

Surry County Board of Commissioners  
Meeting of March 4, 2019

The Surry County Board of Commissioners met at 6:00 p.m. on March 4, 2019. The meeting was held in the Commissioners' Meeting Room, Historic Courthouse, Dobson, N.C.

Board members present for the meeting were Chairman Van Tucker, Vice-Chairman Larry Johnson, Commissioner Bill Goins, Commissioner Eddie Harris, and Commissioner Mark Marion.

Others present for the meeting, at various times, were:

Chris Knopf, County Manager  
Sandy Snow, Assistant County Manager  
Rhonda Nixon, Budget and Performance Director  
Ben Pratt, Assistant Finance Officer  
Penny Harrison, Tax Administrator  
Stephanie Conner, Communications Director  
Daniel White, Parks and Recreation Director  
Johnny Easter, Development Services Director  
Ed Woltz, County Attorney  
Tammy Johnson, Assistant to the County Manager  
News Media

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Chairman Tucker called the meeting to order, welcomed everyone and thanked them for their attendance. Vice-Chairman Johnson delivered the invocation and led the Pledge of Allegiance.

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Chairman Tucker requested the Board review and approve the agenda. Upon motion of Commissioner Goins, seconded by Commissioner Harris, the Board unanimously voted to approve the March 4, 2019 agenda.

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Chairman Tucker requested the Board consider the minutes of the February 18, 2019 and February 22, 2019 meetings as presented.

The Board pulled the February 22, 2019 minutes to vote on later in the meeting.

Upon motion of Commissioner Marion, seconded by Commissioner Johnson, the Board unanimously voted to approve the February 18, 2019 minutes as written.

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Chairman Tucker requested the Board consider the consent agenda. Upon motion of Commissioner Harris, seconded by Commissioner Johnson, the Board unanimously voted to approve the consent agenda.

Requests from the County Manager:

- Approve a resolution to hold the first meeting in April at Elkin High School:

RESOLUTION

WHEREAS, the Surry County Board of Commissioners received an invitation from the Elkin City Schools to host its regular Board meeting at Elkin High School; and

WHEREAS, the Surry County Board of Commissioners feels it is desirable from time to time to conduct Board meetings at various locations throughout the County.

NOW THEREFORE BE IT RESOLVED, that the Surry County Board of Commissioners will conduct its regular meeting at 6:00 p.m. on Monday, April 1, 2019 at Elkin High School, 334 Elk Spur Street, Elkin, NC 28621.

Requests from the Assistant County Manager:

- Approve to revise the LT Consulting contract to add an additional \$10,000.
- Approve up to an additional \$40,000 for legal services provided by Barrett Law Firm.
- Approve to waive the \$75.00 Emergency Services bill for a Yadkin Valley Senior Games participant.
- Approve the changes for the 2019 Summer Recreation program as requested by Daniel White.
- Approve for Parks and Recreation to purchase a used Toro Workman, at a price not to exceed \$9,000, using funding in the current budget.
- Authorize the Health Director to enter into a contract for cleaning services for the main Health Center and Dental/Peds at a monthly cost of \$4,397.00, in lieu of utilizing in-house services. County positions would not be funded.

Requests from the Finance Officer:

- Approve amendment of Weyerhaeuser Sewer Grant Capital Project Ordinance.

GRANT PROJECT ORDINANCE  
WEYERHAEUSER SEWER EXTENSION PROJECT  
AMENDMENT #2

BE IT ORDAINED by the Board of Commissioners of the County of Surry that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, this grant capital project ordinance is hereby adopted.

Section 1: The project authorized by this ordinance is to provide economic incentive by extending sewer lines operated by Yadkin Valley Sewer Authority to connect to Weyerhaeuser.

Section 2: The officers of this governmental unit are hereby directed to proceed with this grant project within the guidelines set by the budget contained herein.

Section 3: The following revenues are anticipated to be available to complete this project and are hereby appropriated or referenced by prior appropriation.

Golden LEAF Foundation Grant	\$200,000
Appalachian Regional Commission	300,000
NC Industrial Development Fund	524,680
Surry County Contribution	<u>131,171</u>
Total Revenues	\$1,155,851

Section 4: The following amounts are available for expenditures for the project:

Professional Services	\$56,000
Engineering Fees	50,000
Contingency	66,000
Project Construction	<u>983,851</u>
Total Appropriation	\$1,155,851

Section 5: The Finance Officer is directed to report quarterly to the Board of Commissioners on the financial status of this project.

Section 6: The Budget Officer is directed to include an analysis of past and future costs and revenues for this capital project in each annual budget submitted to the Board of Commissioners for as long as this ordinance shall remain in effect.

Section 7: Any unexpended funds appropriated shall be reserved by the Board of Commissioners for use as provided by applicable law or regulation.

Section 8: Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

ADOPTED BY THE SURRY COUNTY BOARD OF COMMISSIONERS this the 15th day of September 2014. AMENDED this the 2<sup>nd</sup> day of April, 2018. AMENDED this the 4<sup>nd</sup> day of March, 2019.

- Approve budget amendment #15 as presented.

ACCOUNT			PREVIOUS		REVISED
<u>CODE</u>		<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>CHANGE</u>	<u>AMOUNT</u>
<u>GENERAL FUND</u>					
<u>EXPENDITURES</u>					
<u>TRANSFERS</u>					
1059810	52010	Transfer to Grant Project Fund	84,041	16,497	100,538
		Increase departmental total	6,322,591	16,497	6,339,088
<u>REVENUES</u>					
1044000	49900	Unencumbered Balance	6,382,200	16,497	6,398,697
		Increase Fund Totals	73,035,722	16,497	73,052,219
<u>GRANT PROJECT FUND</u>					
<u>EXPENDITURES</u>					
<u>WEYERHAEUSER SEWER</u>					
3854979	51640	Project Construction	577,906	285,277	863,183
		Increase departmental total	657,422	285,277	942,699
<u>REVENUES</u>					
3844979	43134	NC Dept of Commerce Grant	218,601	268,780	487,381
3844979	49800	Transfer from Gen Fund	84,041	16,497	100,538
		Increase Fund Totals	657,422	285,277	942,699

Requests from the Budget & Performance Director:

- Approve budget amendment #16 transferring funds from Facilities Management to the Jail budget for the Maintenance Mechanic II

position transferred to fall under the County Jail supervision. An amount of \$13,556 will complete the remainder of FY19.

A budget has been created for the Pre-Trial Release monitoring program approved by the Board at their February 4, 2019 meeting.

Emergency Services will utilize insurance proceeds in the amount of \$7,162 to repair a vehicle.

ACCOUNT			PREVIOUS		REVISED
<u>CODE</u>		<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>CHANGE</u>	<u>AMOUNT</u>
<u>GENERAL FUND</u>					
<u>EXPENDITURES</u>					
<u>Dobson Plaza Building</u>					
1054188	51030	Salaries & Wages Part Time	18,053	(13,556)	4,497
		Decrease departmental total	134,434	(13,556)	120,878
<u>Pre-Trial Release Monitoring (NEW)</u>					
1054319	51010	Salaries & Wages	0	11,412	11,412
1054319	51130	401K Supplement Retirement	0	571	571
1054319	51300	Social Security	0	708	708
1054319	51310	Medicare	0	166	166
1054319	51330	Retirement	0	971	971
1054319	51350	Group Insurance	0	2,581	2,581
1054319	51720	Contracted Services	0	20,000	20,000
		Increase departmental total	0	36,409	36,409
<u>County Jail</u>					
1054320	51010	Salaries & Wages	1,311,079	9,475	1,320,554
1054320	51300	Social Security	83,000	600	83,600
1054320	51310	Medicare	19,412	150	19,562
1054320	51330	Retirement	102,992	750	103,742
1054320	51350	Group Insurance	210,173	2,581	212,754
		Increase departmental total	3,267,888	13,556	3,281,444
<u>EMS</u>					
1054370	53040	Vehicle Maintenance	150,000	7,162	157,162
		Increase departmental total	6,620,475	7,162	6,627,637
<u>REVENUE</u>					
1044000	48500	Insurance Refunds	84,318	7,162	91,480
1044000	49900	Unencumbered Balance	6,398,697	36,409	6,435,106
		Increase fund totals.	73,052,219	43,571	73,095,790

Chairman Tucker declared the meeting to be an open forum and invited members of the audience to address the Board on any matters of civic concern.

Rawley King spoke in favor of the County proceeding to take control over Mount Airy's extraterritorial zoning jurisdiction (ETJ) and asked the Board to start their process.

J.T. Henson asked the Board to vote to start the process to abolish the ETJ and advised that the citizens are ready for action to be taken.

In response to the public comments, Attorney Woltz advised that the City of Mount Airy has mapped out a timeline of the process. Both parties will need to hold a public hearing of which a merged public hearing is tentatively scheduled for May

2019 that would allow citizens to be heard at one time. Attorney Woltz added that following the timeline accordingly, he projects the County to be in a position to take control of the ETJ in September 2019 and any action by the Board at this time would be premature.

There being no other public comments, Chairman Tucker closed the public forum.

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Paul Billow, Womble Bond Dickinson, and Ben Pratt, Assistant Finance Office, discussed the following resolution to move forward with the limited bond issuance for school improvements at Dobson Elementary, Franklin Elementary and Mountain Park Elementary, and HVAC system replacement at Mount Airy Middle. The issuance of funds is not to exceed \$25,000,000 and actual bids will be presented to the Board at their April 1, 2019 meeting.

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE PROPOSED FINANCING OF VARIOUS SCHOOL IMPROVEMENTS BY THE COUNTY OF SURRY, NORTH CAROLINA AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT

WHEREAS, the County of Surry, North Carolina (the "County") held a public hearing on January 16, 2018, regarding the issuance of one or more series of limited obligation bonds in an aggregate principal amount not to exceed \$40,000,000 for the purpose of providing funds, together with any other available funds, to pay or reimburse the costs of (a) acquiring, constructing, renovating, improving and equipping various public school facilities, (b) renovating and improving an existing County building to be used as a central administrative office for the Mount Airy City Schools Administrative Unit, (c) acquiring, renovating and improving buildings located at Dobson Plaza to be used to house various County departments, and (d) renovating and improving the Historic County Courthouse (collectively, the "Project");

WHEREAS, on March 15, 2018, the County issued \$7,630,000 Limited Obligation Bonds, Series 2018 (the "Series 2018 Bonds") for the purpose of providing funds, together with any other available funds, to pay the costs of a portion of the Project consisting of (a) the design of various public school facilities, (b) the renovation and improvement of an existing County building to be used as a central administrative office for the Mount Airy City Schools Administrative Unit, (c) the acquisition, renovation and improvement of buildings located at Dobson Plaza to be used to house various County departments, and (d) the renovation and improvement of the Historic County Courthouse in the County (hereinafter referred to as the "2018 Project");

WHEREAS, the Series 2018 Bonds were issued pursuant to a Master Trust Agreement, dated as of March 1, 2018 (the "Master Trust Agreement"), and a First Supplemental Trust Agreement, dated as of March 1, 2018, each between the County and Branch Banking and Trust Company, as trustee (the "Trustee"). In order to secure its obligations under the Master Trust Agreement, the County executed and delivered the Deed of Trust, dated as of March 1, 2018 (the "Deed of Trust"), granting to the Trustee a lien on certain sites of the 2018 Project, together with all improvements and fixtures located or to be located thereon; and

WHEREAS, the County has now determined to issue a second series of bonds pursuant to the Master Trust Agreement for the purpose of financing additional costs of the Project consisting of the acquisition, construction, renovation, improvement and equipping of various public school facilities, including but not limited to, Mount Airy Middle School, Dobson Elementary School, Franklin Elementary School and Mountain Park Elementary School (hereinafter referred to as the "2019 Project");

Section 1. The Board does hereby find and determine as follows:

- (a) The County has determined to issue limited obligation bonds in an aggregate principal amount not to exceed \$25,000,000 (the "Series 2019 Bonds") for the purpose of providing funds, together with any other available funds, to (i) pay or reimburse the costs of the 2019 Project and (ii) pay the fees and expenses to be incurred in connection with the sale and issuance of the Series 2019 Bonds.
- (b) The Series 2019 Bonds will be issued pursuant to the Master Trust Agreement and a Second Supplemental Trust Agreement, to be dated as of May 1, 2019 or other mutually agreeable date (the "Second Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), between the County and the Trustee. The Series 2019 Bonds will be secured by the Deed of Trust, which also secures the Series 2018 Bonds.
- (c) It is in the best interest of the County to issue the Series 2019 Bonds pursuant to the Trust Agreement in that such plan of finance will result in the financing of the 2019 Project in an efficient and cost-effective manner.
- (d) Issuing the Series 2019 Bonds pursuant to the Trust Agreement is preferable to a general obligation bond issue or a revenue bond issue in that (i) the County does not have sufficient constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution because the County has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds for the 2019 Project without an election; (ii) the non-revenue producing nature of the 2019 Project does not allow for the issuance of revenue bonds to finance the 2019 Project; (iii) the cost of the 2019 Project exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the financing of the 2019 Project in the manner proposed will allow for commencement of construction of the 2019 Project in a more timely and expedient manner than the issuing of voted general obligation bonds due to the time required for holding a referendum for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution; and (v) the necessity of the 2019 Project dictates that the 2019 Project be financed by a method that assures that the 2019 Project will be constructed in an expedient manner.

- (e) Based upon information provided to the Board, the costs of the financing described above are reasonably comparable to the costs associated with other alternative means of financing and are acceptable to the Board.
- (f) Special counsel to the County will render an opinion to the effect that the proposed undertaking as described above is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.
- (g) The debt management policies of the County have been carried out in strict compliance with law, and the County is not in default under any obligation for repayment of borrowed money.
- (h) No tax rate increase is anticipated to be necessary to pay the principal of and interest on the Series 2019 Bonds.

Section 2. The Board hereby authorizes and approves the filing of an application with the Local Government Commission for approval of the Series 2019 Bonds and the Trust Agreement and requests the Local Government Commission to approve the Series 2019 Bonds and the Trust Agreement and the proposed financing in connection therewith.

Section 3. This resolution shall take effect immediately upon its adoption.

Upon motion of Commissioner Goins, seconded by Commissioner Marion, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE PROPOSED FINANCING OF VARIOUS SCHOOL IMPROVEMENTS BY THE COUNTY OF SURRY, NORTH CAROLINA AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT" was adopted by the following vote:

Ayes: Unanimous

Noes: None

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Penny Harrison, Tax Administrator, discussed a property ready to be sold for unpaid property taxes for years 2008-2018, totaling \$5,143.22. Taxes for the property located at 136 Locust Ridge Trail (Parcel #5021-08-87-1849) has a tax value of \$33,550 and the opening bid will be \$13,113.73. After exhausting all means to collect the delinquent taxes, the property was turned over to the Kania Law Firm in February 2018 to start the foreclosure process. The Entry of Default was filed with the Courts on January 1, 2019 and Judgement Entered was filed January 14, 2019.

Ms. Harrison asked the Board to provide direction on how they wish for her to proceed with finalizing the foreclosure.

Upon motion of Commissioner Harris, seconded by Commissioner Johnson, the Board unanimously voted to grant authority to the Tax Administrator to proceed with the foreclosure.

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Chairman Tucker recognized Jeff Eidson, Board Chair, Surry County Economic Development Partnership (EDP), present at the meeting.

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Todd Tucker, President of the Surry County Economic Development Partnership (EDP), presented an annual update of his agency's activities in 2018. Mr. Tucker discussed local unemployment figures, business layoffs, business expansions, recruitment activities, and collaborations with local schools, the community college, and related state agencies. Mr. Tucker described the EDP's involvement with BizFest, Manufacturing Week, Leadership Surry County, and Youth Leadership Surry. Commissioner Harris discussed the success experienced by Vitro who located a plant in Elkin in 2012 (formerly Pittsburgh Glass Works) which now employs over 500 people.

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Stephanie Conner, Communications Director, discussed a request to change vendors for the reverse 911 notification system. Ms. Conner advised that due to several calls made during the past year, their minute bank was depleted. They currently use the vendor Onsolve (CodeRed) for the reverse 911 calls. After trying to negotiate pricing for an unlimited minute bank, it would not be feasible with the Communications' budget. Ms. Conner researched alternatives and presented a contract from Hyper-Reach which would allow for unlimited minutes and offer added features, for a cost savings of \$1,300.00 less than what they have been paying CodeRed. Ms. Conner asked the Board to consider approving Communications to enter into the contract with Hyper-Reach; she is confident they will provide the citizens with prompt notification and allow her to stay within budget.

Upon motion of Commissioner Goins, seconded by Commissioner Marion, the Board unanimously voted to approve Communications to enter into a contract with Hyper-Reach for the reverse 911 notifications.

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The Board took a 10-minute break.

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Chris Knopf, County Manager, asked the Board to consider approving Parks and Recreation to enter into a Memorandum of Understanding (MOU), with the Edward R. Armfield Center in Pilot Mountain, to continue to operate a soccer program at Fisher River Park. The MOU is written for a three-year term. Upon approval, the Civic Center will have first priority in the utilization of the soccer fields at Fisher River Park, and the County will agree to waive rental fees and provide lighting of the soccer fields at no charge.

Upon motion of Commissioner Goins, seconded by Commissioner Marion, the Board unanimously voted to approve Parks and Recreation to enter into the MOU with the Edward R. Armfield Civic Center.

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Chris Knopf, County Manager, discussed a letter from Salem Christian Academy asking the County to consider donating a sign located at the former US Agriculture Building on Main Street in Dobson. Attorney Woltz advised that the Tax Office has valued the sign between \$2,508-\$2,926. Attorney Woltz added that upon adoption of a resolution, his office will advertise the legal ad



in the Mount Airy News to comply with general statute, and the transaction can occur in ten days.

Upon motion of Commissioner Johnson, seconded by Commissioner Marion, the Board unanimously voted to adopt the following resolution and direct the Facilities Director to surplus and dispose of the sign by private sale to Salem Christian Academy.

#### RESOLUTION

WHEREAS, the Surry County Board of Commissioners has unused personal property located at the site of the former Agriculture Building in the form of a changeable copy sign; and

WHEREAS, Salem Christian Academy in Dobson has requested the unused sign for use at their academy; and

WHEREAS, G.S. 160A-266 and G.S. 160A-267 permit a local government to use private negotiation and sale to dispose of personal property valued at less than \$30,000; and

WHEREAS, the Board desires to allow the Facilities Director to dispose of the sign at private sale to the requesting party with consideration being the removal and costs of restoring the site by Salem Christian Academy.

NOW THEREFORE BE IT RESOLVED, the Surry County Board of Commissioners authorizes the Facilities Director to surplus and dispose of a changeable copy sign, located at 210 North Main Street in Dobson, by private sale to a requesting party consistent with G.S. 160A-266 and G.S. 160A-267 and not less than ten (10) days following the publication of this resolution in a local newspaper.

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Chris Knopf, County Manager, advised that the Sheriff's Office is one vehicle short due to restructuring of the department. Mr. Knopf provided that Rhonda Nixon, Budget & Performance Director, located available funds, in the Central Supply budget, that will cover the purchase estimated at \$25,000-\$30,000.

Upon motion of Commissioner Goins, seconded by Commissioner Marion, the Board unanimously voted to approve the request to purchase one patrol car for the Sheriff's Office not to exceed \$30,000, with funds transferred from Central Supply.

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Chris Knopf, County Manager, provided a letter from Kristy Preston, DSS Director, regarding NC Fast for Child Welfare. Ms. Preston sent the letter as an informational item and will discuss at the March 18, 2019 meeting.

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Chris Knopf, County Manager, discussed a request from Penny Harrison, Tax Administrator, to purchase a high-density track filing system. Ms. Harrison submitted an estimate in the amount of \$29,165.23 and has indicated that there are available funds left over from the imaging project to cover the cost in the current year budget.

Upon motion of Commissioner Harris, seconded by Commissioner Johnson, the Board unanimously voted to approve the Tax Administrator to purchase the high-density track filing system.

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Chris Knopf, County Manager, asked the Board to consider calling for a public hearing on a public investment in a Rural Health Care facility referred to as "Project Med". Mr. Knopf advised that the company is proposing to apply for Rural Health Care Grant funds from the NC Department of Commerce, Rural Division, in the amount of \$100,000. The grant would require a 5% local match from the County, in the amount of \$5,000, with funds available in the County's General Fund Reserves. Mr. Knopf advised that action for the Resolution would be taken at the March 18, 2019 meeting, following the public hearing.

Upon motion of Commissioner Marion, seconded by Commissioner Johnson, the Board unanimously voted to call for a public hearing at the March 18, 2019 meeting.

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Upon motion of Commissioner Goins, seconded by Commissioner Marion, the Board unanimously voted to reappoint Ginger Branyon, Marsha Lowery, Virginia Rogers, and Hazel Wilmoth to serve on the Surry Aging Planning Committee.

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Attorney Ed Woltz discussed capturing sales tax refunds from the County buildings and schools projects. Attorney Woltz has discussed the process with Paul Billow, Womble Bond Dickinson, that will require the County to ask the schools to convey some or all of their campuses to the County. Attorney Woltz asked for the Board's direction to approach the schools. Chris Knopf, County Manager advised that Mr. Billow has suggested that the County hold a public hearing at the April 1, 2019 meeting.

Upon motion of Commissioner Goins, seconded by Commissioner Harris, the Board unanimously voted to work with the schools to convey some or all of their campuses to the County for sales tax refund purposes.

Chris Knopf, County Manager, advised that he and Attorney Woltz will contact the schools' administration.

Upon motion of Commissioner Marion, seconded by Commissioner Johnson, the Board unanimously voted to grant permission to set a public hearing and to authorize Chris Knopf, County Manager, and Attorney Ed Woltz to contact the schools' administration and organize a public hearing for the appropriate time.

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Upon motion of Commissioner Goins, seconded by Commissioner Harris, the Board unanimously voted to go into closed session to discuss economic development and legal matters.

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The Board came out of closed session and resumed regular business.

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Upon motion of Commissioner Goins, seconded by Commissioner Marion, the Board unanimously voted to approve but not release the closed session minutes from February 18, 2019 and February 22, 2019.

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Upon motion of Commissioner Goins, seconded by Commissioner Johnson, the Board unanimously voted to approve the February 22, 2019 meeting minutes with one correction to change the second for the motion to go into closed session from Commissioner Johnson to Commissioner Marion.

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Commissioner Johnson informed the Board that he would be unable to attend the March 18 meeting.

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Upon motion of Commissioner Harris, seconded by Commissioner Goins, the Board unanimously voted to adjourn. The meeting ended at 9:05 p.m.

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Tammy Johnson  
Clerk to the Board

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Sandy Snow  
Deputy Clerk to the Board