

Surry County Board of Commissioners
Meeting of February 24, 2017

The Surry County Board of Commissioners met on February 24, 2017 for a Planning Retreat. The meeting was held at 354 Chatham Cottage Circle, State Road, 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
Sandy Snow, Assistant County Manager for Human Resources and Operations
Sarah Bowen, Finance Officer
Rhonda Nixon, Internal Auditor
Michael Hartgrove, Tax Administrator
Don Mitchell, Facilities Director
Dennis Bledsoe, Public Works Director
Kim Bates, Planning Director
Sheriff Graham Atkinson
News Media

Chairman Harris called the meeting to order.

Commissioner Golding delivered the invocation and led the Pledge of Allegiance.

Chairman Harris requested the Board review and approve the agenda.

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

Chairman Harris welcomed everyone and asked Board members for comments.

Commissioner Phillips stated the Board needs to review school funding and be on the same page with common data. Commissioner Phillips thanked the Finance Officer for compiling information on historic school funding. Commissioner Phillips presented the information to Board members. Commissioner Phillips stated the school funding plan had varied through the years.

Commissioner Phillips also presented information on a proposed shell building in the Town of Elkin. The County would fund \$250,000 of the project and the Town of Elkin would fund \$250,000. Commissioner Phillips stated the building would eventually generate revenue. Commissioner Phillips would like to place the item on an upcoming agenda.

Commissioner Golding stated he is elected to look after the taxpayer's money. Commissioner Golding does not want to see the County get burdened with more than they can afford and exceed what they can expand.

Commissioner Johnson thanked County staff for their hard work on the retreat. Commissioner Johnson stated he is a firm believer that Surry County will do the best they can with what funds they have. Commissioner Johnson stated he does not want to leave a burden on taxpayers. Commissioner Johnson supports a local sales tax increase referendum.

Commissioner Tucker stated he looks forward to continuing to serve and thanked staff for their work on the retreat. Commissioner Tucker stated there are challenges ahead with schools, jails and various infrastructure. Commissioner Tucker asked where the County will get the funds for these projects. A sales tax increase will help, but will not provide all that the County needs for these projects. Surry County can only spend what they can afford.

Commissioner Phillips addressed Article 43 bill, which could be a referendum to be voted on by the public. The deadline for the bill is March 30, 2017. The bill would hold school boards accountable to the public.

Commissioner Golding stated Surry County paid for the Powell Study for all three school systems and the schools behave as if it is a guide to future spending. Commissioner Golding questioned if the Board concurs with the school systems on the study.

Chairman Harris stated he is looking forward to the future and addressing issues on a number of topics.

Michael Hartgrove, Tax Administrator, and Penny Harrison, Assistant Tax Administrator, addressed the Board regarding revenue and preliminary valuation estimates for FY 2017-2018. Mr. Hartgrove stated he sees an indication for growth, and he presented the Board with conservative estimates. Mr. Hartgrove stated that real estate is currently firm.

There was discussion of collection rates, fund balance, retail market and motor vehicle taxes.

Mr. Hartgrove stated that revenues are solid and are higher than the County has seen in a long time.

Commissioner Johnson asked how the County arrives at tax values on certain homes.

Mr. Hartgrove stated the cost does not always equal the value but the real estate gets the value. Personal taxes are different from real estates taxes.

Mr. Hartgrove stated the collection rate in Surry County was 98.4% last year which put Surry County twenty-second in the State in collections.

There was discussion of present use values, farm deferred properties, revaluation and a revaluation schedule.

Sarah Bowen, Finance Officer, addressed the Board regarding an overview of sales tax, fund balance, and debt service. Ms.

Bowen discussed the 10 year tax rate history and the optional sales tax referendum.

Commissioner Phillips stated the last referendum was on the ballot in 2007.

Chairman Harris stated it will have to be a sales tax that citizens will support.

Commissioner Phillips stated if you lose credibility with taxpayers, they will not support a sales tax.

Ms. Bowen discussed the fund balance, debt service schedule, new Interstates Sewer debt, and the landfill debt that will end this year.

The Board expressed support for the new financial plan and policies.

Don Mitchell, Facilities Director, and Tony Chilton, Brite Engineering, addressed Phase One results for the second floor at the Historic Courthouse.

Mr. Chilton gave an architectural overview of the project and stated the second floor is ideal for a Board of Commissioners' room. The area will need to become ADA compliant and the elevator would need an upgrade.

Chairman Harris stated the Historic Courthouse is a Historically Registered Property.

Mr. Knopf stated the exterior project is complete, and the Facilities Director has been looking at the interior. Mr. Knopf stated it would be easy to move the administrative functions to the space at the Historic Courthouse. The move would free up much needed space at the Government Center for Human Services.

The Board discussed utilizing the space as efficiently as possible.

Mr. Chilton addressed parking at the building, a potential third floor renovation, upgrade to the elevator, fire alarm system and the HVAC. Mr. Chilton stated the project could potentially cost approximately \$1.5 million.

Commissioner Golding discussed parking for the building.

Commissioner Johnson stated the project sounds good and the County needs to utilize what is best for its departments.

Commissioner Tucker stated it would be good to restore the Historic Courthouse as close to its historic nature as possible. Commissioner Tucker stated it would free up space at the Government Center for other departments.

Commissioner Phillips stated it would preserve history.

Mr. Chilton discussed a preliminary layout.

The Board discussed a timeline for the renovation and requested a plan and estimated cost on a more in-depth study and

layout. The Board wants the plan to include the basement, second floor and third floor.

The Board took a ten minute recess.

The Board resumed regular business.

Jazmine Kilpatrick, Membership Development Officer, Elected Officials, briefly discussed the benefits of the Local Government Federal Credit Union.

The Board thanked Ms. Kilpatrick for providing the meal for the retreat.

Don Mitchell, Facilities Director, discussed a ten-year County buildings assessment. Mr. Mitchell discussed all County facilities, their conditions and life expectancies. Mr. Mitchell discussed estimated costs needed each year to keep the facilities up to specs.

Mr. Knopf addressed the Board regarding Mount Airy City Schools' design services for the renovation of the existing Pike Building located at 351 Riverside Drive, Mount Airy. The building is approximately 22,000 square feet and is proposed to house the Mount Airy City Schools Administration Offices. The proposed estimated cost for the project is \$1,654,044.

The Board discussed the request from the Mount Airy City Schools for the property.

It was the consensus of the Board that this project would need to be funded as part of any debt issuance, if the Mount Airy City Schools identify it as a priority.

Dennis Bledsoe, Public Works Director, and Wayne Sullivan, Municipal Engineering, addressed the Board regarding a new landfill cell. Mr. Sullivan discussed phases 1-3 and discussed phase 4 construction. Mr. Sullivan stated the estimated construction cost including permitting and engineering is approximately \$5,750,000. Phase 4 construction will increase the volume of the landfill by approximately 1,950,000 cubic yards and have a life expectancy of approximately 20 years based on present usage. Mr. Sullivan stated there are benefits to completing Phase 4 all at one time. Mr. Sullivan also discussed future considerations for the landfill.

Mr. Bledsoe discussed the permitting and engineering cost for the new landfill cell and stated the last landfill debt service payment ends this year. Mr. Bledsoe stated funds would come from the Landfill Enterprise Fund.

It was the consensus of the Board to get more information on the project and budget for engineering costs in FY 17-18.

Kim Bates, Planning Director, discussed the next update of the Surry County Land Use Plan. Mr. Bates stated that Surry County has maintained a land use plan continuously since the

year 2000. Land Use Plan 2020 was adopted by the Board in September 2012. A previous update was adopted in 2006. The frequency of updates is accepted as generally appropriate and adequate, both to account for the evolving needs of the County and its citizens in the monitoring and management of land use development, and to report strategies clearly and transparently to other interested persons and groups. The Planning Department has begun preparation for a new update of a Land Use Plan to be potentially adopted in 2018. Mr. Bates would like to involve the planning staff of the Piedmont Triad Regional Council. The organization would develop the plan at a total cost of \$44,750.

It was the consensus of the Board for the Planning Director to bring the proposal to a future meeting.

The Board recessed for a wonderful lunch provided by the Local Government Federal Credit Union.

The Board resumed regular business.

Don Mitchell, Facilities Director, addressed the Board regarding a lease agreement between Surry County and the Mount Airy Indoor Soccer and Sports, LLC, for space at the Westfield Community Center.

Upon motion of Commissioner Johnson, seconded by Commissioner Tucker, the Board voted unanimously to approve the lease agreement for one-year.

Andrew Carter and Doug Carter, DEC Associates, Financial Advisors, addressed the Board regarding the dedicated capital improvement fund and the financial plan. Doug Carter presented two debt capacity analysis. The analysis showed the total debt to issue in the plan is \$85,000,000 between FY 2018 and 2022. Doug Carter discussed the debt service resources, current issued debt service, pay-go projects and the dedicated capital improvement fund.

The Board discussed upcoming school expenses.

Commissioner Phillips stated the plan will help school officials understand what they will receive in the future.

Chairman Harris stated if it takes a long span of time to address school projects, it creates a larger need.

Doug Carter stated that the pay-go projects does not work if you do not have money in the bank.

The Board discussed the 2018-2020 debt issuance plan that has been reviewed and updated since March of 2016.

Upon motion of Commissioner Golding, seconded by Commissioner Phillips, the Board voted unanimously to approve the 2018, 2019 and 2020 debt issuance plan for public school and general government capital projects, totaling \$55 million in new debt, with County staff evaluating how best to allocate the funds to the school systems and bringing a recommendation to the

Board. Each school system will need to engage architectural and design services for the next fiscal year.

Sheriff Graham Atkinson discussed a salary study for the Sheriff's Office which will include all divisions including deputies, jail and office staff. Sheriff Atkinson stated it is sometimes hard to compete with other agencies who pay more money. Sheriff Atkinson and Ms. Snow discussed job turnover. Sheriff Atkinson would like to make salaries more attractive. He stated the jobs are stressful. Sheriff Atkinson discussed job duties versus compensation.

Sheriff Atkinson recommended a committee work on a plan to be presented during budget. The pay plan could cost approximately \$1.1 million and could be phased in over a year's time.

Commissioner Phillips stated he would like to see the Board work on the request, but feels the Board cannot get there all at one time. It would need to be phased in over a period of time.

Chairman Harris stated we need to pay the officers what they deserve.

Ms. Snow stated that the Sheriff's Office has pay issues, and a plan needs to be reviewed along with other departments.

Commissioner Tucker stated that Surry County may need to pay law enforcement officers more.

It was the consensus of the Board for the Sheriff to work with the Finance Committee and bring any findings back to the Board during the budget process.

Commissioner Phillips left the meeting at 3:15 p.m. due to a trip to Washington, DC with the North Carolina Association of County Commissioners.

Commissioner Golding left the meeting at 3:15 p.m. due to a death in the family.

Sandy Snow, Assistant County Manager for Human Resources and Operations, and Sheriff Graham Atkinson, addressed the Board regarding Judicial Center Security. Ms. Snow stated that initial steps for security enhancements have been taken including implementation of a swipe card door system in 2016. Sheriff Atkinson discussed a way his office can help with security with less personnel.

It was the consensus of the Board for Mosley Architects to review the issue, and Sheriff Atkinson will readdress with the Board in the future.

Sheriff Atkinson discussed the cost of taking prisoners to other Counties due to a lack of jail space.

Upon motion of Commissioner Tucker, seconded by Commissioner Johnson, the Board voted unanimously to go into

closed session to discuss personnel pursuant to NCGS 143-318.11(a)(6) and property pursuant to NCGS 143-318.11(a)(5).

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

There was no further business to come before the Board.

Upon motion of Commissioner Tucker, seconded by Commissioner Johnson, the Board voted unanimously to adjourn. The meeting ended at 4:33 p.m.

Conchita Atkins
Clerk to the Board