,500**
- Create “Record Drawings” of building floor plan: **\$0.25/SF + \$600 for Travel Time** (Example: 15,000 SF = \$4,350)
- Submittals: **\$1,000**
- Construction Administration: **\$3,500** (Up to 5 site visits & includes HVAC Compliance Statement)
- HVAC Compliance Statement: **\$1,200** (If no CA is provided, includes 2 site visits, Duct Insp & T&B Witness)
- Post Design changes and Construction Administration includes the following: Comments, Meetings, Bidding, VE changes, Submittal Review and additional Inspections would be on an hourly basis according to the following schedule:
 - Senior Engineer (Wilson) - \$150/Hr.
 - Engineer (Alex) - \$110/Hr.
 - Tech Designer (Jason, Gray or Daniel) - \$90/Hr.
 - Drafting/Admin (Thomas, Craig or Cary) - \$70/Hr.

The amount includes the 1st set of original drawings in print and a copy in PDF format. All additional drawings are billed at \$2.00 per sheet.

I will bill you a percentage of the lump sum fee monthly based on the progress of design, for submittal review or inspection at the end of each month through project completion.

I will be available to review this proposal with you at your convenience. If you have any questions, please contact me. This proposal is open for approval for 14 days from the date indicated above, after this time the completion date may slip. This proposal shall be subject to the attached terms and conditions. Your acceptance of this proposal shall constitute an acceptance of those terms and conditions for this project. I appreciate the opportunity to provide this proposal and look forward to working with you.

Sincerely,

D. Wilson Pou, P.E.
President

Accepted by: _____

Date: _____

Title: _____

Chowan County
MANAGEMENT BUDGET AMENDMENT

To: FYI - Board of Commissioners

MBA #: 1920-067

From: Cathy Smith, *Finance Officer*

Date: June 2, 2020

RE: Senior Center

Please authorize the Finance Officer to amend the 2020 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Senior Center			
11-3616-536-00	Albemarle Comm - General Purpose	748.00	
11-4268-600-00	Albemarle Comm - General Purpose		748.00
11-3616-537-00	Albemarle Comm - Health Promotion	139.00	
11-4268-601-00	Albemarle Comm - Health Promotion		139.00
Balanced		887.00	887.00

Justification:

*To amend the 2020 budget for Senior Center to include grant funding from the
Albemarle Commission.*

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County
MANAGEMENT BUDGET AMENDMENT

To: Board of Commissioners

BA #: 1920-068

From: Cathy Smith, *Finance Officer*

Date: June 9, 2020

RE: Jail Expansion Study

Please authorize the Finance Officer to amend the 2020 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Jail			
11-4320-199-00	Professional Services		24,916.67
11-3990-990-00	Fund Balance	24,916.67	
	Balanced	24,916.67	24,916.67

Justification:

To amend the 2020 budget for the Jail to include the Bertie-Martin-Chowan NC Regional Jail Expansion Study. The BOCC approved funding one-third (1/3) of the total cost of the study, which was \$74,750. Chowan County's third of the study is \$24,916.67.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County

MANAGEMENT BUDGET AMENDMENT

To: FYI - Board of Commissioners

MBA #: 1920-069

From: Cathy Smith, *Finance Officer*

Date: June 2, 2020

RE: Discretionary Income

Please authorize the finance officer to amend the 2020 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Register of Deeds			
11-3418-415-00	*Preservation/Automation	509.14	
11-4180-298-00	*Dept Supplies - Auto/Pres		169.71
11-4180-440-00	*Contr Svcs - Automation/Pres		169.72
11-4180-511-00	*C/O - Auto / Pres		169.71
Sheriff's Office			
11-3431-233-00	*State Special Funds	122.96	
11-4317-441-00	*State Special Expense		122.96
Animal Shelter			
11-3438-894-00	*Donations - Chowan	245.00	
11-3438-894-01	*Donations - Gates	40.00	
11-3438-894-02	*Donations - Perquimans	25.00	
11-3438-894-03	*Donations - Other	100.00	
11-4381-600-00	*Donation - Expense		410.00
11-3438-895-00	*Adoption - Chowan	440.00	
11-3438-895-01	*Adoption - Gates	200.00	
11-3438-895-02	*Adoption - Perquimans	100.00	
11-3438-895-03	*Adoption - Other	300.00	
11-4381-441-00	*Contr Svcs - Spay/Neuter		1,040.00
Cooperative Ext:			
11-3495-363-00	*SHIIP Grant	1,094.00	
11-4950-600-00	*SHIIP Grant		1,094.00
11-3495-378-00	*4-H Fees Discretionary	7,650.00	
11-4953-448-00	*4-H Fees Discretionary		7,650.00
11-3495-379-00	*Livestock Program	6,150.00	
11-4953-449-00	*Livestock Program		6,150.00

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Senior Center			
11-3616-532-00	*Donations - Home Del Meals	25.00	
11-4268-904-01	*Donations - Home Del Meals		25.00
11-3616-535-03	*Healthways	636.00	
11-4268-352-02	*Healthways		636.00
Balanced		17,637.10	17,637.10

Total Discretionary Income Received FYE 2020

186,691.09

Justification:

To amend the 2020 budget to include Discretionary income received through May 2020.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County
MANAGEMENT BUDGET AMENDMENT

To: FYI - Board of Commissioners

MBA #: 1920-070

From: Cathy Smith, *Finance Officer*

Date: June 2, 2020

RE: TDA Discretionary & Co-Op Income

Please authorize the finance officer to amend the 2020 budget for **TDA** as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
TDA			
51-3832-530-00	Co-Op Advertising	1,050.00	
51-8150-370-01	Advertising - Co-op		1,050.00
Balanced		1,050.00	1,050.00

Justification:

To amend the 2020 budget for TDA to include Co-Op Income through May 2020.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County
BUDGET AMENDMENT

To: Board of Commissioners

BA #: 1920-071

From: Cathy Smith, *Finance Officer*

Date: June 9, 2020

RE: Server Purchase

Please authorize the Finance Officer to amend the 2020 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Sheriff's Office			
11-4310-510-00	Capital Outlay - Equipment		(10,000.00)
Information Technology			
11-4210-395-00	Employee Training		(5,500.00)
11-4210-311-00	Travel		(3,000.00)
11-4210-510-00	Capital Outlay - Equipment		18,500.00
Balanced		-	-

Justification:

To amend the 2020 budget for Sheriff's Office and IT to include the server purchase approved by the BOCC at the 06/01/20 meeting. No additional funding was requested and monies are being transferred between line items.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County
MANAGEMENT BUDGET AMENDMENT

To: FYI - Board of Commissioners

MBA #: 1920-072

From: Cathy Smith, *Finance Officer*

Date: June 9, 2020

RE: Planning

Please authorize the Finance Officer to amend the 2020 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Planning			
11-3347-360-01	AMH Removal Grant	1,500.00	
11-4910-696-01	AMH Removal Grant		1,500.00
Balanced		1,500.00	1,500.00

Justification:

*To amend the 2020 budget for Planning to include AMH Removal Grant
received from NCDEQ.*

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County
MANAGEMENT BUDGET AMENDMENT

To: FYI - Board of Commissioners

MBA #: 1920-073

From: Cathy Smith, *Finance Officer*

Date: June 9, 2020

RE: Solid Waste Fund

Please authorize the finance officer to amend the 2020 budget for **Solid Waste** as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
<i>Solid Waste Fund</i>			
62-3471-530-00	Scrap Tire Grant	4,847.53	
62-4710-694-00	Scrap Tire Grant		4,847.53
Balanced		4,847.53	4,847.53

Justification:

To amend the 2020 budget for the Solid Waste Fund to include Scrap Tire Grant monies received in May 2020.

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County
BUDGET AMENDMENT

To: Board of Commissioners

BA #: 1920-074

From: Cathy Smith, *Finance Officer*

Date: June 9, 2020

RE: CARES Act Relief Funds

Please authorize the finance officer to amend the 2020 budget as follows:

Account Number	Account Description	Revenue (Inc+/Dec-)	Expense (Inc+/Dec-)
Disaster Recovery			
41-3301-233-00	CARES Act Relief Funds Revenue	476,857.00	
41-4937-995-02	CARES Act Relief Funds Expense		476,857.00
EMS Fund			
60-3301-233-00	CARES Act Relief Funds Revenue	32,415.85	
60-4937-995-02	CARES Act Relief Funds Expense		32,415.85
Balanced		509,272.85	509,272.85

Justification:

*To amend the 2020 budget to include CARES Act Relief Fund monies received in
May 2020.*

Approval Date: _____

Bd. Clerk's Init: _____

Initials: _____

Batch #: _____

Date: _____

Chowan County
Revenue/Expenditure Summary
General Fund
Year-to-Date through 5/31/20

	Actual + Encumbrances	Adjusted Budget	Available Budget	% Budget Met
Revenues				
Ad Valorem Taxes				
Tax Penalty & Interest	40,918	100,000	59,082	41%
Prior Year - R&P	123,614	218,500	94,886	56.6%
Current Year Levy - R&P	9,909,148	9,936,202	27,054	100%
Prior Year - MV	553	-	(553)	100%
Current Year Levy - MV	906,922	996,291	89,369	91%
Total Ad Valorem Taxes	10,981,156	11,250,993	269,838	98%
Sales Tax				
Article 39 Sales Tax	877,263	1,174,933	297,670	75%
Article 40 Sales Tax	579,035	756,952	177,917	76%
Article 42 Sales Tax	96,102	138,500	42,398	69%
Article 44 Sales Tax	178,182	211,709	33,527	84%
Total Sales Tax	1,730,582	2,282,094	551,512	76%
Other Taxes	48,353	52,000	3,647	93%
Permits & Fees	432,052	435,204	3,152	99%
Departmental	777,520	872,361	94,840	89%
Miscellaneous	480,662	618,416	137,754	78%
Fund Balance Appropriations	-	1,227,185	1,227,185	0%
Total General Fund Revenue	14,450,325	16,738,253	2,287,928	86%
Expenditures				
Education Expenses	3,770,292	4,555,687	785,395	83%
Governmental Expenses	2,293,751	2,682,023	388,272	86%
Human Services Expenses	1,229,018	1,502,624	273,606	82%
Other Expenses	275,649	347,994	72,345	79%
Public Safety Expenses	3,446,914	4,010,831	563,917	86%
Transfer to Social Services	-	934,016	934,016	0%
Transfer to Re-Val	-	107,700	107,700	0%
Transfer to Debt Service	1,285,301	1,558,447	273,145	82%
Transfer to EMS	-	1,038,931	1,038,931	0%
Total General Fund Expenditures	12,300,925	16,738,253	4,437,327	73%
Net General Fund (11)	2,149,399	-		

Chowan County
Revenue / Expenditure Summary by Fund
Year-to-Date through 5/31/20

	Actual + Encumbrances	Adjusted Budget	% Budget Met
GOVERNMENTAL FUNDS:			
General Fund (Fund 11, 12)			
Revenues	15,734,346	18,638,608	84.4%
Expenditures	14,577,550	18,638,608	78.2%
Net General Fund	1,156,796	-	
Revaluation Fund (Fund 25)			
Revenues	526	122,700	0.4%
Expenditures	17,061	122,700	13.9%
Net Revaluation Fund	(16,535)	-	
Debt Service Fund (30)			
Transfers In	1,513,095	2,435,257	62.1%
Expenditures	2,435,246	2,435,257	100.0%
Net Debt Service Fund	(922,151)	-	
Capital Project Fund (32)			
Revenues	14,629	-	0.0%
Expenditures	75,371	-	0.0%
Net Capital Project Fund	(60,742)	-	
Capital Reserve Fund (33)			
Revenues	360,243	300,000	120.1%
Expenditures	-	300,000	0.0%
Net Capital Reserve Fund	360,243	-	
DF Walker Renovation Fund (36)			
Revenues	1,644,100	1,751,790	93.9%
Expenditures	1,105,117	1,751,790	63.1%
Net DF Walker Renovation Fund	538,983	-	
School Capital Reserve (40)			
Revenues	628,663	1,022,863	61.5%
Expenditures	195,186	1,022,863	19.1%
Net School Capital Reserve	433,477	-	
Hurricane Recovery Fund (41)			
Revenues	588,913	-	0.0%
Expenditures	135,262	-	0.0%
Net Hurricane Recovery	453,651	-	

Chowan County
Revenue / Expenditure Summary by Fund
Year-to-Date through 5/31/20

	Actual + Encumbrances	Adjusted Budget	% Budget Met
School Capital Projects(42)			
Revenues	195,186	-	0.0%
Expenditures	386,522	-	0.0%
Net School Capital Projects	(191,336)	-	
Lottery Proceeds Fund (49)			
Revenues	103,573	103,573	100.0%
Expenditures	103,573	103,573	100.0%
Net Lottery Fund	-	-	
SPECIAL REVENUE FUNDS:			
Fire Districts (23)			
Revenues	566,566	720,184	78.7%
Expenditures	439,102	720,184	61.0%
Net Fire Districts	127,464	-	
E-911 Fund (24)			
Revenues	230,286	275,826	83.5%
Expenditures	209,268	275,826	75.9%
Net E-911 Fund	21,017	-	
ENTERPRISE FUNDS:			
Water Dev. Capital Reserve (22)			
Revenues	10,082	5,000	201.6%
Expenditures	-	5,000	0.0%
Net Water Dev Capital Reserve	10,082	-	
EMS (60)			
Revenues	690,850	1,944,311	35.5%
Expenditures	1,481,537	1,944,311	76.2%
Net EMS Fund	(790,687)	-	
Capital Water (43)			
Revenues	-	102,761	0.0%
Expenditures	100,761	102,761	98.1%
Net Capital Water Fund	(100,761)	-	
Water (61)			
Revenues	1,611,701	1,814,620	88.8%
Expenditures	1,351,489	1,814,620	74.5%
Net Water Fund	260,211	-	

Chowan County
Revenue / Expenditure Summary by Fund
Year-to-Date through 5/31/20

	Actual + Encumbrances	Adjusted Budget	% Budget Met
Solid Waste (62)			
Revenues	976,614	1,217,388	80.2%
Expenditures	1,087,424	1,217,388	89.3%
Net Solid Waste Fund	(110,810)	-	

Chowan County
Cash and Investment Summary
5/31/2020

	4/30/2020	5/31/2020	Increase / (Decrease)
Cash Accounts			
Petty Cash - General Fund	200	200	-
Petty Cash - Water Department	150	150	-
Cash on Deposit - Southern Bank	609,629	89,534	(520,095)
Total Cash Accounts	609,979	89,884	(520,095)
Investment Accounts			
Investment - BB&T	503,269	503,269	-
Investment - BB&T - Project Fund - DF Walker	845,205	539,084	(306,122)
Investment - NCCMT Portfolio	6,772	6,772	-
Investment - NCCMT Term	2,144,285	2,144,285	-
Investment - NCCMT Term / School QZAB	392,863	392,863	-
Investment - PNC Money Market - 3652	51,177	51,177	-
Investment - PNC Money Market - 8893	50,820	50,820	-
Investment - Southern Bank - Money Market	8,601,824	8,501,824	(100,000)
Investment - Southern Bank - SunEnergy	108,000	108,000	-
Investment - Southern Bank - SunEnergy	100,000	100,000	-
NCCMT Term Portfolio	614,449	614,449	-
Total Investment Accounts	13,418,664	13,012,542	(406,122)
Total Cash & Investments	14,028,643	13,102,426	(926,217)