

Surry County Board of Commissioners  
Meeting of February 19, 2018

The Surry County Board of Commissioners met on February 19, 2018. The meeting was held in the County Commissioners' Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Eddie Harris, Vice-Chairman Van Tucker, Commissioner R.F. "Buck" Golding, Commissioner Larry Johnson and Commissioner Larry Phillips.

Others present for the meeting, at various times, were:  
Chris Knopf, County Manager  
Conchita Atkins, Clerk to the Board  
Edwin Woltz, County Attorney  
Sandy Snow, Assistant County Manager  
Sarah Bowen, Finance Officer  
Kim Bates, Planning Director  
Sheriff Jimmy Combs  
Dr. Travis Reeves, Surry County Schools Superintendent  
Dennis Bledsoe, Public Works Director  
News Media

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Chairman Harris called the meeting to order.

Commissioner Golding delivered the invocation and asked the audience to remember the Don Miner family in their prayers.

Commissioner Golding led the Pledge of Allegiance.

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Chairman Harris asked Commissioner Tucker to share his good news. Commissioner Tucker stated that he now has his first grandchild, Riley Lynn. Everyone congratulated Commissioner Tucker.

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Chairman Harris requested the Board review and approve the agenda.

Upon motion of Commissioner Golding, seconded by Commissioner Tucker, the Board voted unanimously to approve the agenda.

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Chairman Harris requested the Board consider the minutes of the February 5, 2018 meeting.

Upon motion of Commissioner Johnson, seconded by Commissioner Golding, the Board voted unanimously to approve the minutes.

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Chairman Harris requested that the Board consider the consent agenda. Upon motion of Commissioner Tucker, seconded by Commissioner Phillips, the Board voted unanimously to approve the following consent agenda items:

Request by the County Manager:

- Approve the following from the Tax Office:

Total releases for the month ending 1/31/18 in the amount of \$27,758.49.

Total refunds for the month ending 1/31/18 in the amount of \$9,767.35.

Total NCVTS Tag and Tax refunds for the month ending 1/31/18 in the amount of \$1,044.97.

Total real and personal property discoveries for the month ending 1/31/18 in the amount of \$9,810.15.

Total Motor Vehicle Discoveries for the month ending 1/31/18 in the amount of \$31.23.

Total EMS additions as of 1/31/18 in the amount of \$144,334.12.

Total EMS and EMD refunds as of 1/31/18 in the amount of \$610.03.

Total EMS and EMD releases as of 1/31/18 in the amount of \$1,440.95.

Total EMS and EMD collections as of 1/31/18 in the amount of \$19,709.38.

Request from the Assistant County Manager:

- Approve the Parks and Recreation Department to install a handrail at the Highway 268 River Access at a cost of \$1,765.

Requests from the Finance Officer:

- Approve budget amendment no. 16 as follows:

The Board of County Commissioners approved an amendment to the FY 2017-2018 Budget Ordinance at their meeting on February 19, 2018.

ACCOUNT CODE	DESCRIPTION	PREVIOUS AMOUNT	CHANGE	REVISED AMOUNT
<u>GENERAL FUND</u>				
<u>EXPENDITURES</u>				
<u>COMMUNICATIONS BUILDING</u>				
1054184	53010 Building & Grounds Maint.	2,500	7,000	9,500
1054184	54300 Utilities	22,000	7,000	29,000
	Increase departmental totals.	25,500	14,000	39,500
<u>DOBSON PLAZA BUILDING</u>				
1054188	54300 Utilities	55,000	(32,000)	23,000
	Decrease departmental totals.	60,000	(32,000)	28,000
<u>HUMAN SERVICES BUILDING</u>				
1054197	54300 Utilities	50,000	18,000	68,000
	Increase departmental totals.	201,500	18,000	219,500
<u>SHERIFF'S OFFICE</u>				
1054310	53040 Vehicle Maintenance	93,284	8,471	101,755
	Increase departmental totals.	4,973,568	8,471	4,982,039
<u>COUNTY JAIL</u>				
1054320	44142 Prisoner Safekeeping	400,000	250,000	650,000
	Increase departmental totals.	2,599,837	250,000	2,849,837
<u>EMERGENCY SERVICES</u>				
1054370	53040 Vehicle Maintenance	140,587	2,211	142,798
	Increase departmental totals.	6,178,892	2,211	6,181,103

REVENUES

1044000	43100	Sales Tax	6,665,000	150,000	6,815,000
1044000	48500	Insurance Refunds	37,287	10,682	47,969
1044130	44900	Interest Earned on Investment	45,000	50,000	95,000
1044310	44142	State Confinement of Prisoner	75,000	50,000	125,000
		Increase departmental total.	6,822,287	260,682	7,082,969

- Approve the Sheriff's Office to purchase secondary locking devices on loaded rifles at a cost of \$5,825.

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

There being no comments, Chairman Harris closed the open forum, and the Board resumed regular business.

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Chairman Harris then declared the meeting to be a public hearing on zoning application ZCR1175. The site is 1.08 acres of tax parcels 4954-03-11-0405 and 4954-03-11-0247. The property owner is Blake Rector/Robert Johnson. The property is currently RR. The petition is to rezone the property to HB.

Kim Bates, Planning Director, presented facts pertaining to the rezoning and stated the Planning Board denied the request. Mr. Bates stated that several neighbors attended the Planning Board meeting and spoke in opposition to the rezoning.

Chairman Harris asked for comments from the public.

No one spoke.

Chairman Harris closed the public hearing and asked the Board for a recommendation.

Upon motion of Commissioner Phillips, seconded by Commissioner Tucker, the Board voted unanimously to approve the following Statement of Consistency:

**Surry County Board of Commissioners' Statement of Consistency:**

**Subject:** Case # ZCR1175, a Petition for General-Use Rezoning  
**Applicant:** YOCO, Inc.

**Owners:** Blake Rector and Robert Johnson, address 2253 Glade Valley Rd, Sparta, NC 28675. At time of application, property was under contract to purchase by applicant YOCO, Inc. principle Gary York, contingent on rezoning as proposed. Applicant has since withdrawn from the contract to purchase, and claims no interest in the property, no plans to acquire the property in the future. Applicant is continuing with the rezoning application as representative of and with consent of the owners.

Property Description: Tax Parcels 4954-03-11-0405, 4954-03-11-0247, located on US Highway 21, State Road, Elkin Township; south of Thorncliff Drive.

Requested Reclassification: From Restricted Residential (RR) to Highway Business (HB).

On February 12, 2018, the Surry County Planning Board unanimously recommended denial of the proposed zoning reclassification of the subject property to HB. Initial staff recommendation was for approval based on consistency with established business zoning and uses in the immediate area, and with Land Use Plan guidelines for Community Activity Centers as defined in the Plan. However, based on the Restricted Residential zoning and uses adjoining the property, the opposition of residents of the adjoining neighborhood, and the speculative nature of the proposal, the Planning Board found that HB zoning of this property would introduce a possibility of significant negative impact on residents' property values and quality of life.

Consistency Elements from Land Use Plan 2020:

5.2.6 Preserve open space.

5.3.3 Encourage economic and commercial development that does not detract from the rural environment.

5.3.7 Maintain quality of life.

5.4.5.7 Highway-oriented commercial uses shall be clustered along segments of principal and minor arterials, as described in the Thoroughfare Plan, in existing areas of similar development or around intersections; they should contain land uses that are mutually compatible and reinforcing in use and design; interchanges along major thoroughfares serve as excellent locations for this type of development.

The Surry County Board of Commissioners, having held a duly noticed public hearing on February 19, 2018, hereby concurs with the above recommendations, consistency principles, and public sentiment; and will vote according to these guidelines on the question to adopt or deny the proposed zoning map amendment.

Upon motion of Commissioner Golding, seconded by Commissioner Tucker, the Board voted unanimously to deny the rezoning.

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Chris Knopf, County Manager, filling in for the Finance Officer, addressed the Board regarding a resolution approving and authorizing the execution and delivery of a master trust agreement, a first supplemental trust agreement, a deed of trust and related documents in connection with the financing of capital improvements for the County. Mr. Knopf stated the Finance Officer is seeking approval of the final resolution approving and authorizing the execution and delivery of a master trust agreement, a first supplemental trust agreement, a deed of trust and related documents in connection with the financing of various capital improvements for the County.

Mr. Knopf stated the documents are all related to the issuance of the limited obligation bonds for the FY 2018 debt issuance to include the Dobson Plaza and Historic Courthouse renovations for the County, the design fees for Elkin City Schools and Surry County Schools, and the design and renovation of the administration building for Mount Airy City Schools. County Attorney, Ed Woltz has worked with bond counsel, Paul Billow, to get these documents finalized.

Upon motion of Commissioner Johnson, seconded by Commissioner Phillips, the Board voted unanimously to approve the following resolution.

**RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER TRUST AGREEMENT, A FIRST SUPPLEMENTAL TRUST AGREEMENT, A DEED OF TRUST AND RELATED DOCUMENTS IN CONNECTION WITH THE FINANCING OF VARIOUS CAPITAL IMPROVEMENTS FOR THE COUNTY**

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Surry, North Carolina (the "County"):

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

- (a) There exists a need in the County to finance through the issuance of limited obligation bonds (i) the design of various public school facilities, (ii) the renovation and improvement of an existing County building to be used as a new central administrative office for the Mount Airy City Schools Administrative Unit (the "New Central Office"), (iii) the acquisition, renovation and improvement of buildings located at Dobson Plaza to be used to house various County departments, and (iv) the renovation and improvement of the Historic County Courthouse in the County (collectively, the "Project").
- (b) After a public hearing and due consideration, the Board has determined that the most efficient manner of financing the Project will be through the execution and delivery of a Master Trust Agreement, to be dated as of March 1, 2018 (the "Master Trust Agreement"), between the County and Branch Banking and Trust Company, as trustee (the "Trustee"), and a First Supplemental Trust Agreement, to be dated as of March 1, 2018 (the "First Supplemental Trust Agreement," and, together with the Master Trust Agreement, the "Trust Agreement"), between the County and the Trustee, pursuant to which the County will issue limited obligation bonds thereunder in an aggregate principal amount not to exceed \$8,250,000 (the "Bonds") to provide funds, together with any other available funds, to pay (i) the costs of the Project and (ii) the fees and expenses incurred in connection with the sale and issuance of the Bonds.
- (c) In order to secure the payment of principal of and interest on the Bonds and the performance of its other obligations under the Trust Agreement, the County will execute and deliver a Deed of Trust, to be dated as of March 1, 2018 (the "Deed of Trust"), to the deed of trust trustee named therein for the benefit of the Trustee, granting a first lien of record on the sites of the Historic County Courthouse and the New Central Office, together with any existing and all future improvements and fixtures located or to be located thereon (the "Mortgaged Property").
- (d) In order to assure that the New Central Office constituting a portion of the Project is constructed in the manner required by the Constitution and laws of the State of North Carolina and the Trust Agreement, the County will enter into a Construction and Acquisition Agreement, to be dated as of March 1, 2018 (the "Construction Agreement"), with the Mount Airy City Board of Education (the "Board of Education") whereby the Board of Education agrees to acquire, construct and equip the New Central Office in accordance with the Construction Agreement for and on behalf of the County.

- (e) The site of the New Central Office constituting a portion of the Mortgaged Property will be leased to the Board of Education pursuant to a Lease Agreement, to be dated as of March 1, 2018 (the "Lease Agreement"), between the County and the Board of Education, which Lease Agreement will be subordinate to the lien created by the Deed of Trust.
- (f) The Bonds will initially be sold to PNC Capital Markets LLC (the "Underwriter"), pursuant to the terms of a Bond Purchase Agreement, to be dated the date of delivery thereof (the "Bond Purchase Agreement"), between the County and the Underwriter.
- (g) In connection with the offering and sale of the Bonds by the Underwriter, there will be prepared and distributed to potential purchasers a Preliminary Official Statement, to be dated as of the date of delivery thereof (the "Preliminary Official Statement"), and the Official Statement (hereinafter defined), relating to the offering and sale of the Bonds.
- (h) There have been presented to the Board drafts of the following documents relating to the transaction hereinabove described:
  - (1) the Master Trust Agreement;
  - (2) the First Supplemental Trust Agreement, together with the form of the Bonds attached as Exhibit A thereto;
  - (3) the Deed of Trust;
  - (4) the Construction Agreement;
  - (5) the Lease Agreement;
  - (6) the Bond Purchase Agreement; and
  - (7) the Preliminary Official Statement.

Section 2. In order to provide for the financing of the Project and relating financing costs, the County is hereby authorized to enter into the Master Trust Agreement and the First Supplemental Trust Agreement and issue the Bonds thereunder in an aggregate principal amount not to exceed \$8,250,000. The actual principal amount of the Bonds shall be determined by the County at the time of execution of the Bond Purchase Agreement, such execution and delivery of the Bond Purchase Agreement to constitute approval by the Board of the principal amount of the Bonds as set forth in the Bond Purchase Agreement. The principal amount of the Bonds shall be the amount that, in the best judgment of the person executing the Bond Purchase Agreement, shall be the amount necessary to provide sufficient funds, together with any other available funds, to pay (a) the costs the Project and (b) the fees and expenses incurred in connection with the sale and issuance of the Bonds. The interest rates on the Bonds shall be determined by the County at the time of the execution by the County of the Bond Purchase Agreement; provided, however, that such interest rates shall not result in a true interest cost in excess of 4.33% per annum, such execution and delivery of the Bond Purchase Agreement to constitute approval by the Board of the interest rates on the Bonds.

Section 3. The Bonds shall be sold to the Underwriter pursuant to the Bond Purchase Agreement. The Bonds may be sold to the Underwriter at a discount below the amount of the principal amount of the Bonds, such discount not to exceed 98% of the principal amount of the Bonds; provided, however, that if all or any of the Bonds are to be sold to the public by the Underwriter at original issue discount (resulting in lower interest costs of the interest on the Bonds), then the Bonds may be sold at a further discount in the amount necessary to cover such original issue discount. The final maturity of the Bonds shall not be later than June 1, 2038.

Section 4. The Board hereby approves the forms of the Master Trust Agreement, the First Supplemental Trust Agreement, the Deed of Trust, the Construction Agreement, the Lease Agreement and the Bond Purchase Agreement in substantially the forms presented at this meeting. The Chairman of the Board, the County Manager and the Finance Officer are each hereby authorized to execute and deliver on behalf of the County the Master Trust Agreement, the First Supplemental Trust Agreement, the Deed of Trust, the Construction Agreement, the

Lease Agreement and the Bond Purchase Agreement in substantially the forms presented at this meeting, containing such modifications as the person executing such documents shall approve, such execution to be conclusive evidence of approval by the Board of any such changes. The Clerk to the Board or any assistant or deputy Clerk to the Board is hereby authorized to affix the official seal of the County to each of said documents and to attest the same to the extent so required.

Section 5. The Board hereby approves the Preliminary Official Statement in substantially the form presented at this meeting and hereby approves the distribution thereof by the Underwriter in connection with the offering and sale of the Bonds. Upon the sale of the Bonds to the Underwriter, a final Official Statement, to be dated as of the date of the Bond Purchase Agreement (the "Official Statement"), will be prepared substantially in the form of the Preliminary Official Statement and will contain such information relating to the pricing terms of the Bonds and such additional information as may be necessary. The Board hereby approves the delivery of the Official Statement on behalf of the County by the Chairman of the Board, the County Manager or the Finance Officer and the distribution thereof by the Underwriter in connection with the offering and sale of the Bonds.

Section 6. No deficiency judgment may be rendered against the County in any action for breach of any contractual obligation under the Trust Agreement, and the taxing power of the County is not and may not be pledged directly or indirectly to secure any moneys due under the Trust Agreement.

Section 7. The Chairman of the Board, the County Manager, the Finance Officer and the County Attorney are hereby authorized to cooperate with the Underwriter in preparing and filing such filings under state securities or "blue sky" laws as the Underwriter may request; provided, however, that the County shall not be required to consent to the jurisdiction of any state in which it is not now subject unless the County Attorney shall determine that such consent is in the best interest of the County.

Section 8. The Chairman of the Board, the County Manager, the Finance Officer, the County Attorney and the Clerk to the Board, and any other officers, agents and employees of the County, are hereby authorized and directed to take such actions and to deliver such certificates, opinions and other items of evidence as shall be deemed necessary to consummate the transactions described in this resolution.

Section 9. This resolution shall take effect immediately upon its adoption.

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**Chris Knopf, County Manager, addressed the Board regarding the reappointment of Chairman Harris to the YVEDDI Board.**

**Upon motion of Commissioner Johnson, seconded by Commissioner Golding, the Board voted unanimously to reappoint Commissioner Harris to the YVEDDI Board.**

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**Chris Knopf, County Manager, addressed the Board regarding the loan that was used for Central Middle School as collateral. The loan has been paid in full and the property can be deeded back to the School Board. Mr. Knopf discussed a North Carolina General Warranty Deed that needs to be executed by the County.**

**Upon motion of Commissioner Tucker, seconded by Commissioner Johnson, the Board voted unanimously to approve the Chairman to execute the General Warranty Deed.**

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**Chris Knopf, County Manager, asked the Board to amend the agenda for an additional item.**

Upon motion of Commissioner Tucker, seconded by Commissioner Golding, the Board voted unanimously to amend the agenda.

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Chris Knopf, County Manager, addressed the Board regarding a Public Works emergency request. The Public Works Director requested permission to proceed with an emergency request for a basin repair. The cost for the project is \$25,674.41.

Upon motion of Commissioner Golding, seconded by Commissioner Johnson, the Board voted unanimously to approve the emergency request by the Public Works Director.

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Upon motion of Commissioner Phillips, seconded by Commissioner Tucker, the Board voted unanimously to approve and not release the February 5, 2018 closed session minutes.

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Chairman Harris recognized Clerk of Court Teresa Odell, Judge Gretchen Kirkman, Sheriff Jimmy Combs and Senator Dan Barrett.

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The Board took a ten-minute recess.

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The Board resumed regular business.

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Chairman Harris informed the audience that it was time for the special recognition portion of the agenda. The Board recognized the following individuals:

Zach Adams, Tristan Atkins, Blaine Bouldin, Chase Brintle, Hunter Burrell, Matthew Cox, Hunter Crouse, Jayden Edwards, Izzy Garcia, Carson Hawks, Chandler Hawks, Carson Hayes, Noah Holder, Holden Huff, Seiver Huff, Rylee Jenkins, Luke Johnson, Trevor Marsh, Michael Martin, Carson Mauldin, Ethan Oakley, Pedro Ramirez, John Ross, Colton Sechrist, Chandler Shaw, Jordan Shelar, Clay Shumate, Kaulin Smith, Kole Smith, Mace Snow, Austin Swartz, Carson Todd, Hank Ward, Ryan Ward, Colt Westmoreland, Nick Badgett, Darius Duncan, Ryan Eldridge, Ethan Evans, Alex Gudino, Kaleb Hunter, Sammy McMillian, Elijah Odum, Nic Rodriguez, Avery Simmons, Ryan Smith, Chase Swartz, and Keaton Ward, North Surry High School Greyhounds Varsity Football Team, for earning their first Western Piedmont Athletic Conference Championship in seven years.

Danny Lyons, Head Coach, North Surry High School Greyhounds Varsity Football Team, for his leadership role in the team winning the 2017 Western Piedmont Athletic Conference Tournament Championship.

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Dr. Travis Reeves, Surry County Schools Superintendent, introduced school board members and staff. Dr. Reeves addressed the Board regarding a 2018 Request for Proposals for a School Resource Officer Matching Grant. Dr. Reeves stated this is the same grant the school system applied for three years ago. There is approximately \$7M at the state level and the funds are distributed throughout the state. Matching funds are needed

from the County. Dr. Reeves stated the School Resources Officers are an asset to the schools. Dr. Reeves is thankful for the partnership with the Sheriff's Office. Dr. Reeves stated the Middle School Resource Officers are teaching the DARE Program. Dr. Reeves requests matching funds for the 2018 School Resource Officer Matching Grant. The grant application is due February 23, 2018.

Commissioner Phillips asked if there was a good chance the County will receive the grant. Dr. Reeves stated he feels confident the County will receive some funds.

Dr. Reeves discussed an activity report for the Middle School SRO's and stated this is a grant to supplement funding, or a portion, of two SRO positions.

Commissioner Tucker asked if the percentage of cost share will be higher than last year's grant. Dr. Reeves stated he thinks it will be higher. Dr. Reeves stated that the Sheriff's Office ask for the funds in their budget. Dr. Reeves stated he was coming to the Board as a representative of the school system. The Sheriff's Office cannot apply for the grant; the school system must apply. It is funded through the Sheriff's budget, not the school system's budget.

Commissioner Phillips stated the percentage is 2-1, two local dollars for every State dollar. The allocation is based on LEA size. Rural counties are going to come out on the short end due to Surry County being rural. Kids' lives are just as precious in rural County schools as they are in an urban area.

Commissioner Tucker stated the value we place on our students is measured in dollars, and we cannot measure that worth. Commissioner Tucker stated he thinks the County's match will be projected quite lower; as a County it would cost us more to appropriate the funds for these same positions as in previous years. It is going to be very expensive to provide SRO Officers, but as a County Board, he is willing to step up and do what is needed to make the request happen.

Sheriff Combs stated the Sheriff's Office is about education and prevention. There are bonds established between the SROs and the students.

Upon motion of Commissioner Phillips, seconded by Commissioner Johnson, the Board voted unanimously to approve the school system to apply for the School Resources Officer Matching Grants 2018 Request for Proposals.

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Upon motion of Commissioner Phillips, seconded by Commissioner Tucker, the Board voted unanimously to go into closed session to discuss personnel pursuant to G.S. 143.318.11(a)(6), economic development pursuant to G.S. 143-318.11(a)(4) and legal pursuant to G.S. 143.318.11(a)(3).

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

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Upon motion of Commissioner Golding, seconded by Commissioner Johnson, the Board unanimously approved adopting Responses to Requests for Admission, Interrogatories, and Requests for Production in the matter of County of Surry, Plaintiff v. James Dewitt Phillips, Defendant, and Donald M. York, Third Party Defendant. Individual members of the Board participated in fact finding efforts regarding the tax foreclosure of Defendant's property, and while individual Commissioners may have direct knowledge on a matter, other Commissioners, and the Board as a whole, do not. The full Board has adopted the Discovery Responses based upon individual experiences of one or more of the individual Commissioners.

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Upon motion of Commissioner Tucker, seconded by Commissioner Golding, the Board voted to eliminate position #516202, in the Health and Nutrition Center, effective June 30, 2018.

Ayes: Chairman Harris, Commissioner Tucker, Commissioner Johnson, Commissioner Golding

Nay: Commissioner Phillips

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Commissioner Johnson requested to form a fact-finding committee pertaining to fire and rescue volunteers. The committee will hear suggestions and concerns. Commissioner Johnson asked Commissioner Tucker to assist on the committee.

It was the consensus of the Board for Commissioners Johnson and Tucker to hear the concerns of the fire and rescue volunteers on a fact-finding basis.

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Chairman Harris read the following resignation letter into record:

Mr. Chairman:

This is to inform you and fellow Board members, County Manager and the Clerk of my immediate resignation from the Surry County Board of Commissioners (Central District).

It has been my pleasure to serve the citizens of Surry County for 11 + years. I leave this position with no regrets and know that County Government is in good hands. I will be available at your discretion to help in any way that I can. I wish the Board continued success in the future.

Respectfully yours,

R.F. "Buck" Golding

Upon motion of Chairman Harris, seconded by Commissioner Tucker, the Board voted unanimously to accept Commissioner Golding's resignation.

Board members thanked Commissioner Golding for his service to the County.

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There was no further business to come before the Board.

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Upon motion of Commissioner Phillips, seconded by Commissioner Tucker, the Board voted unanimously to adjourn. The meeting ended at 10:30 p.m.

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Conchita Atkins  
Clerk to the Board