

STATEMENT ON BEHALF OF THE BERTIE COUNTY COMMISSIONERS

In the past several weeks questions have been raised concerning why the Bertie County Commissioners unanimously approved an increase in the salary of Zee Lamb, County Manager, at the open meeting held on August 17, 2009.

While Mr. Lamb had received cost of living increases in his salary since 2002, he had not received a merit raise since 2001.

The County Commissioners then and now felt that Mr. Lamb was helping to lead Bertie County Government in an efficient and responsible manner which had resulted in tremendous savings to the Bertie County taxpayers, and wished to ensure that he would continue his employment for at least four more years without leaving Bertie County so that the progressive leadership of the County could continue uninterrupted.

In making this decision the County Commissioners were aware of the following:

I. Qualifications

Mr. Lamb was a graduate of the University of North Carolina at Chapel Hill Law School and had an active law license when he was hired. As he had grown more comfortable with his role as County Manager, he had increased the legal oversight of minor legal matters for the County. Also, after almost nine years on the job, Mr. Lamb's experience made him an extremely valuable employee as not only was he serving as County Manager but as budget officer of the County.

II. Property Taxes

In the year 2000 when Mr. Lamb became County Manager the collection rate for all property taxes in Bertie County was at a twenty year low of 88.59%. By June 30 of 2009 the collection rate was 95.98%. Please see Exhibit 1 attached.

The delinquent taxes owed to Bertie County when Mr. Lamb became County Manager were approximately \$1,331,585.00, an all time high in delinquency. As of June 30, 2009 the amount owing to Bertie County in delinquent taxes was \$702,429.00. Please see Exhibit 2 attached. This was a net recovery of tax funds for the County in the amount of \$629,156.00.

While the County Commissioners were aware that Mr. Lamb was not the tax collector, he had emphasized tax collections and had supervised closely the operations of the Bertie County Tax Collector's Office.

The results of the vigilance of Mr. Lamb and those under his supervision regarding increased tax receipts resulted in a net increase in total tax receipts to Bertie County from the date of hiring in 2000 to June 30, 2009 of \$2,645,228.00. Please see Exhibit 3 attached.

There had been no ad valorem property tax increase in Bertie County between 2001 and 2009. While there was a statutorily required evaluation in 2004, according to the formula provided by the State of North Carolina, a revenue neutral tax rate of 78.4 cents per hundred dollars of value was appropriate based upon the revalued property in Bertie County. The Bertie

County Commissioners actually set the tax rate at 78 cents per hundred dollars which means there was an aggregate .4 cent per \$100.00 decrease in taxes charged by the County.

Approximately each \$100,000.00 of ad valorem property tax revenue received by the County requires a one cent tax per \$100.00 of value. The tax increase necessary to equal the \$2,645,228.00 tax collection increase caused in a large part by Mr. Lamb's vigilance would have required an approximate three cents per \$100.00 value increase in the Bertie County ad valorem property tax rate for each of the nine fiscal years from 2000-2001 through 2008-2009. The Bertie County Commissioners find such a tax increase to be totally unacceptable and it was avoided in part because of Mr. Lamb's supervision.

III. Unreserved Fund Balance And General Fund Expenditures

The Bertie County fund balance increased from \$2,104,380.00 in 2000 to \$5,265,554.00 by June 30, 2009. See Exhibit 4 attached hereto. The importance of an increased fund balance is that it reflects directly upon the ability of the County to borrow money at the lowest possible rate and it is the County's "rainy day fund" meaning that in the event of another emergency such as Hurricane Floyd, the County will have sufficient funds to operate for a prolonged period of time. As reflected on the attached Exhibit 5, the general fund expenditures by the County increased from approximately \$14,217,794.00 in the year 2000 to \$18,895,066.00 ending June 30, 2009. This increase in County spending of approximately \$4,600,000.00 was accomplished without a

tax increase and at the same time that the reserve fund balance of the County more than doubled. The fund balance increased from the year 2000 from 14.8% of general expenditures to a very healthy 27.87% of total expenditures in 2009. See Exhibit 6 attached.

The County Commissioners felt that Mr. Lamb's guidance had been directly responsible for this healthy improvement in the over all financial position of the County.

IV. Health Department Changes

In 2000 when Mr. Lamb was employed Bertie County was operating a stand alone single county health department. The costs to Bertie County in fiscal year 2000-2001, when the County last operated a stand alone health department in an antiquated building was \$576,073.00. At the suggestion and urging of Mr. Lamb, the Bertie County Commissioners explored the possibility of joining the Albemarle Regional Health Services. In the fiscal year 2001-2002 Bertie County entered into a contract with Albemarle Regional Health Services for the operation of the Bertie County Health Department at costs of \$190,000.00. This resulted in an immediate and direct savings to the taxpayers of Bertie County of \$386,733.00. This savings was accomplished without any decrease in services or personnel.

In fiscal year 2002-2003 Bertie County merged with Albemarle Regional Health Services, which was a regional health department serving six other counties. Because of Mr. Lamb's negotiations, Bertie County was able to buy

into a fund balance of approximately \$3,600,000.00 for a cost to the County of \$835,116.00 which was repaid over ten years at a cost of approximately \$90,000.00 per year without interest. This fund balance as of June 30, 2009 had increased to \$4,375,599.00. Obviously Bertie County had made a good investment.

Bertie County was also obligated to pay Albemarle Regional Health Services a yearly fee for its operation of the Health Department. This fee, as shown on Exhibit 7 attached hereto under the line item entitled "Appropriation", averaged between fiscal year 2002-2003 and fiscal year 2008-2009 \$91,809.57. The buy in cost during this same period of time as shown on Exhibit 7 averaged \$87,857.14. Thus, the total average annual cost for operating the Health Department including the fund balance buy in, between fiscal year 2002-2003 and fiscal year 2008-2009 is \$179,667.71. Assuming that costs had remained steady (which is highly unlikely given the general rate of increase in health care costs) and that Bertie County had continued to operate its own Health Department at a cost of \$576,073.00 a year, the savings to the County are at least \$397,066.29 a year or over a seven year period a savings of \$2,779,464.03.

This savings allowed Bertie County to build a new Health Department to serve all the citizens of Bertie County which is now located near the new hospital site. The cost of this new facility was approximately \$1,000,000.00 and the debt service from fiscal year 2003-2004 through fiscal year 2008-2009 has averaged \$85,442.16 per year. See Exhibit 7 attached. Thus the County was able to build

a new building, buy into a robust fund balance which has increased dramatically, and maintain excellent health care delivery throughout the County for average annual costs to the taxpayers of \$252,902.28 between fiscal year 2002-2003 and fiscal year 2008-2009. Please refer to Exhibit 7 attached. Even with a new health care building, the County is averaging annual savings compared to the old method of delivering health care throughout the County in fiscal year 2000-2001 in an annual amount of \$323,830.72 or \$2,266,815.04 in savings to the taxpayers over the seven year period involved.

The obligation of Bertie County to pay the \$90,000.00 into the fund balance of Albemarle Regional Health Services will end during December 2011. Thereafter, the Health Department should be operated and the new building paid for by expending approximately \$165,045.14 based on historical numbers and even assuming there is an astronomical new increase in cost under the present tough economic times, the County should be able to operate the Health Department and pay for the new building for less than \$190,000.00 per year.

V. New Prison

In 2001 Bertie County began discussions of securing a prison in Bertie County to increase jobs for the citizens and to increase the monies flowing into Bertie County Water District II, which was then operating at a loss of over \$100,000.00 per year. Zee Lamb made direct contact in 2001 with Lynn Phillips, then the head of Prison Construction, to attempt to secure the location of this prison in Bertie County. After it was determined that one of three new state

prisons would be built in Bertie County during this period, Mr. R.C. Soles, then the Senior Senator in the North Carolina State Senate, attempted to have the prison which was to be sited in Bertie County, sited in Columbus County in his district. Mr. Lamb personally called local legislators as well as top legislative leaders in both the Senate and House to counteract these attempts. The Bertie County Commissioners joined him in these efforts and were successful in securing the location of the prison in Bertie County.

As a result of choosing Bertie County for the site of the prison, 403 jobs became available.

In addition to the jobs that became available, the water sales in Water District II increased dramatically. See Exhibit 8 attached which shows an immediate increase in sales to the prison late in the fiscal year 2005-2006. Exhibit 8 also shows the prison water usage beginning in May of 2006. Because of the prison's use of water in Bertie County Water District II, this district went from being a drain on the general fund of the taxpayers of Bertie County to actually making money.

To secure this water supply, Bertie County had to provide infrastructure improvements for its water system at a cost of approximately \$2,100,000.00. Grants were secured of \$1,500,000.00 meaning that the County had to finance \$600,000.00 in water improvements. Mr. Lamb originated the idea of a unique local government agreement with the Town of Windsor whereby the Town of Windsor would supply electricity and sewer to the prison, the county would

supply water to the prison, and the two governmental units would share in the proceeds. A copy of this Agreement is attached hereto as Exhibit 9. The Agreement was drafted by the County Attorney, but was the original idea of Mr. Lamb. To gage the impact of this Agreement, one should look at Exhibit 10 which is attached and reflects the monthly payments that the County has received and which it is applying to the \$600,000.00 infrastructure indebtedness which the County incurred. This agreement will continue for the life of the prison which means that the County will eventually be making money from this transaction as well, and in addition to having infrastructure which can supply water to other citizens of Bertie County.

VI. Data Center

In the year 2000 when Mr. Lamb became County Manager, Bertie County was a participant in a joint data processing center known as the Bertie Hertford Data Center. Mr. Lamb, as was his duty as County Manager, examined all the contracts under which the County was operating and as budget officer reviewed the numbers. He determined that operating a joint data center was much less efficient and more expensive than Bertie County operating its own stand alone data center. In 2004 Bertie County, following the suggestion of Mr. Lamb, terminated the joint data center. The average costs of the last three years to Bertie County while in the joint data center as shown on Exhibit 11 attached were \$265,400.00 per year. The average costs of Bertie County operating a stand alone data center from 2004 through June 2009 were \$181,926.56 as

shown on Exhibit 11. Thus, by this one step the Bertie County Commissioners saved Bertie County citizens an average of \$83,437.44 or \$417,187.19 over the five year period. Certainly, Mr. Lamb deserved credit for this idea and some of this savings.

VII. Formation of Recreation Department and PARTF Grants

Before June 2000 Bertie County had never had a significant organized recreation department, which by June 30, 2009 it did. Mr. Lamb encouraged and helped the Bertie County Commissioners to apply for two PARTF Grants totaling \$750,000.00 which had been available before Mr. Lamb had been hired as County Manager but about which the County Commissioners at that time had not known. Using these PARTF funds, the County was able to build its present centralized recreation center. The County now proudly has what we believe to be an excellent recreation center, a recreation director, and recreation department while we did not have even a department of recreation before Mr. Lamb's employment.

VIII. QZAB

Mr. Lamb brought to the attention of the Bertie County School Board and to the Bertie County Commissioners the existence of QZABs. These zero interest or less than zero interest bonds had been available before Mr. Lamb was employed but had never been called to the attention of either the School Board or the County Commissioners. Acting upon Mr. Lamb's suggestions and guidance, the County and the School Board have applied for QZAB Grants to

improve the quality of educational structures throughout Bertie County in 2003 and 2007.

IX. New Department of Social Services Building

After Mr. Lamb was employed, the Bertie County Commissioners became concerned with the antiquated condition of the Department of Social Services building located in Windsor. Mr. Lamb worked closely with the County Attorney and Mr. Richard Andrews, the architect, to help the County build this new social services building. This social services building was the first structure built in Bertie County under a relatively new provision called "Construction Manager-at-Risk" which procedure allowed the County to contract with one single prime contractor who became responsible for building the Department of Social Services building under the supervision of the County's architect, Mr. Lamb as County Manger, and Mr. Morris Rascoe, Assistant County Manger and the head of the Department of Social Services. This new building opened in July, 2008 and is another new addition serving the citizens of Bertie County for which Mr. Lamb deserved some credit.

X. Medicaid Reform

Shortly after Mr. Lamb was employed as the Bertie County Manager, he became aware of just how significantly impacted Bertie County was from year to year by the North Carolina state law mandating that counties share in the cost of Medicaid services to citizens. Approximately thirty two percent of the population of Bertie County between 2000 and 2009 was Medicaid eligible. Until 2008,

Bertie County was required to pay its share of this Medicaid expense to the State of North Carolina. In the year 2007, fifteen percent of the total budget of Bertie County was designated solely for paying to the State for Medicaid benefits provided to the citizens of Bertie County.

Mr. Lamb was one of the most vocal and continuous advocates for Medicaid reform at the state level because Bertie County was, on an average, paying, between fiscal year 2003-2004 and fiscal year 2007-2008, \$2,236,977.10 per year for Medicaid benefits to the State. See Exhibit 12 which is attached hereto.

Mr. Lamb became a leading statewide crusader on this issue and in 2007 testified before the Legislative Study Commission of the North Carolina Legislature studying the reform of the county share of Medicaid payment. In 2008 the Medicaid reimbursement law was changed by the North Carolina Legislature dramatically with a two year phase out of county payments so that for the fiscal year 2008-2009 Bertie County had to pay \$1,098,365.70. By June 30, 2009, we knew that Medicaid reimbursement would continue to shrink for the County and this has been fulfilled as shown on Exhibit 12 as in fiscal year 2009-2010 Bertie County spent \$16,038.96 and in fiscal year 2010-2011 Bertie County will have to spend \$12.31 for Medicaid payment, which contrasts sharply with \$2,359,131.21 paid in fiscal year 2007-2008..

Of course nothing is gained without something often being lost and despite Mr. Lamb's best efforts and arguments to the Legislature; the Legislature

did in fact, cut the sales tax which was repaid to the various counties in the exchange for them receiving Medicaid relief. The sales tax is cut but each county is guaranteed at least \$500,000.00 in total savings per year from the Medicaid Amendment. Exhibit 13 attached hereto shows that the total sales tax received by Bertie County in fiscal year 2004-05 was \$2,797,630.47 and the amount received in fiscal year 2008-2009 after the Medicaid Reimbursement Act was enacted was \$2,421,729.68. This was a net savings to Bertie County in the fiscal year of 2008-2009 of \$591,467.51. A savings to Bertie County of at least this amount was projected into the indefinite future.

XI. Attorney Fees

While Mr. Lamb is not the Bertie County Attorney, the Bertie County Commissioners when they gave Mr. Lamb his raise asked that Mr. Lamb become more involved when dealing with minor legal matters. The opinion of the County Attorney as expressed to the Board of County Commissioners is that this has in fact happened and that the County Attorney estimates that Mr. Lamb has saved the County between \$30,000.00 and \$50,000.00 per year in legal fees. This is difficult to quantify, but the County Attorney points to the following examples:

A. Mr. Lamb participates in negotiations of small contracts which used to be negotiated solely by the County Attorneys.

B. Often when a legal problem requires two attorneys to discuss a matter such as recently occurred on the question of an appeal of a worker's compensation case, the lead attorney from the County Attorney's office did not

discuss the matter with another attorney billing the County but discussed the matter with Mr. Lamb. On another occasion when the County was considering new private guideline water extensions, the County Attorney, Mr. Smith, was able to discuss this matter with Mr. Lamb instead of discussing the matter with one of his partners which saved the County approximately \$200.00 per hour.

C. Mr. Lamb has taken the lead in dealing with vendors and disputes which undeniably saves the County money on the hourly rate of the County Attorney.

While these savings were hoped for, they were certainly not known as of the time the contract was signed in August, 2009 and effective September, 2009.

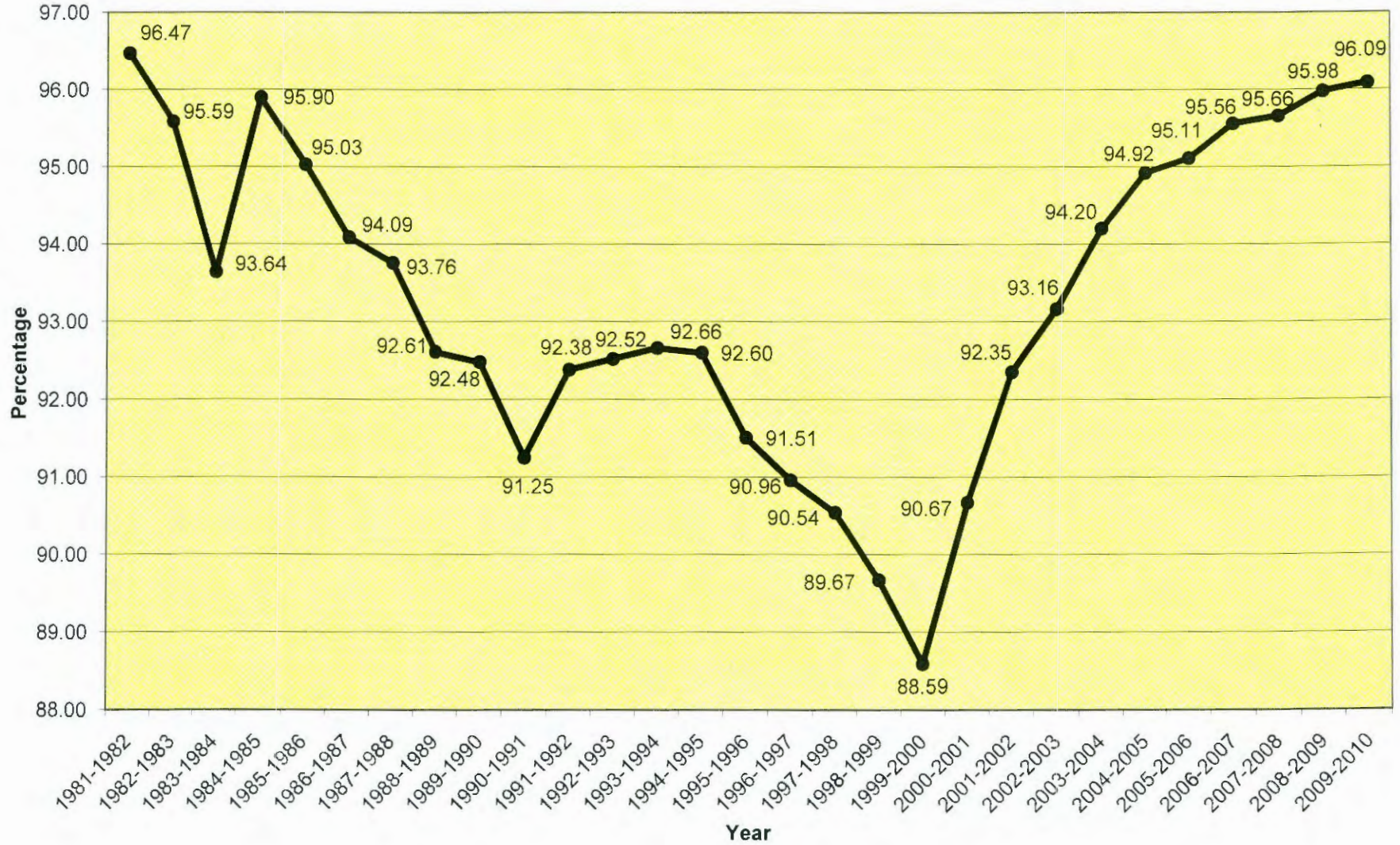
XII. Conclusion

The Bertie County Commissioners were well aware of Mr. Lamb's extraordinary cost saving efforts on their behalf to the taxpayers of Bertie County and of the improvements in the delivery of governmental services to the citizens of Bertie County while he was County Manager. Having such a County Manager was deemed to be extraordinarily valuable to Bertie County and the Commissioners would point all the citizens of Bertie County to the various savings set forth above, a significant portion of which can be attributed to Mr. Lamb. Having in mind these various savings and the efficiency with which the Bertie County Government was operating, the Commissioners determined after reasonable and careful debate that Mr. Lamb's increased salary was justified to assure that Bertie County had his skills available for another four years.

Respectfully submitted this the 28th day of February, 2011.

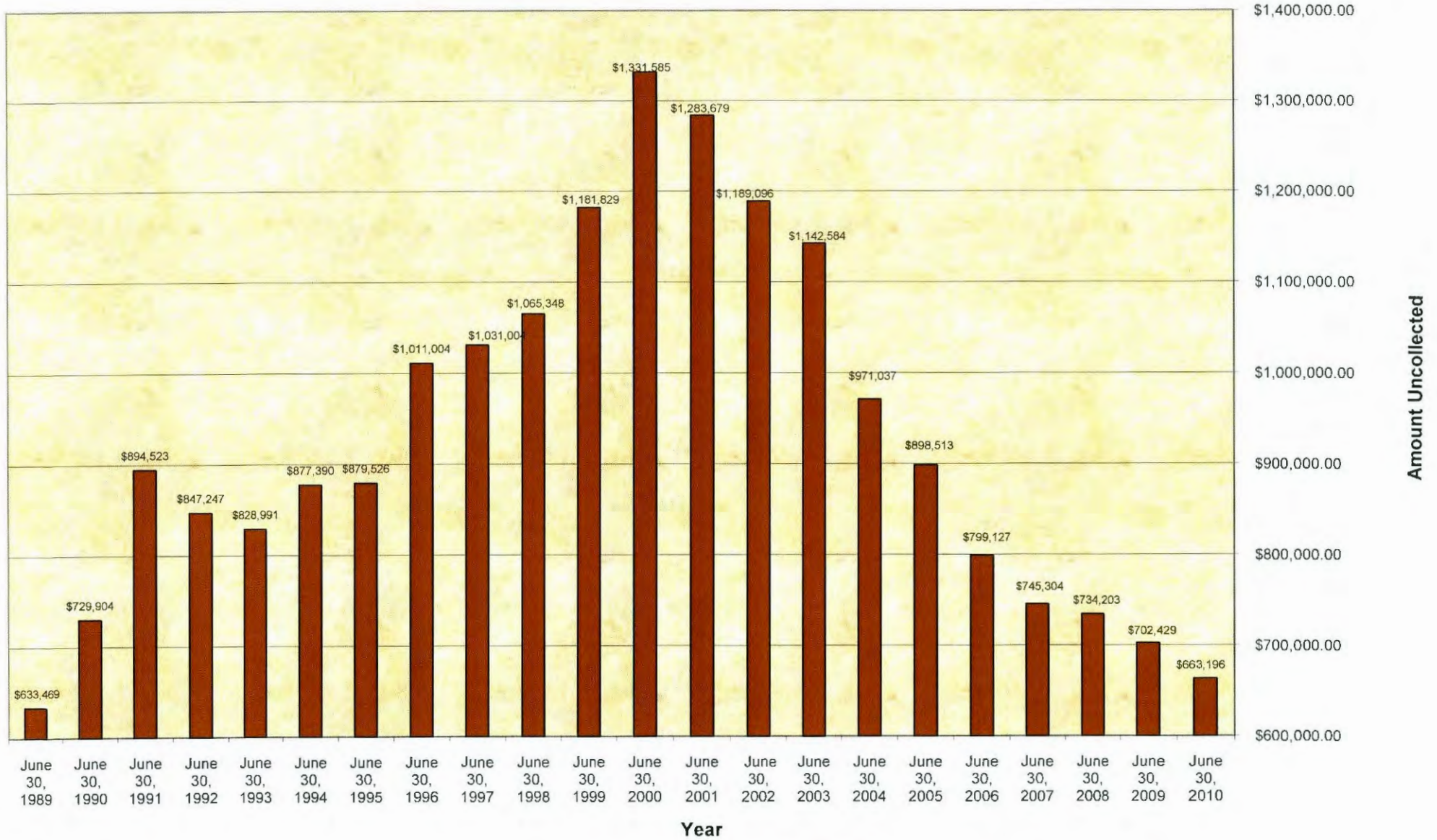
Lewis C. Hoggard, III
Chairman Of The Bertie County Commissioners
on behalf of the
Five Bertie County Commissioners

Current Year Tax Collection Rate - All Property



Sources - Bertie County Annual Audits 1982-2009
 Fiscal Year 2009-2010 unaudited

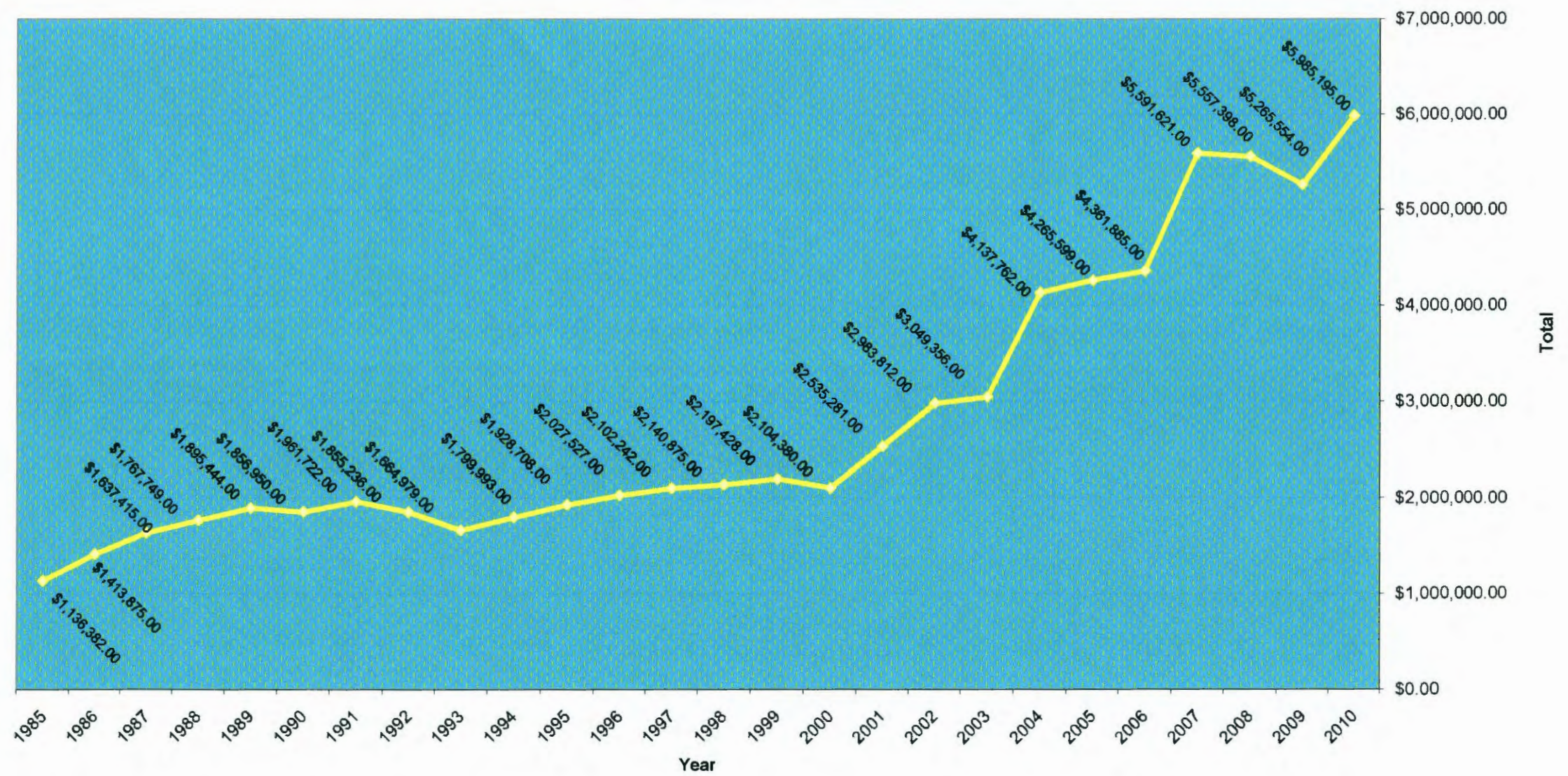
Delinquent Taxes Owed to Bertie County
 (Each Year Includes the Current Year Plus the Prior 9 Years)



Source - Bertie County Annual Audits 1989-2009
 Fiscal Year 2009-2010 unaudited

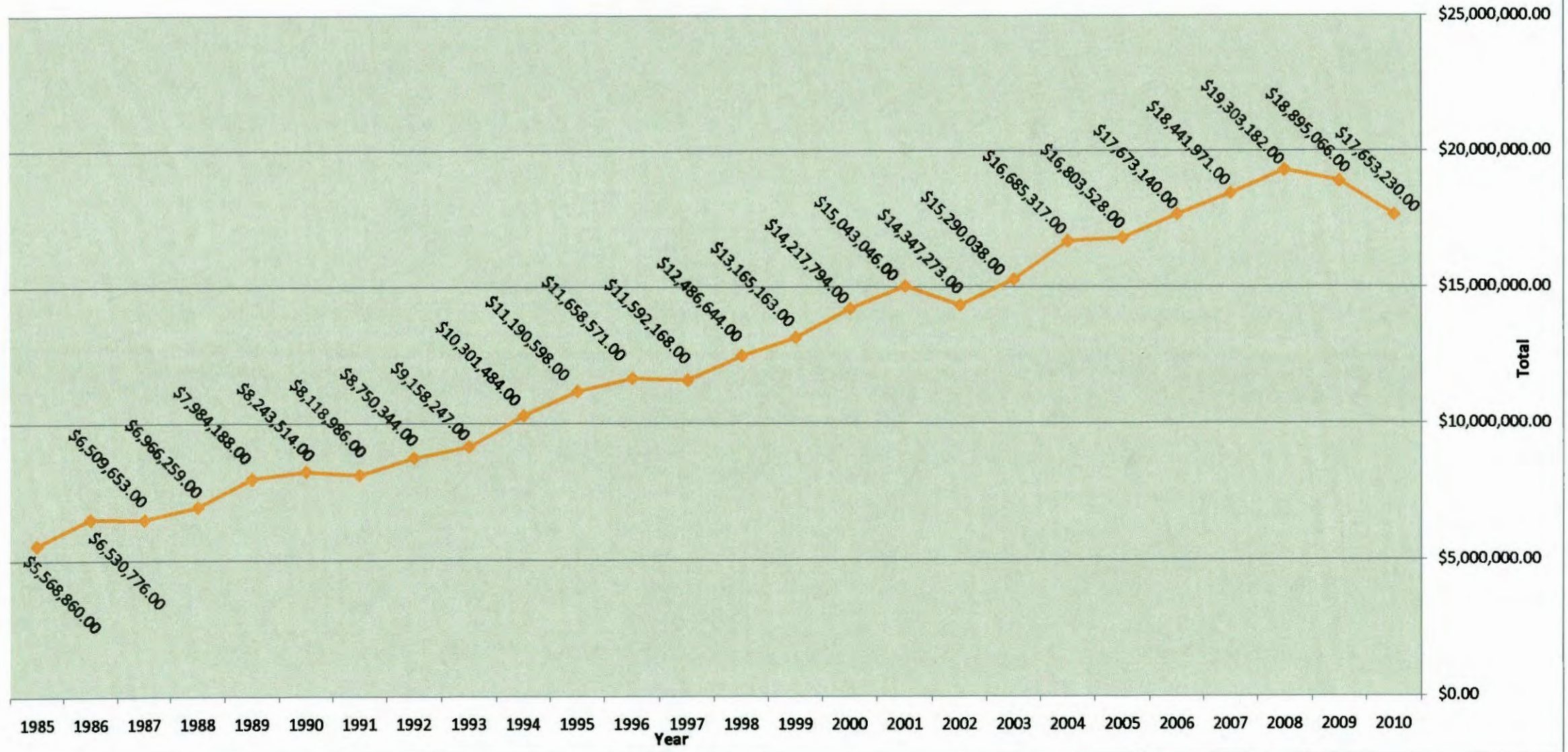
	COLLECTION RATE	TAX RECEIPTS	INCREASE IN RATE	INCREASE IN TAX RECEIPTS	TOTAL INCREASE RATE	TOTAL INCREASE TAX RECEIPTS
99/00	88.59%	\$ 5,802,669				
00/01	90.67%	\$ 6,412,251	2.08%	\$ 609,582	2.08%	\$ 609,582
01/02	92.35%	\$ 7,043,858	1.68%	\$ 631,607	3.76%	\$ 1,241,189
02/03	93.16%	\$ 7,323,792	0.81%	\$ 279,934	4.57%	\$ 1,521,123
03/04	94.20%	\$ 7,239,859	1.04%	\$ (83,933)	5.61%	\$ 1,437,190
04/05	94.92%	\$ 7,504,306	0.72%	\$ 264,447	6.33%	\$ 1,701,637
05/06	95.11%	\$ 7,715,371	0.19%	\$ 211,065	6.52%	\$ 1,912,702
06/07	95.56%	\$ 7,886,937	0.45%	\$ 171,566	6.97%	\$ 2,084,268
07/08	95.66%	\$ 8,327,530	0.10%	\$ 440,593	7.07%	\$ 2,524,861
08/09	95.98%	\$ 8,447,897	0.32%	\$ 120,367	7.39%	\$ 2,645,228

Unreserved Fund Balance



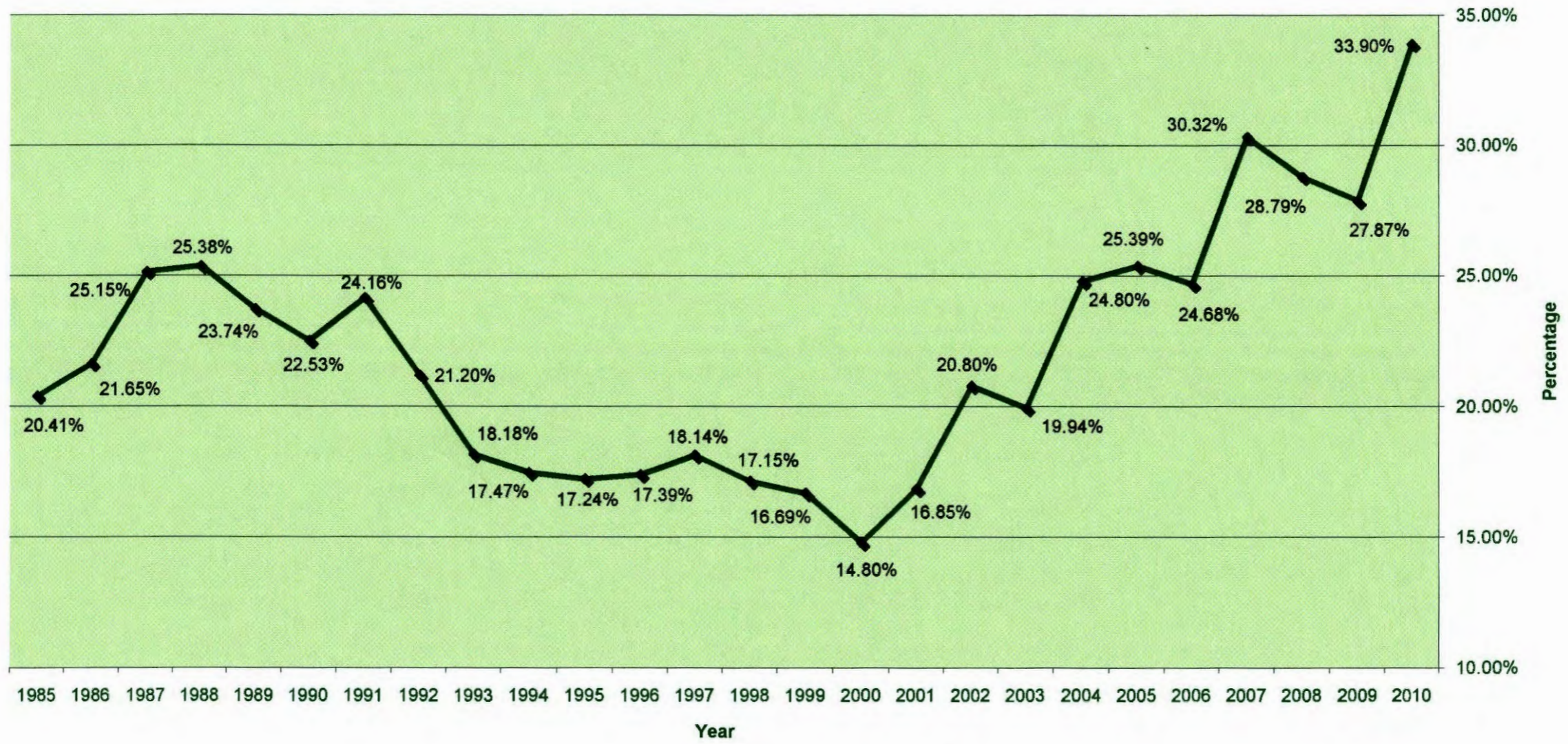
Source: Bertie County Annual Audits 1986-2010

Total General Fund Expenditures



Source: Bertie County Annual Audits 1986-2010

Unreserved Fund Balance as a Percentage of Current Year Expenditures



Source: Bertie County audits 1985-2010

COUNTY'S SHARE OF HEALTH DEPARTMENT COST

	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10
APPROPRIATION			\$ 96,667	\$ 120,000	\$ 100,000	\$ 80,000	\$ 75,000	\$ 75,000	\$ 96,000	\$ 75,000
BUY IN			\$ 80,000	\$ 85,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
TOTAL COUNTY SHARE	\$ 576,733	\$ 190,000	\$ 176,667	\$ 205,000	\$ 190,000	\$ 170,000	\$ 165,000	\$ 165,000	\$ 186,000	\$ 165,000
INTEREST				\$ 11,735	\$ 33,818	\$ 31,438	\$ 29,058	\$ 26,749	\$ 24,298	\$ 21,918
PRINCIPAL				\$ 22,222	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667	\$ 66,667
TOTAL SHARE AND DEBT	\$ 576,733	\$ 190,000	\$ 176,667	\$ 238,957	\$ 290,484	\$ 268,104	\$ 260,724	\$ 258,416	\$ 276,964	\$ 253,584

WATER SALES-DISTRICT II

	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06
JUL		\$ 4,221.50	\$ 11,547.34	\$ 12,774.20	\$ 13,122.09	\$ 19,526.62	\$ 17,596.25	\$ 17,049.40	\$ 18,373.89
AUG		\$ 3,289.00	\$ 12,233.41	\$ 16,421.40	\$ 11,559.40	\$ 17,690.72	\$ 15,060.86	\$ 16,660.05	\$ 14,710.35
SEP		\$ 4,934.50	\$ 10,026.44	\$ 12,507.50	\$ 22,919.90	\$ 16,268.09	\$ 12,314.11	\$ 17,508.14	\$ 23,918.35
OCT	\$ 142.50	\$ 5,878.75	\$ 15,095.50	\$ 11,985.05	\$ 17,028.37	\$ 17,392.12	\$ 20,145.23	\$ 15,762.32	\$ 17,945.89
NOV	\$ 163.50	\$ 7,182.50	\$ 12,186.50	\$ 12,272.28	\$ 16,142.79	\$ 13,394.89	\$ 13,504.70	\$ 14,522.20	\$ 16,273.24
DEC	\$ 1,037.00	\$ 9,780.25	\$ 13,180.00	\$ 11,299.07	\$ 15,002.53	\$ 18,440.37	\$ 18,717.73	\$ 20,403.09	\$ 21,925.31
JAN	\$ 1,189.00	\$ 7,398.00	\$ 12,926.50	\$ 14,097.99	\$ 21,014.60	\$ 17,260.60	\$ 15,103.30	\$ 19,332.56	\$ 21,351.71
FEB	\$ 999.50	\$ 10,626.58	\$ 11,558.00	\$ 13,443.61	\$ 16,240.10	\$ 13,190.66	\$ 14,228.13	\$ 16,374.65	\$ 19,359.34
MAR	\$ 2,021.58	\$ 11,057.50	\$ 15,732.00	\$ 12,486.18	\$ 13,501.08	\$ 17,487.50	\$ 18,369.47	\$ 25,138.34	\$ 21,428.39
APR	\$ 3,568.72	\$ 9,837.92	\$ 9,655.50	\$ 12,831.32	\$ 16,200.17	\$ 14,257.14	\$ 14,790.16	\$ 15,078.40	\$ 15,458.39
MAY	\$ 2,876.20	\$ 11,543.56	\$ 13,857.25	\$ 14,138.67	\$ 15,580.31	\$ 16,099.58	\$ 13,238.68	\$ 14,890.26	\$ 19,293.35
JUN	\$ 4,694.50	\$ 13,361.50	\$ 12,536.75	\$ 13,437.89	\$ 13,313.45	\$ 14,684.90	\$ 17,302.48	\$ 19,168.49	\$ 19,922.35
	\$ 16,692.50	\$ 99,111.56	\$ 150,535.19	\$ 157,695.16	\$ 191,624.79	\$ 195,693.19	\$ 190,371.10	\$ 211,887.90	\$ 229,960.56

	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
JUL	\$ 15,151.45	\$ 34,161.25	\$ 39,847.86	\$ 31,459.45	\$ 41,705.74			
AUG	\$ 20,610.03	\$ 40,979.49	\$ 43,607.48	\$ 28,394.26	\$ 43,858.56			
SEP	\$ 24,002.02	\$ 38,276.80	\$ 40,073.16	\$ 42,504.96	\$ 43,629.04			
OCT	\$ 35,492.52	\$ 35,355.71	\$ 37,983.07	\$ 39,248.97	\$ 33,470.19			
NOV	\$ 17,147.38	\$ 34,843.37	\$ 30,640.36	\$ 32,361.48	\$ 44,736.67			
DEC	\$ 26,124.91	\$ 27,913.61	\$ 35,819.10	\$ 35,786.46	\$ 29,638.79			
JAN	\$ 36,135.36	\$ 35,316.69	\$ 27,694.13	\$ 35,778.98	\$ 44,978.37			
FEB	\$ 15,438.86	\$ 33,828.68	\$ 36,028.74	\$ 35,558.23				
MAR	\$ 40,061.39	\$ 32,462.18	\$ 32,570.57	\$ 32,273.24				
APR	\$ 28,924.50	\$ 31,570.90	\$ 35,829.32	\$ 29,475.69				
MAY	\$ 33,914.41	\$ 32,192.74	\$ 30,756.60	\$ 35,346.13				
JUN	\$ 29,729.20	\$ 29,289.34	\$ 39,606.69	\$ 43,734.17				
	\$ 322,732.03	\$ 406,190.76	\$ 430,457.08	\$ 421,922.02	\$ 282,017.36			

PRISON WATER USAGE

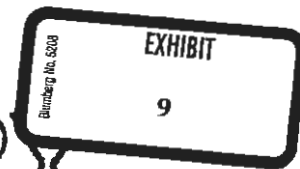
	GALLONS	AMOUNT	BEGINNING	ENDING	# OF DAYS	GALLONS PER DAY	COST PER DAY
May-06	230,000	\$ 1,184.00		5/15/2006			
Jun-06	74,000	\$ 390.00	5/16/2006	6/8/2006	24	3083	\$ 16.25
Jul-06	298,000	\$ 1,661.00	6/9/2006	7/13/2006	35	8514	\$ 47.46
Aug-06	425,000	\$ 2,145.00	7/14/2006	8/22/2006	40	10625	\$ 53.63
Sep-06	669,000	\$ 3,365.00	8/23/2006	9/11/2006	20	33450	\$ 168.25
Oct-06	1,451,000	\$ 7,275.00	9/12/2006	10/19/2006	38	38184	\$ 191.45
Nov-06	1,141,000	\$ 5,725.00	10/20/2006	11/15/2006	27	42259	\$ 212.04
Dec-06	1,169,000	\$ 5,865.00	11/16/2006	12/6/2006	21	55667	\$ 279.29
Jan-07	1,991,000	\$ 9,975.00	12/7/2006	1/5/2007	30	66367	\$ 332.50
Feb-07	1,681,000	\$ 8,425.00	1/6/2007	2/7/2007	33	50939	\$ 255.30
Mar-07	2,575,000	\$ 12,895.00	2/8/2007	3/5/2007	26	99038	\$ 495.96
Apr-07	2,359,000	\$ 11,815.00	3/6/2007	4/5/2007	31	76097	\$ 381.13
May-07	2,543,000	\$ 12,735.00	4/6/2007	5/7/2007	32	79469	\$ 397.97
Jun-07	2,820,000	\$ 14,120.00	5/8/2007	6/8/2007	32	88125	\$ 441.25
Jul-07	2,849,000	\$ 14,265.00	6/9/2007	7/6/2007	28	101750	\$ 509.46
Aug-07	3,310,000	\$ 16,570.00	7/7/2007	8/7/2007	32	103438	\$ 517.81
Sep-07	3,290,000	\$ 16,470.00	8/8/2007	9/7/2007	31	106129	\$ 531.29
Oct-07	3,176,000	\$ 15,900.00	9/8/2007	10/8/2007	31	102452	\$ 512.90
Nov-07	2,945,000	\$ 14,745.00	10/9/2007	11/8/2007	31	95000	\$ 475.65
Dec-07	2,527,000	\$ 12,655.00	11/9/2007	12/7/2007	29	87138	\$ 436.38
Jan-08	2,752,000	\$ 13,780.00	12/8/2007	1/7/2008	31	88774	\$ 444.52
Feb-08	2,626,000	\$ 13,150.00	1/8/2008	2/8/2008	32	82063	\$ 410.94
Mar-08	2,684,000	\$ 13,440.00	2/9/2008	3/10/2008	31	86581	\$ 433.55
Apr-08	2,545,000	\$ 12,745.00	3/11/2008	4/8/2008	29	87759	\$ 439.48
May-08	2,688,000	\$ 13,460.00	4/9/2008	5/8/2008	30	89600	\$ 448.67
Jun-08	3,050,000	\$ 15,270.00	5/9/2008	6/9/2008	32	95313	\$ 477.19
Jul-08	2,917,000	\$ 14,605.00	6/10/2008	7/7/2008	28	104179	\$ 521.61
Aug-08	5,284,000	\$ 26,440.00	7/8/2008	8/8/2008	32	165125	\$ 826.25
Sep-08	3,572,000	\$ 17,880.00	8/9/2008	9/8/2008	31	115226	\$ 576.77
Oct-08	3,411,000	\$ 17,075.00	9/9/2008	10/8/2008	30	113700	\$ 569.17
Nov-08	3,420,000	\$ 17,120.00	10/9/2008	11/10/2008	33	103636	\$ 518.79
Dec-08	2,659,000	\$ 13,315.00	11/11/2008	12/9/2008	29	91690	\$ 459.14
Jan-09	2,813,000	\$ 14,085.00	12/9/2008	1/8/2009	31	90742	\$ 454.35
Feb-09	2,861,000	\$ 14,325.00	1/9/2009	2/9/2009	32	89406	\$ 447.66
Mar-09	2,551,000	\$ 12,775.00	2/10/2009	3/9/2009	28	91107	\$ 456.25
Apr-09	2,751,000	\$ 13,775.00	3/10/2009	4/8/2009	30	91700	\$ 459.17
May-09	2,889,000	\$ 14,465.00	4/9/2009	5/8/2009	30	96300	\$ 482.17
Jun-09	3,080,000	\$ 15,420.00	5/9/2009	6/8/2009	31	99355	\$ 497.42
Jul-09	3,197,000	\$ 16,005.00	6/9/2009	7/8/2009	30	106567	\$ 533.50
Aug-09	3,525,000	\$ 17,645.00	7/9/2009	8/10/2009	33	106818	\$ 534.70
Sep-09	3,395,000	\$ 16,995.00	8/11/2009	9/9/2009	30	113167	\$ 566.50
Oct-09	2,893,000	\$ 14,485.00	9/10/2009	10/8/2009	29	99759	\$ 499.48
Nov-09	3,167,000	\$ 15,855.00	10/9/2009	11/10/2009	33	95970	\$ 480.45
Dec-09	2,858,000	\$ 14,310.00	11/11/2009	12/9/2009	29	98552	\$ 493.45
Jan-10	3,486,000	\$ 17,450.00	12/10/2009	1/8/2010	30	116200	\$ 581.67
Feb-10	2,927,000	\$ 14,655.00	1/9/2010	2/8/2010	31	94419	\$ 472.74
Mar-10	2,775,000	\$ 13,895.00	2/9/2010	3/9/2010	29	95690	\$ 479.14

Apr-10	2,536,000	\$ 12,700.00	3/10/2010	4/8/2010	30	84533	\$	423.33
May-10	2,877,000	\$ 14,405.00	4/9/2010	5/11/2010	33	87182	\$	436.52
Jun-10	2,888,000	\$ 14,460.00	5/12/2010	6/11/2010	31	93161	\$	466.45
Jul-10	2,884,000	\$ 16,609.50	6/12/2010	7/9/2010	28	103000	\$	593.20
Aug-10	3,559,000	\$ 18,707.25	7/10/2010	8/9/2010	32	111219	\$	584.60
Sep-10	3,480,000	\$ 18,292.50	8/10/2010	9/10/2010	32	108750	\$	571.64
Oct-10	3,013,000	\$ 15,840.75	9/11/2010	10/11/2010	30	100433	\$	528.03
Nov-10	2,865,000	\$ 15,063.75	10/12/2010	11/12/2010	32	89531	\$	470.74
Dec-10	2,620,000	\$ 13,777.50	11/13/2010	12/13/2010	31	84516	\$	444.44
Jan-11	2,580,000	\$ 13,567.50	12/14/2010	1/13/2011	31	83226	\$	437.66
Feb-11	2,628,000	\$ 13,819.50	1/14/2011	2/14/2011	32	82125	\$	431.86
Mar-11								
Apr-11								

PRISONGALLONS

AGREEMENT

COPY



This Agreement, made this the 10th day of June, 2002, by Bertie County (hereinafter "Bertie"), Bertie County Water District II (hereinafter "District") and the Town of Windsor (hereinafter "Windsor");

WITNESSETH that whereas:

A. Bertie is a county in the State of North Carolina, and Windsor is a municipality with both entities being body politics duly created under the laws of the State of North Carolina;

B. District is a Water District created by the Bertie County Board of Commissioners pursuant to N.C.G.S. Chapter 162A, Article 6;

C. Bertie County is one of the poorest counties in the State of North Carolina;

D. Windsor is the county seat of Bertie County;

E. The citizens of Bertie and Windsor would greatly benefit from an increase in employment opportunities within said County;

F. The North Carolina Department of Corrections has agreed to build a 1,000 cell high security prison in Bertie County, which will employ at least 415 people having salaries ranging from \$17,854.00 per year to a possible high of \$125,341.00, if sufficient land is donated to it on which to build such a prison;

G. Of said 415 jobs, at least 400 of them could easily be filled by citizens of Bertie County, who could earn starting salaries between \$17,854.00 to \$33,827.00 and which could significantly increase over that as experience was gained by employees at said prison;

H. Bertie and Windsor are authorized by the General Assembly of the State of North Carolina to acquire land for the public purpose of deeding the same to the North Carolina Department of Corrections for the siting and building of a prison;

I. Windsor wishes to enter into a joint agreement with Bertie County for the purpose of securing the location of said prison within the County in order to support job opportunities for the citizens of Bertie and Windsor and in order to provide utilities for the prison project.

J. The service area of the District contains the site which is proposed for location of said prison, and Windsor agrees that District may supply water to the prison site.

K. Windsor wishes to contribute to the purchase price of the proposed prison site for the benefit of its citizens under the terms hereinafter set forth; and

L. Bertie, Windsor, and the District have agreed upon the terms hereinafter set forth for the selection of land to be used as a prison by the North Carolina Department of Corrections and for reimbursement to be paid to the public treasuries of Bertie and Windsor for the initial outlay used to secure the site for said prison and to furnish utilities thereto.

NOW, THEREFORE, in consideration of the premises, the parties covenant, contract, and agree as follows:

1. If Bertie and Windsor purchase the site presently proposed and preferred by the North Carolina Department of Corrections, which is within the District, for the purposes of subsequently conveying the same to the North Carolina Department of Corrections, Bertie and Windsor each will contribute one-half (1/2) of the total purchase price including closing costs to Bertie and Windsor, less any amount subsequently received from sale of timber on the property. Said sum will be paid at the time of closing.

2. Bertie and Windsor agree that, as soon as they acquire title to the prison site, Windsor shall annex the property, and that annexation shall be completed prior to transfer of the prison site to the North Carolina Department of Corrections. Windsor agrees to proceed as quickly as possible to annex the property.

3. After the site presently proposed for the siting of said construction is annexed within the Town of Windsor, the District will be the exclusive provider of water, through its facilities, to the prison during the lifetime of the prison. Windsor will otherwise provide to the site all other utilities which Windsor is entitled by law to supply as a municipal provider of utilities.

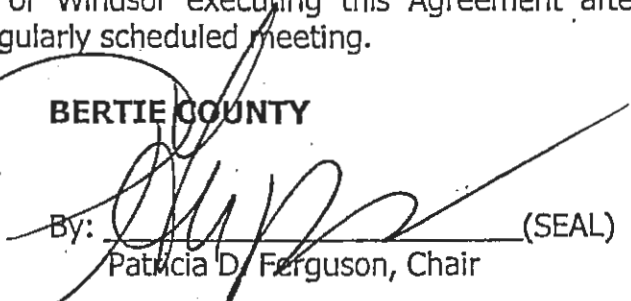
4. When the prison is completed and the parties hereto are supplying the utilities to the new prison site as agreed upon hereinabove, the parties will monthly deduct ten percent (10%) of the gross revenue for each utility and shall equally divide the same with Windsor receiving five percent (5%) and Bertie receiving five percent (5%) of the said gross revenues, which monies will be applied to the net purchase price of the proposed facility including the closing costs and applied to the net cost of each party in establishing each utility service to the prison. Said amount shall be deducted monthly. Net purchase price and net cost shall mean the gross price and gross cost less any amounts received from sale of timber, any

amounts received as grants and any other amounts received from non-revenue sources of Bertie or Windsor. The parties hereto recognize that Bertie County may spend more money than the District or Windsor or visa versa, and this monthly deduction will continue until said purchase price, including closing costs; and the net costs of establishing each utility service are paid in full.

5. After the aforesaid net price and net costs have been paid in full pursuant to paragraph 4 above, the obligation of Windsor and Bertie to monthly deduct ten percent of the gross revenue for each utility shall cease. Windsor and Bertie then will monthly deduct one percent of the gross revenue for each utility, which monies will be applied towards an economic development fund to be administered by a joint Windsor and Bertie board for the benefit of the citizens of Windsor and Bertie. This board shall consist of four representatives selected by the Bertie County Commissioners and three representatives selected by the Town of Windsor Commissioners. The joint board shall be initially selected within 60 days after the net purchase price and net costs of establishing each utility has been paid in full, and shall continue in existence as long as there are monies remaining in the fund collected from said monthly contributions. The monthly contributions of one percent of the gross revenue for each utility shall continue for the duration of the life of the prison; however, if at any point in time either Windsor or Bertie no longer provides any utility service at all to the prison, then at that point there shall be no obligation of the other party to contribute one percent of its gross proceeds from the operation of any utility serving the prison. Windsor and Bertie shall jointly collaborate in organizing the board and developing the operating rules of the board for administering the fund.

IN TESTIMONY WHEREOF the parties hereto have caused this instrument to be executed in three (3) original counterparts, one of which is retained by each of them with Bertie County executing this Agreement after approval of its Board of Commissioners at a regularly scheduled meeting, with the Bertie County Water District II executing this Agreement after approval of its Board at a regularly scheduled meeting, and the Town of Windsor executing this Agreement after approval of its Commissioners at a regularly scheduled meeting.

BERTIE COUNTY

By:  (SEAL)
Patricia D. Ferguson, Chair


Misty Jenkins, Clerk to the Board

TOWN OF WINDSOR

By: Robert B. Spivey (SEAL)
Robert B. Spivey, Mayor

David Overton
David Overton, Clerk to the Board

BERTIE COUNTY WATER DISTRICT II

By: Patricia D. Ferguson (SEAL)
Patricia D. Ferguson, Chair

Misty Jenkins
Misty Jenkins, Clerk to the Board

BERTIE/WINDSOR

	ELECTRIC	SEWER	WATER	TOTAL
	5%	5%	5%	
May-06	\$ 2,173.72	\$ 17.01	\$ 59.20	\$ 2,249.93
Jun-06	\$ 2,738.75	\$ 20.06	\$ 19.50	\$ 2,778.31
Jul-06	\$ 2,345.28	\$ 21.85	\$ 83.05	\$ 2,450.18
Aug-06	\$ 2,944.44	\$ 23.13	\$ 107.25	\$ 3,074.81
Sep-06	\$ 2,742.82	\$ 82.29	\$ 168.25	\$ 2,993.35
Oct-06	\$ 2,248.26	\$ 101.41	\$ 363.75	\$ 2,713.42
Nov-06	\$ 1,946.89	\$ 107.28	\$ 286.25	\$ 2,340.41
Dec-06	\$ 1,899.42	\$ 133.97	\$ 293.25	\$ 2,326.63
Jan-07	\$ 2,318.23	\$ 180.97	\$ 498.75	\$ 2,997.95
Feb-07	\$ 2,028.44	\$ 196.95	\$ 421.25	\$ 2,646.64
Mar-07	\$ 1,926.86	\$ 185.65	\$ 644.75	\$ 2,757.26
Apr-07	\$ 2,182.33	\$ 203.84	\$ 590.75	\$ 2,976.92
May-07	\$ 2,328.36	\$ 206.39	\$ 636.75	\$ 3,171.50
Jun-07	\$ 2,519.55	\$ 231.21	\$ 706.00	\$ 3,456.76
Jul-07	\$ 2,951.69	\$ 358.50	\$ 713.25	\$ 4,023.44
Aug-07	\$ 2,860.79	\$ 350.58	\$ 828.50	\$ 4,039.87
Sep-07	\$ 2,911.65	\$ 348.82	\$ 823.50	\$ 4,083.97
Oct-07	\$ 2,567.30	\$ 344.86	\$ 795.00	\$ 3,707.16
Nov-07	\$ 2,317.48	\$ 316.81	\$ 737.25	\$ 3,371.54
Dec-07	\$ 2,003.31	\$ 268.63	\$ 632.75	\$ 2,904.69
Jan-08	\$ 1,989.08	\$ 307.13	\$ 689.00	\$ 2,985.21
Feb-08	\$ 2,369.76	\$ 283.59	\$ 657.50	\$ 3,310.85
Mar-08	\$ 2,049.67	\$ 276.33	\$ 672.00	\$ 2,998.00
Apr-08	\$ 2,498.46	\$ 305.81	\$ 637.25	\$ 3,441.52
May-08	\$ 2,763.65	\$ 303.39	\$ 673.00	\$ 3,740.04
Jun-08	\$ 2,968.91	\$ 349.37	\$ 763.50	\$ 4,081.78
Jul-08	\$ 3,343.01	\$ 458.07	\$ 730.25	\$ 4,531.33
Aug-08	\$ 3,379.05	\$ 460.52	\$ 1,322.00	\$ 5,161.57
Sep-08	\$ 3,645.08	\$ 455.38	\$ 894.00	\$ 4,994.46
Oct-08	\$ 2,820.73	\$ 406.99	\$ 853.75	\$ 4,081.47
Nov-08	\$ 2,719.78	\$ 409.19	\$ 856.00	\$ 3,984.97
Dec-08	\$ 2,307.92	\$ 358.96	\$ 665.75	\$ 3,332.63
Jan-09	\$ 2,477.64	\$ 390.17	\$ 704.25	\$ 3,572.06
Feb-09	\$ 2,527.73	\$ 393.20	\$ 716.25	\$ 3,637.18
Mar-09	\$ 2,285.74	\$ 367.35	\$ 638.75	\$ 3,291.84
Apr-09	\$ 2,189.88	\$ 365.56	\$ 688.75	\$ 3,244.19
May-09	\$ 2,346.12	\$ 388.11	\$ 723.25	\$ 3,457.48
Jun-09	\$ 2,733.66	\$ 449.57	\$ 771.00	\$ 3,954.23
Jul-09	\$ 2,861.72	\$ 432.25	\$ 800.25	\$ 4,094.22
Aug-09	\$ 3,056.75	\$ 439.40	\$ 882.25	\$ 4,378.40
Sep-09	\$ 3,184.11	\$ 488.07	\$ 849.75	\$ 4,521.93
Oct-09	\$ 2,671.48	\$ 440.78	\$ 724.25	\$ 3,836.50
Nov-09	\$ 2,135.92	\$ 403.24	\$ 792.75	\$ 3,331.91
Dec-09	\$ 1,900.30	\$ 373.12	\$ 715.50	\$ 2,988.92
Jan-10	\$ 1,976.77	\$ 428.95	\$ 872.50	\$ 3,278.22
Feb-10	\$ 2,022.20	\$ 422.76	\$ 732.75	\$ 3,177.71

10%WATERGROSSRECEIPTS

BERTIE/WINDSOR

	ELECTRIC 5%	SEWER 5%	WATER 5%	TOTAL
Mar-10	\$ 1,903.45	\$ 352.36	\$ 694.75	\$ 2,950.56
Apr-10	\$ 2,286.47	\$ 368.04	\$ 635.00	\$ 3,289.51
May-10	\$ 2,500.96	\$ 353.88	\$ 720.25	\$ 3,575.08
Jun-10	\$ 3,080.32	\$ 406.26	\$ 723.00	\$ 4,209.59
Jul-10	\$ 3,129.61	\$ 549.98	\$ 830.48	\$ 4,510.06
Aug-10	\$ 3,415.54	\$ 638.53	\$ 935.36	\$ 4,989.43
Sep-10	\$ 2,969.34	\$ 593.38	\$ 914.63	\$ 4,477.34
Oct-10	\$ 2,588.65	\$ 470.35	\$ 792.04	\$ 3,851.04
Nov-10	\$ 2,500.70	\$ 496.78	\$ 753.19	\$ 3,750.66
Dec-10	\$ 2,231.66	\$ 412.60	\$ 688.88	\$ 3,333.13
Jan-11	\$ 2,312.41	\$ 469.83	\$ 678.38	\$ 3,460.61
Feb-11	\$ -	\$ -	\$ 690.98	\$ 690.98
Mar-11	\$ -	\$ -	\$ -	\$ -
Apr-11	\$ -	\$ -	\$ -	\$ -
May-11	\$ -	\$ -	\$ -	\$ -
Jun-11	\$ -	\$ -	\$ -	\$ -
Jul-11	\$ -	\$ -	\$ -	\$ -
Aug-11	\$ -	\$ -	\$ -	\$ -
Sep-11	\$ -	\$ -	\$ -	\$ -
Oct-11	\$ -	\$ -	\$ -	\$ -
Nov-11	\$ -	\$ -	\$ -	\$ -
Dec-11	\$ -	\$ -	\$ -	\$ -
Jan-12	\$ -	\$ -	\$ -	\$ -
Feb-12	\$ -	\$ -	\$ -	\$ -
Mar-12	\$ -	\$ -	\$ -	\$ -
Apr-12	\$ -	\$ -	\$ -	\$ -
May-12	\$ -	\$ -	\$ -	\$ -
Jun-12	\$ -	\$ -	\$ -	\$ -
	\$ 144,099.82	\$ 18,969.39	\$ 38,492.16	\$ 201,561.37

Pursuant to the Prison Infrastructure Reimbursement Agreement, Bertie County and Town of Windsor each receive 5% of the electric, sewer and water revenues. This is to reimburse the local governments for the out of pocket costs associated with the construction of the Prison infrastructure.

DATA CENTER

09/10	\$ 184,765.42
08/09	\$ 196,678.78
07/08	\$ 179,549.03
06/07	\$ 179,223.00
05/06	\$ 172,971.00
04/05	\$ 181,391.00
03/04	\$ 267,500.00
02/03	\$ 267,500.00
01/02	\$ 261,250.00

MEDICAID

10/11	\$	12.31
09/10	\$	16,038.96
08/09	\$	1,098,365.70
07/08	\$	2,359,131.21
06/07	\$	2,469,738.19
05/06	\$	2,492,455.55
04/05	\$	2,122,517.34
03/04	\$	1,741,043.23

SALES TAX DISTRIBUTION

ARTICLE	39	40	42	44	TOTAL
04/05	\$ 763,125.27	\$ 763,880.82	\$ 761,561.21	\$ 509,063.17	\$ 2,797,630.47
05/06	\$ 653,360.50	\$ 879,180.26	\$ 876,748.18	\$ 545,644.95	\$ 2,954,933.89
06/07	\$ 685,201.66	\$ 959,430.82	\$ 956,390.56	\$ 572,548.91	\$ 3,173,571.95
07/08	\$ 632,854.46	\$ 951,811.90	\$ 948,979.22	\$ 557,381.68	\$ 3,091,027.26
08/09	\$ 509,811.61	\$ 847,690.77	\$ 844,542.01	\$ 219,685.29	\$ 2,421,729.68
09/10	\$ 277,173.43	\$ 804,360.73	\$ 425,920.95	\$ (5,558.24)	\$ 1,501,896.87