The Surry County Board of Commissioners met in regular session at 6:00 p.m., on January 4, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

Others present for the meeting were:

Dennis Thompson, County Manager  
Linda H. Wilkins, Clerk to the Board  
Fred Folger, Jr., County Attorney  
Ron Norman, Tax Administrator  
Betty Taylor, Asst. County Mgr. for Budget & Finance  
Chief Deputy Jim McHone  
Lieutenant Jimmy Combs  
Teresa Kinney, Planning Director  
Shirley Witt, Tax Department  
John Shelton, Emergency Services Director  
Roger Shore, Communications Supervisor  
Gray Bryant, Building Codes Administrator  
Phil Whitaker, Asst. Building Codes Administrator  
Howard Jones, II, Citizen  
Clarice Einstein, Court Reporter  
Don Proper, Municipal Engineering Services  
Gene Everett, Citizen  
Sara Lindenfeld, Winston-Salem Journal  
Angela Leonard, Mount Airy News  
Vernon Hodges, Citizen  
John Haynes, Haynes Strand Henry & Company  
Jeff Gordon, Haynes Strand Henry & Company  
Phil Wagoner, Surveyor  
Paul Belk, Citizen  
Wayne Edmonds, Citizen  
Several residents of the Westfield/Pilot Mountain area

Chairman Jim Harrell called the meeting to order. Vice-Chairman Gary York delivered the invocation and led those present in the pledge of allegiance.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to approve the minutes of the December 7 and December 14, 1998 meetings.

Chairman Harrell declared the meeting a public hearing, as properly advertised, to receive public comment on a proposal to adopt a water and sewer ordinance for extension of water and sewer services from the City of Mount Airy to the Holly Springs area of Surry County. Chairman Harrell asked the County Manager to brief the Board and those present on the proposed ordinance. Dennis Thompson briefly explained the intention of the ordinance as requested. Chairman Harrell then asked for comments from the audience.
Howard Jones, II asked several questions regarding the water and sewer project. Mr. Jones did not express any opposition to or favoritism toward the proposed ordinance. No other comments were received; therefore, the public hearing was closed.

The County Manager informed the Board that the City Attorney and the City Manager asked for a delay in the adoption of the ordinance to give them time for review of the same.

Chairman Jim Harrell then called a public hearing, as properly advertised and as a matter of formality, to hear public comment on use of a U.S. Department of Justice grant in the amount of $22,667.00, awarded to the Sheriff’s Office and accepted by the County Commissioners at the December 7, 1998 meeting. These grant funds will be used to install in-car cameras in Sheriff’s Office vehicles. Chairman Harrell asked for comments from those present. There were no comments; therefore, the public hearing was closed. No further action was taken, since the Board accepted the grant funds December 7, 1998.

The Board of County Commissioners recessed to convene as the Surry County Transportation Authority to hear the Community Transportation Summary for FY2000. Chairman Harrell declared the meeting a public hearing and asked Charlie Walker, Transportation Manager of Yadkin Valley Economic Development District, Inc., to review the proposed plan. Mr. Walker indicated that the public hearing was properly advertised in the Mount Airy and Elkin papers; continued with explanation of the program; and also made a request that local funding be increased from 95 cents per mile to $1.00 per mile, if needed, in FY2000.

Following Mr. Walker’s comments, Chairman Harrell asked for public comments. There were none; therefore, Fred O’Neal made a motion to approve the plan as presented, leaving YVEDDI as administrator of the transportation program, and approving the rate increase as requested. Commissioner Gary York made a second to the motion, and the vote to approve was unanimous. The Board then adjourned as Transportation Authority, and Chairman Harrell reconvened the recessed meeting of the County Commissioners.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the following resolution:

RESOLUTION

WHEREAS, Article 2B of Chapter 136 of the North Carolina General Statutes and the Governor of North Carolina have designated the North Carolina Department of Transportation (NCDOT) as the agency responsible for administering federal and state public transportation funds; and

WHEREAS, the North Carolina Department of Transportation will apply for a grant from the U.S. Department of Transportation, Federal Transit Administration and receives funds from the North Carolina General Assembly to provide assistance for rural public transportation projects; and
WHEREAS, the purpose of these transportation funds is to provide grant monies to local agencies for the provision of rural public transportation services consistent with the policy requirements for planning, community and agency involvement, service design, service alternatives, training and conference participation, reporting and other requirements (drug and alcohol testing policy and program, disadvantaged business enterprise program, and fully allocated costs analysis);

WHEREAS, YVEDDI for Surry County hereby assures and certifies that it will comply with the federal and state Statutes, regulations, executive orders, Section 5333(b) Warranty, and all administrative requirements which relate to the applications made to and grants received from the Federal Transit Administration, as well as the provisions of Section 1001 of Title 18, U.S.C.

NOW, THEREFORE, be it resolved that the President of YVEDDI for Surry County is hereby authorized to submit a grant application for federal and state funding, make the necessary assurances and certifications and be empowered to enter into an agreement with the NCDOT to provide rural public transportation services.

Chairman Harrell announced several procedural changes in the Board’s official meeting, introduced the following resolution, and moved for its adoption:

RESOLUTION

WHEREAS, the Board of Commissioners of Surry County wants to promote public interest in local government matters; and

WHEREAS, the Board wants to encourage citizen participation at Commissioner meetings.

NOW, THEREFORE, BE IT RESOLVED the County Commissioners will schedule from 6:00 p.m. to 6:15 p.m. each meeting for citizen discussion and comment. The Clerk to the Board is directed to send a copy of this resolution to the media for publication.

ADOPTED this 4th day of January, 1999.

Gary York made a second to the motion, and the vote to adopt the resolution was unanimous.

Following the guidelines of the new meeting procedures, Chairman Harrell called an open forum and asked if there was anyone present who wished to speak to the Board on any matter.

Howard C. Jones, II, a resident of the Long Hill Township off Cook’s School Road, expressed his concern regarding procedures followed by Robert Wayne Davis in regard to a mobile home park located off Surry Gadsberry Road, in the Long Hill Township. Mr. Jones presented the Board with a letter, and a notebook of attachments, expressing his concerns and requested that the letter and the notebook be held as a public record in the Office of the County Manager. The letter and attachments are entered into these minutes by reference only and are on file in the Office of the County Manager. Mr. Jones also requested that
he be scheduled to address the Board formally at the January 19, 1999 Commissioners meeting.

Commissioner Gary York reported to the Board that the Basketball Holiday Classic, which he, the Mount Airy Board of Education, and the Surry County Board of Education was involved with, was a huge success, and that he wanted to share the news with those present. Commissioner York expressed his encouragement that others participate in similar activities during the holidays involving the youth of Surry County.

Steve Simpson of Dobson came before the Board to request use of the Courthouse lawn on January 22, 1999, for approximately thirty minutes to hold candlelight prayer vigil in remembrance of the victims of abortion since abortion became legal on January 22, 1973.

Following discussion, Paul Johnson made a motion to allow Mr. Simpson to use the Courthouse lawn as requested. Jim Miller made a second to the motion, and the vote was unanimous.

Fred O'Neal read appreciation letters written to Joy Masten, a senior at Surry Central High School, who recently won an award for her participation in a poster essay contest regarding proper use of alcohol, and to Fern Holder, who had served as a member of the Nursing/Domiciliary Home Community Advisory Committee since 1988. Commissioner O'Neal made a motion that the letters be forwarded to Ms. Masten and Mrs. Holder as written. Commissioner Miller made a second to the motion, and the vote was unanimous.

The Board discussed briefly the consent agenda prepared by the Clerk to the Board and removed items from the agenda which they wish to discuss more thoroughly. Paul Johnson made a motion to approve the consent agenda items as follows. Gary York made a second to the motion, and the vote to approve was unanimous.

1. Environmental Health request for refund for Sanford Phillips, Route 3, Box 189, Pilot Mountain, in the amount of $50.00. Mr. Phillips paid for an evaluation which was not performed due to zoning restrictions.

2. EMS refunds for Virginia Pardue, 116 W. Forest Drive, State Road, in the amount of $102.00; Fate Shackelford, 1138 Haystack Road, Mount Airy, in the amount of $180.00; Ruth Whitaker, 887 Caves Mill Road, Dobson, for patient Amy Poindexter, in the amount of $25.00; and EDS Federal Corporation, P. O. Box 300009, Raleigh, for patient Peggy Shaffner, in the amount of $58.22. These refunds were due to double payment of the accounts.

3. Tax refunds in the amount of $1,225.46 for the period ending November 30, 1998. Tax releases in the amount of $1,410.15 for the period ending November 30, 1998. Tax Director's charges to collect the taxes for March motor vehicle renewals in the amount of $243,527.79. These items are incorporated in these minutes by reference only and are on file in the office of the Tax Administrator.
4. Accepted Budget Transfer No. 15 as approved by the Budget Officer.

5. Approved Budget Amendment Nos. 16 and 17 to the FY 1998-99 Budget Ordinance as follows:

CHANGE

#16

GENERAL FUND

Expenditures

Admin/Social Services Bldg.
Create and increase line item 1054196-51360 (Unemployment Insurance) by $1,535.00 to $1,535.00.
Increase departmental total by $1,535.00 to $143,542.00.

County Jail
Increase line item 1054320-51360 (Unemployment Insurance) by $720.00 to $720.00.
Increase departmental total by $720.00 to $775,685.00.

Communications Center
Increase line item 1054325-51360 (Unemployment Insurance) by $1,339.00 to $1,339.00.
Increase departmental total by $1,339.00 to $604,522.00.

Emergency Medical Services
Increase line item 1054370-51360 (Unemployment Insurance) by $3,222.00 to $3,222.00.
Increase departmental total by $3,222.00 to $2,441,922.00.

State Home Health
Increase line item 1055154-51360 (Unemployment Insurance) by $147.00 to $147.00.
Increase departmental total by $147.00 to $1,468,514.00.

Social Services Admin.
Create and increase line item 1055312-51360 (Unemployment Insurance) by $177.00 to $177.00.
Increase departmental total by $177.00 to $352,111.00.

Non-Departmental
Decrease line item 1054199-59700 (Reserve for St. Unemployment) by $7,140.00 to $7,696.00.
Decrease departmental total by $7,140.00 to $1,068,074.00.

The above action does not change fund totals.

CHANGE

#17

GENERAL FUND

Expenditures

School Age Child Care Prog.
Decrease line item 1054952-52010 (Supplies & Materials) by $2,500.00 to $3,100.00.
Decrease line item 1054952-56010 (Equipment) by $1,400.00 to -0-. Decrease departmental total by $3,900.00 to $20,193.00.
School Age Care Accreditation
Increase line item 1054956-54010 (Travel) by $826.00 to $3,711.00.
Increase departmental total by $826.00 to $7,155.00.

Domestic Violence-Health
Increase line item 1055114-52010 (Supplies & Materials) by $2,000.00 to $2,000.00.
Increase line item 1055114-52270 (Educational Supplies) by $700.00 to $700.00.
Increase line item 1055114-54010 (Travel) by $700.00 to $700.00.
Increase line item 1055114-54200 (Telephone) by $405.00 to $405.00.
Increase line item 1055114-54400 (Advertising) by $3,000.00 to $3,000.00.
Increase departmental total by $6,805.00 to $6,805.00.

Community Base Injury
Increase line item 1055121-51010 (Salaries & Wages) by $236.00 to $6,112.00.
Increase line item 1055121-51300 (Social Security) by $2.00 to $366.00.
Increase line item 1055121-51310 (Medicare) by $1.00 to $86.00.
Increase line item 1055121-51330 (Retirement) by $7.00 to $301.00.
Increase line item 1055121-51350 (Group Insurance) by $54.00 to $234.00.
Increase line item 1055121-52010 (Supplies & Materials) by $175.00 to $175.00.
Increase line item 1055121-54010 (Travel) by $125.00 to $125.00.
Increase departmental total by $600.00 to $7,505.00.

Maternal Health Program
Increase line item 1055162-51520 (Professional Services-Medical) by $19,344.00 to $19,344.00.
Create and increase line item 1055162-56010 (Equipment) by $30,000.00 to $30,000.00.
Increase departmental total by $49,344.00 to $253,676.00.

Child Health Program
Increase line item 1055163-52010 (Supplies & Materials) by $1,873.00 to $7,873.00.
Increase line item 1055163-54010 (Travel) by $4,190.00 to $15,340.00.
Create and increase line item 1055163-56010 (Equipment) by $20,000.00 to $20,000.00.
Increase departmental total by $26,063.00 to $537,923.00.

Dental Clinic
Decrease line item 1055192-51500 (Professional Services) by $3,142.00 to $66,858.00.
Decrease departmental total by $3,142.00 to $188,665.00.

Revenue
Decrease line item 1044952-43361 (School Age Child Care Prog.) by $3,900.00 to $20,193.00.
Increase line item 1044956-43363 (School Age Accred) by $826.00 to $7,155.00.
Create line item 1044380-44115 (Animal Control Citations).
Increase line item 1045114-44510 (Domestic Violence Grant) by $6,805.00 to $6,805.00.
Increase line item 1045121-43316 (State TB Money) by $600.00 to $2,831.00.
Create line item 1045156-44170 (Chore/Respite Donations).
Increase line item 1045162-42354 (Maternal Health-Title XIX) by $30,000.00 to $188,289.00.
Increase line item 1045162-43318 (Rural OB ROCI) by $19,344.00 to $38,688.00.
Increase line item 1045163-44170 (Child Health Care) by $1,873.00 to $93,638.00.
Increase line item 1045163-42356 (Child Health–Title XIX) by $24,190.00 to $309,640.00.
Decrease line item 1045192-43328 (Human Services Grant) by $3,142.00 to $66,858.00.
Create line item 1045193-43329 (Smart Start-Dental).
Increase fund totals by $76,596.00 to $45,244,387.00.

6. Accepted the Sheriff’s bond in the amount of $25,000.00.

7. Approved the County’s participation in the shadowing and internship program with Surry County Schools.

8. Approved subdivision plats as follows:
   - Michael Ray Love Subdivision (Final) contingent upon Environmental Health permits being in place and owner getting proper right-of-way through adjacent property.
   - Kristy Hall Subdivision (Final) contingent upon Environmental Health approval.
   - Snow Acres Subdivision, Phase II (Final) contingent upon one plat revision and Environmental Health approval.
   - Snowhill Subdivision (Final) contingent upon Environmental Health approval.
   - John Simmons Subdivision (Final) contingent upon Environmental Health approval and labeling the type of control corner being used.
   - Elmer James and Stoney Lee Dunbar (Final) contingent upon Environmental Health approval.
   - Billy Ray and Shelby Dean Hodges Subdivision (Final) contingent upon setback changes being added to final mylar.
   - Steven Levesque Subdivision (Final) contingent upon adding statement regarding the Lovill’s Creek Watershed 4 area, checking floodplain status, street closure disclosure statement, and labeling on a control corner.

9. Approved forwarding to the DOT a petition for Ivy Circle.

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Don Proper with Municipal Engineering Services came before the Board to discuss progress on the airport area water and sewer project and to request approval of the following change orders:

- Change Order No. 10 for Division A, Part I. This is the major portion of the sewer project. The change order represents a contract reduction of $80,642.08.
- Change Order No. 3 for Division A, Part II – Sewer Project for the Airport Road Area. The change order represents a contract reduction of $22,276.00.
Change Order No. 13 for Division B, Part I – Water Project. This change order adds telemetry control - $3,920.00.

Change Order No. 14 for Division B, Part I modifies the control panel for the project. Added cost is $1,000.00.

Change Order No. 15 for Division B, Part I. This is the major portion of the water project. The change order represents a contract reduction of $496,768.72.

Change Order No. 2 for Division B, Part II. This is the water project down Airport Road. The change order represents a contract reduction of $35,871.78.

Change Order No. 16 for Division B, Part III. This change order adds the costs for the Cross Creek water extension - $115,002.00.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve the change orders as requested.

Todd Stanley, Chairman of the Child Protection Team, came before the Board to give them a program update and presented them with minutes for meetings held by the Team during 1998.

John Haynes with Haynes Strand Henry & Company came before the Board to present the County’s 1997-98 audit report for the Board’s review. The Board accepted the report for study.

John Shelton, Emergency Services Director, reported to the Board that he had been in touch with officials at Northern Hospital, who had indicated that the hospital attorney was still working on terms of a contract for lease of office space for Emergency Medical Services. Mr. Shelton also discussed with the Board the possibility of mobile offices for temporary housing until the Services can be located into a permanent facility. Mr. Shelton and the Board discussed the possibility of the old Lowe’s building in Mount Airy and the Dixie Concrete building being used for temporary and/or permanent housing. The Board instructed Mr. Shelton and Mr. Thompson to research these ideas and report back to them at a later date.

Upon motion of Jim Miller, seconded by Gary York, the Board voted as follows to replace the generator at the Fancy Gap radio repeater site, as recommended by John Shelton, Emergency Services Director, transferring funds in the amount of $6,681.00 out of Non-Departmental Contingency to Capital Outlay to purchase the equipment. Commissioner Fred O’Neal abstained from discussion and vote regarding this matter.

AYES: Jim Miller, Gary York, Paul Johnson, and Jim Harrell
NAYS: None
ABSTAINED: Fred O’Neal

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to appoint Stan Smith as a member of the Recreation Advisory Committee, replacing Monroe Donathan who re-
cently resigned. Mr. Smith’s term will expire December 31, 2000.

The Clerk to the Board informed the Commissioners that the terms of the following volunteer Board appointments would expire in the next ninety days.

- Town of Dobson Planning Board. The terms of Gene Miller and Gene Everett will expire February 1, 1999.
- Emergency Services Advisory Board. The terms of Ronny White and John Wood will expire February 6, 1999.
- Planning Board. The terms of Wayne Draughn, Donnie Gammons and Curtis Taylor will expire March 31, 1999.

The Board instructed the Clerk to check on reappointment information on these members and report back to them at a later date.

It was the consensus of the Board to approve a request from Gary Snow, representing Sons of the Confederate Veterans, to be placed on the February 1st agenda to formally make a request to erect a monument on the Courthouse lawn in recognition of those who fought in the War Between the States between the years 1861 and 1865.

It was the consensus of the Board to authorize the Clerk to the Board to work with Cross Creek Country Club in planning a Volunteers Appreciation Dinner for April 15, 1999.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to authorize Betty Taylor, Assistant County Manager for Budget & Finance, to work with Coates Consultant in obtaining bids for the County’s group health insurance, in an amount not to exceed $13,000.00.

The County Manager presented a request from River Valley Company that the Board approve a 50 unit assisted living facility in Mount Airy. Mr. Thompson indicated that State law requires a finding by the Board of County Commissioners of substantial need for a new facility before the State will consider licensing the facility. Mr. Thompson informed the Board that he had been in contact with the Department of Social Services who had advised him that currently they do not have a client waiting list for placement in assisted living facilities; therefore, they could not make a statement that a substantial need exists in Surry County.

After discussion, it was the consensus of the Board to invite the developer for the proposed facility to a Commissioners’ meeting, holding a public information session on the request.

Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to approve a recommendation made by the Emergency Services Director and the County Manager that the Board approve a project contract amendment between the County and Frederick G. Griffin Associates, who serves as the County’s
advisor on the E-911 project installation, in the amount of $25,000 for additional services.

It was the consensus of the Board to designate the Juvenile Justice Task Force as the Juvenile Crime Prevention Council for an interim period, requesting the Council to meet with the Criminal Justice Partnership to make sure there are no conflicts between any responsibilities of these two boards. The County Manager informed the Board that the Juvenile Justice Reform Act recently passed requires establishment of the Council which replaces the Task Force.

It was the consensus of the Board to authorize the County Manager to sign a letter of support of Commissioner Grady Hunter of Yadkin County as the new District 18 delegate, replacing former Commissioner John Springthorpe.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to authorize a letter of support of Northwest Piedmont Consortium of Davie, Rockingham, Stokes, Surry and Yadkin Counties to continue as a designated sub-state area for administration of the Workforce Investment Act.

Upon motion of Gary York, seconded by Jim Miller, the Board vote unanimously to approve a bid in the amount of $45,000.00 from Marcel Equipment of London, Ontario, Canada, for a used compactor for the Public Works Department.

It was the consensus of the Board to approve a request made by memo by Dr. Walter Linz, Health Director, to use a vacant nursing position he has in Family Planning as a Jail nurse for the remainder of FY 1998-99. Dr. Linz indicated in his memo that he would recruit and hire a Jail nurse, using funds generated by the vacant nursing position in the Family Planning Department, and will ask for a new Jail nursing position to be used in the Correctional Health Program in the FY 1999-2000 budget request.

The County Manager reviewed a memo from Jerry Snow, Public Works Director, regarding the purchase of the Hiatt property, which adjoins the existing landfill in Mount Airy. After discussion, it was the consensus of the Board to appoint Commissioners Paul Johnson and Jim Miller to walk over the property with the County Manager and the Public Works Director and report back to the Board at a future meeting.

Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to approve a request made by Ron Norman, Tax Administrator, to extend the listing period to the end of February 1999.
Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to go into closed session to discuss personnel matters with the County Manager and various department heads.

The Board came out of closed session, and Chairman Harrell reconvened the regular meeting.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve the following personnel actions:

1. Reclassify Angela Brown, employee of Emergency Medical Services, from Accounting Clerk III, Grade 57, to a Clerical Level V, Grade 61-1, effective February 1, 1999.

2. Recognizing that the Inspections Department salary scale is not competitive with several surrounding counties and also recognizing the increased duties which have been assigned to the Inspections staff through carrying out inspections for the City of Mount Airy, the Board authorized the following merit increases, effective January 1, 1999:
   - Bonnie Simmons from Grade 57-4 to Grade 57-6.
   - Betsy Easter from Grade 63-4 to Grade 63-6.
   - John Kinder from Grade 65-6 to Grade 65-8.
   - Darrell Cockerham from Grade 66-6 to Grade 66-8.
   - Dale Goins from Grade 67-8 to Grade 67-10.
   - Jerry Swift from Grade 67-10 to Grade 67-12.
   - Phil Whitaker from Grade 69-10 to Grade 69-12.
   - Gray Bryant from Grade 70-12 to Grade 70-14.

The Board stipulated that these increases would supplant any regular increment or merit increases for which the employees would be eligible during calendar year 1999. In calendar year 2000, the employees would be considered for merit increases on their regular merit schedules.

3. Created the position of Building Codes Inspector I in the Inspections Department and authorized the employment of Richard Collins as recommended by Gray Bryant.

4. Approved a request from Bud Cameron, Register of Deeds, to create a permanent full-time position for a Deputy II Register of Deeds, Grade 59-1, and transfer Cynthia Gillespie from temporary part-time to permanent full-time in the new position. Mr. Cameron indicated by memo that there was appropriate funds in his current budget to pay the salary for the remainder of the year.

5. Approved a request made by Dr. Walter Linz to extend the interim appointment of Susan Naron in Home Health for an additional three months for a period ending March 31, 1999.
Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to adjourn the meeting.

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SURRY COUNTY BOARD OF COMMISSIONERS

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Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on January 19, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

Others present for the meeting were:

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney
Betty Taylor, Asst. County Mgr. for Budget & Finance
Ron Norman, Tax Administrator
Cathy Booker, Assistant Tax Administrator
Phyllis Vass, Asst. Tax Administrator for Collections
Teresa Kinney, Planning Director
Chris White, Planning Board
Doug Jones, Fire Marshal
Eric Apple, Information Technology Director
Jerry Holder, Computer Support Technician
Sheriff Connie Watson
Chief Deputy Jim McHone
Lieutenant Jimmy Combs
Brenda Rose, County Extension Director
Paul Hodges, Chairman, Natural Resources Committee
Several members of the Natural Resources Committee
John Shelton, Emergency Services Director
Wayne Cooke, EMS Senior Shift Supervisor
Kay Culp, Emergency Services Department
Angela Brown, Emergency Services Department
Jeff Brinkley, Surveyor
Charlie Vaughn, Landform Construction
Judge Bud Oliver, Chief District Judge
Pat Coe Todd, Clerk of Superior Court
Howard Jones, II, Attorney
Clarice Einstein, Court Reporter
Larry Bowman, Attorney
Approximately 20 Westfield/Pilot Mountain area citizens concerned with Kaye’s Subdivision
Randy Edwards, Pastor, Faith Baptist Church
Angela Leonard, Mount Airy News
Rob Johnson, Martin Boal Anthony & Johnson
Jon Long, Martin Boal Anthony & Johnson
Greg Meshaw, Municipal Engineering Services
Todd Merriman, The Tribune
Michael Morgan, Citizen
Joe Long, Citizen
Rachel Long, Citizen
Paul Taylor, Citizen
Barbara Oliver, Citizen
Dr. Jack Snow, Citizen
Wayne Davis, Citizen
Patricia Boles, Citizen
Hazel Redmon, Citizen

Chairman Jim Harrell, Jr. called the meeting to order. Commissioner Paul Johnson delivered the invocation and led those present in the pledge of allegiance.
Upon motion of Fred O'Neal, seconded by Paul Johnson, the Board voted unanimously to approve the minutes of the January 4, 1999 meeting.

Chairman Harrell continued the meeting with the open forum session, asking if anyone present would like to speak to the Board on any matter.

Randy Edwards, Pastor of the Faith Baptist Church, came before the Board to request tax exemption status for the church. Mr. Edwards indicated to the Board that due to activities of building and moving into the new facility, he had failed to acquire and fill out the proper paperwork concerning application for property tax exemption before December 31. After discussion, Fred O'Neal made a motion to grant the church tax exemption status as allowed. Paul Johnson made a second to the motion, and the vote to approve was unanimous.

The open forum continued with comments from Hazel Redmon, a resident of Chestnut Ridge Road, encouraging the Board to enforce local ordinances regarding animal control and junkyards in the County.

Patricia Boles spoke to the Board in opposition of Kaye's Subdivision located on Surry Gadsberry Road in the Westfield/Pilot Mountain area.

Commissioner Gary York shared information on events he attended over the week-end, including dedication of the Patriot Health Clinic at Gentry Middle School, which will be paid for with grant funds; a First Responder training session for teachers; and a ground-breaking ceremony for the new North Middle School.

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to approve the following consent agenda items:

1. Approved the following refunds:

- EMS – Partners National Health Plan for patient Mary C. Roberts, P. O. Box 2490, Winston-Salem - $181.54 due to overpayment of the account.
- EMS – Fate Shackelford, 1138 Haystack Road, Mount Airy - $135.00 due to double payment of the account.
- EMS – Travelers Insurance Company, P. O. Box 85554, Richmond, VA - $185.00 due to overpayment of account.
- EMS – Interstate Credit Bureau Collections for patient Frank Rispoli, P. O. Box 3138, Winston-Salem - $90.00 due to overpayment of account.
- EMS – Larry W. Easter for patient Tiffany Easter, 125 Ivy Green Trail, Lowgap - $21.18 due to double payment of account.
- Environmental Health – Dionnie M. Dodd, P. O. Box 1933, Mount Airy - $50.00 due to site being denied permit in 1995.
2. The Board confirmed the following membership of the Surry County Community Child Protection Team: Sheriff Connie Watson; Detective Todd Stanley; Dr. Walter Linz; John Cook, Crossroads; Joann Snow, Head Start; Ricky Bowman, District Attorney; Patricia Coe, Health & Nutrition Center; Laura Bushong, Juvenile Services; Lydia Lovell, Mount Airy City Schools; Becky Johnson, Surry County Schools; Barbara Anderson, Social Services Department; Linda Watson, Guardian Ad Litem Program; Shawn Myers, Dobson Police Department; Beth Hinshaw, Surry County Schools; Leslie Eldridge, Social Services Department; Rita Johnson, Social Services Department; Angela Land, Elkin City Schools; Linda Chaney, Community Advocate; Mae Daniels, Northern Pediatrics; Betty Smith, Mount Airy City Schools; Rebecca Carter, Domestic Violence Task Force; Ramona Jefferies, Surry/Stokes Friends of Youth; Claudia Bryant, Community Advocate; Kay Collins, Elkin Police Department; Dennis Wilson, Mount Airy Police Department.

3. Approved tax refunds in the amount of $2,181.55 for the month ending December 31, 1998; approved tax releases for the month ending December 31, 1998 in the amount of $2,919.76; and charged Ron Norman, Tax Administrator, to collect taxes set forth in tax books on motor vehicle renewals for April 1998 in the amount of $253,671.31.

4. Approved a request made by the County Manager to authorize an emergency purchase of a fax machine for the Sheriff’s Office as requested by the Sheriff.

5. Approved Budget Amendment No. 18 to the FY 1998-99 Budget Ordinance as presented.

CHANGE #18

GENERAL FUND

Expenditures

Non-Departmental

Decrease line item 1054199-59510 (General Fund Contingency) by $86,681.00 to $112,419.00.
Decrease line item 1054199-59600 (Productivity/Efficiency Reserve) by $20,000.00 to $142,817.00.
Decrease departmental total by $106,681.00 to $961,393.00.

Sheriff’s

Create and increase line item 1054310-56060 (Equipment-LLEBG 98) by $22,667.00 to $22,667.00.
Create and increase line item 1054310-56080 (Equipment-More 98) by $120,000.00 to $120,000.00.
Create and increase line item 1054310-56081 (More 98-50% Match) by $20,000.00 to $20,000.00.
Increase departmental total by $162,667.00 to $2,246,304.00.

Communications Center

Increase line item 1054325-56010 (Equipment) by $6,681.00 to $19,181.00.
Increase departmental total by $6,681.00 to $611,203.00.

Environmental Health

Increase line item 1055181-52010 (Supplies & Materials) by $3,000.00 to $8,950.00.
Increase line item 1055181-54350 (Printing)
by $643.00 to $1,143.00.
Decrease line item 1055181-56010 (Equipment)
by $3,000.00 to $2,500.00.
Increase departmental total by $643.00 to $296,554.00.

Recreation
Increase line item 1056120-59651 (Bldg/Park Reserve)
by $80,000.00 to $160,000.00.
Increase departmental total by $80,000.00 to $353,162.00.

Revenue
Create and increase line item 1044310-42336 (LLEBG 98 Grant)
by $22,667.00 to $22,667.00.
Create and increase line item 1044310-42337 (COPS More 98 Grant)
by $120,000.00 to $120,000.00.
Increase line item 1045181-43323 (Environmental Health Grant)
by $643.00 to $14,443.00.
Increase fund totals by $143,310.00 to $45,387,697.00.

Sheriff’s-Narcotics Fund

Expenditures
Create and increase line item 1854311-56061 (LLEBG 98 Match)
by $2,519.00 to $2,519.00.
Create and increase line item 1854311-56082 (More 98-50% Match)
by $20,000.00 to $20,000.00.

Revenue
Increase line item 1844311-42330 (US Equitable Sharing)
by $22,519.00 to $29,666.00.
Increase fund totals by $22,519.00 to $29,666.00.

Landfill Fund

Expenditures

Landfill Operations
Increase line item 6757420-53100 (Front-end Loader 87 CAT)
by $3,000.00 to $3,000.00.
Increase line item 6757420-53120 (Front-end Loader 88 CAT)
by $15,000.00 to $15,000.00.
Increase line item 6757420-53130 (Front-end Loader 78 Int)
by $7,000.00 to $7,000.00.
Increase line item 6757420-53150 (CAT-Elevating Scraper)
by $2,000.00 to $2,000.00.
Increase line item 6757420-53170 (CAT D7 Dozer)
by $2,000.00 to $2,000.00.
Increase line item 6757420-53200 (973 CAT)
by $5,000.00 to $5,000.00.
Increase line item 6757420-53210 (Compactor 390 Rex)
by $20,000.00 to $20,000.00.
Increase line item 6757420-53220 (Compactor 390 Rex (2))
by $15,000.00 to $15,000.00.
Increase line item 6757420-56010 (Equipment)
by $45,000.00 to $55,000.00.
Decrease line item 6757420-53020 (Equipment Maintenance)
by $114,000.00 to $36,000.00.

The above action does not change fund totals.

6. Authorized Sheila R. Creed, Finance Planner/Internal Auditor, in the Finance Office to be added to the list of individuals having access to the County’s safety deposit box.

7. Approved the following subdivision plats:
MEETING OF JANUARY 19, 1999 CONTINUED

- David Michael and Kristen H. Nichols (Final), contingent upon Environmental Health approval.
- Dalton Acres Subdivision (Final), contingent upon Environmental Health approval and correcting set-back requirements.
- North View Subdivision (Final), contingent upon Environmental Health approval.

8. Approved Fran Mobile Home Park Revision Final, contingent upon installation and inspection of improvements as requested by the Planning Department.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve the following resolution regarding a name change for the insurance rating district being served by the Franklin Volunteer Fire Department:

RESOLUTION

WHEREAS, the regular monthly meeting of the Commissioners of Surry County was held on Monday, January 19, 1999 at which time the matter of fixing and declaring the modified boundaries of the Toast Fire Protection District, five mile insurance rated district, of Surry County was duly presented to the Board; and it appearing to the Board that the Franklin Volunteer Fire Department, Inc. has complied with the provisions of the resolution providing for the establishment of the fire districts in Surry County, has met the minimum requirements for personnel and equipment required by said resolution and is receiving financial assistance from the County, and the said fire district having been fixed and established by metes and bounds and duly submitted to the Surry County Board of Commissioners for approval, it is thereupon, motion of Commissioner Jim Miller and seconded by Commissioner Paul Johnson, resolved that the boundaries of the Toast Fire Protection District of Surry County being served by the Franklin Volunteer Fire Department, Inc. be officially designated and fixed as follows:

Beginning at Point 1, which is the point of beginning and being situated on the North Carolina/Virginia Boundary where it intersects with SR 1624; thence in a southwesterly direction to Point 2 on SR 1602 .8 miles west of the intersection of SR 1602 and SR 1621; thence southeasterly to Point 3 on SR 1622 .3 miles south of the intersection of SR 1622 and SR 1621; thence in a southerly direction to Point 4 on SR 1620 1.0 miles northwest from the intersection of SR 1620 and North Carolina Highway 89; thence in a southerly direction to Point 5 at the intersection of SR 1618 and North Carolina Highway 89; thence in a southeasterly direction to Point 6 at the intersection of SR 1350 and SR 1331; thence in a southeasterly direction to Point 7 on SR 1363 .4 miles east of the intersection of SR 1363 and SR 1356; thence in an easterly direction to Point 8 on SR 1359 .1 mile south of the intersection of SR 1359 and SR 1363; thence in a southeasterly direction of Point 9 on U.S. Highway 601 at the bridge passing over Stewart’s Creek; thence following Stewart’s Creek as it meanders generally in an easterly direction to Point 10 on the Southern Railway at the bridge passing over Stewart’s Creek; thence in a northerly direction following the Southern Railway to Point 11 at the intersection of the Southern Railway and the Mount Airy City Boundary; thence in a nor-
thery direction following in the existing Mount Airy City Boundary to Point 12 at the intersection of Lovill's' Creek and the existing Mount Airy City Boundary; thence following Lovill's Creek as it meanders generally in a northerly direction to Point 13 on SR 1700 at the bridge passing over Lovill's Creek; thence in a northerly direction to Point 14 on SR 1701 .1 mile northwest of the intersection of SR 1701 and SR 1700; thence in a northerly direction to Point 15 on the North Carolina/Virginia Boundary approximately 3225 feet west of SR 1717; thence in a westerly direction following the North Carolina/Virginia Boundary to Point 1 which is the point of the beginning and being situated on the North Carolina/Virginia Boundary where it intersects with SR 1624.

The attached map designated as Exhibit A is incorporated herein by reference.

NOTE: This description describes the area of the Toast Fire Protection District of Surry County pursuant to G.S. 153A-233 for insurance grading purposes only.

NOTE: Points 4, 5, 6, and 7 adjoin the Pine Ridge Fire Protection District.
Point 9 adjoins the White Plains Fire Protection District.
Point 12 adjoins the Bannertown Fire Protection District.
Point 13 adjoins the Four-Way Fire Protection District.

NOTE: This description excludes areas within the City Limits of Mount Airy.

ADOPTED this 19th day of January 1999.

The meeting continued with a report from the County Manager that he and Commissioner York had attended a goals setting workshop with the Surry County Economic Development Partnership. Mr. Thompson informed the Board that one of the 1999 goals discussed at the workshop was to encourage a study and development of a county water system. Commissioner York indicated his desire to conduct a two-hour forum on water issues in Surry County with officials from the cities and towns to explore the concept of a study. After further discussion, the Board instructed the County Manager to get feedback from the city and town officials to see if they would be interested in meeting with the County Commissioners to discuss this issue.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to approve a contract between Surry County and David Adkisson for professional consultant services to Surry County and to the Surry County Department of Social Services on various Social Services issues, including the County Welfare to Work Program. The contract is incorporated into these minutes by reference only and is on file in the office of the County Manager until its expiration.

The County Manager requested that the Board give consideration to sponsoring a personnel study to evaluate County staff structure; to evaluate the salary plan; and to recommend adjustments if necessary. Mr. Thompson indicated to the Board that he
had received a proposal from The Maps Group, and that he would like to invite a representative of the firm to meet with the Board to outline their proposal and fee structure. It was the consensus of the Board to authorize the County Manager to set up an appointment for this group to attend a County Commissioners meeting to discuss a personnel study.

The County Manager presented a request from Pilot Mountain Rescue & EMS, Inc. that the organization receive a surplus vehicle from Surry County when one becomes available. It was the consensus of the Board that they would look at the request again when a surplus vehicle becomes available.

The County Manager informed the Board that during the last few weeks he had received several complaints about junkyards in Surry County, and indicated to the Board that the County has the necessary ordinances and staff members to respond to complaints. Mr. Thompson requested the Board's instruction on how aggressive the County should be in pursuing such complaints. After further discussion, the Board indicated their desire to follow these ordinances as adopted and asked for a quarterly report to be made to them on the progress being made.

The County Manager gave the Board a brief report on working with community groups to maintain the community centers at Lowgap, White Plains, Westfield and Shoals, indicating that the Board had allocated $35,000.00 in the budget for the centers this year. Mr. Thompson indicated there had been some discussion and requests from the community centers to use a portion of the funds to pay liability insurance in behalf of the centers. Mr. Thompson asked for the Board's instruction. The Board instructed the County Manager to explore the matter with the County's insurance agent to see if all the community centers could be combined under an umbrella policy in order to receive a lower premium.

Rob Johnson and Jon Long with Martin Boal Anthony & Johnson gave the Board an update on the building and renovation projects for the Courthouse, Agricultural Building and Jail. Following the presentation, Fred O'Neal asked for the architects' input on the possibility of building a new Courthouse facility in the parking lot behind the Agricultural Building, adjacent to the existing Jail, and renovating the existing Agricultural Building. After discussion, the Board requested that the architects perform a feasibility study regarding Commissioner O'Neal's suggestion and report back to the Board at a later date.

Chairman Harrell then turned the meeting over to Commissioner Gary York, who read aloud an article from the Mount Airy News pertaining to Alfred Hiatt and Mark King, who had been recognized for outstanding work in the Flat Rock Ruritan Club. Commissioner York and John Shelton, Emergency Services Director, continued with the recognition of Angie Brown, an employee of the Emergency Services Department, presenting her with a certificate of appreciation for outstanding work in the Emergency Services Department.
Ron Norman, Tax Administrator, presented the Board with the 1999 Schedule of Values and requested a public hearing be set for February 1, 1999 to hear any public comment regarding the schedule. Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to accept the schedule as presented and to set a public hearing for February 1, 1999 as requested by Mr. Norman. The Board instructed the Clerk to the Board to advertise the business as required by law.

Paul Hodges, Chairman of the Natural Resources Committee, gave the Board an update on the Committee's activities and requested adoption of the following resolution:

RESOLUTION

WHEREAS, the Board of Commissioners of Surry County is cognizant of the paramount value of the natural environment, is aware that the natural environment provides the ultimate basis for the continued existence and progress of our species; and

WHEREAS, the Board of County Commissioners is cognizant of the responsibility of the present generation to all subsequent generations and is aware that subsequent generations will require a sustainable natural environment; and

WHEREAS, the Board of County Commissioners is cognizant that Surry County remains a mostly rural and agricultural area blessed with a rich and varied natural environment; and

WHEREAS, the Board of County Commissioners is cognizant that, because of the pressures of population increase and economic expansion, the natural environment of Surry County may become increasingly stressed.

NOW, THEREFORE, BE IT RESOLVED that it is the intent of the Board of County Commissioners to establish an Environmental Policy, as permitted by the N.C. General Statutes, Chapter 113A, Article 1, and as recommended by the 1992 Surry County Land Use Plan, in order to protect and conserve the natural environment of Surry County, in order to promote the wise use of the resources of the natural environment of Surry County, in order to ensure the sustainability of the natural environment of Surry County, for the benefit of the present and of future generations.

THEREFORE, FURTHERMORE, BE IT RESOLVED that it is the intent of the Board of County Commissioners to incorporate into the Environmental Policy all existing ordinances, statutes, regulations, etc. (including, but not limited to, the Land Use Plan, the Zoning Ordinance, the Manufactured Home and Manufactured Home Park Ordinance, the Automobile Salvage Yard and Junkyard Ordinance, the Natural Areas Inventory, and the Solid Waste Plan) which refer to or significantly affect the natural environment of Surry County, amending such documents as necessary to achieve the aims of the Environmental Policy.

THEREFORE, AND FURTHERMORE, BE IT RESOLVED that the Board of County Commissioners hereby directs the County Manager, with aid and cooperation of other related or affected agencies of government (including, but not limited to, the Planning Board, the Natural Resources Committee, the Health Department, and the Inspections Department) to develop a Surry County Environmental
Policy, for review by the Surry County Board of Commissioners and by the people of Surry County.

ADOPTED this 19th day of January 1999.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to adopt the foregoing resolution as requested by Mr. Hodges.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to approve Rutledge Ridge Subdivision, Section I, Resubmitted (Final), contingent upon installation and inspection of road improvements, renumbering lots, and revising the plat to reflect each development phase, as presented and recommended by the Planning Director.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve Blue Ridge Land and Timber Subdivision (Final), contingent upon correcting setback requirements and Environmental Health approval, as presented and recommended by the Planning Director.

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to approve an automobile salvage yard permit for Bryant McMillian, Jr., contingent upon installation and inspection of screening requirements according to the Automobile Salvage Yard Ordinance.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to approve a subdivision variance request made by Michael and Sandra Morgan as presented and recommended by the Planning Director.

Teresa Kinney, Planning Director, gave the Board an update and reviewed the background for Kaye's Subdivision, Sections I and II. Ms. Kinney also gave the Board updates and project status reports on subdivision regulations, suggesting a workshop be held to review the regulations; reviewed discussion she had with Environmental Health and Inspections regarding recreational vehicle parks, after which the Board instructed her to find out what other counties were doing regarding parks; discussed a Mount Airy Fringe Zoning Study; discussed proposed land use planning; discussed the Automobile Salvage Yard Ordinance; informed the Board that Thurman and Lowgap post offices would be receiving their new 911 addresses shortly; and indicated that the Board needed to have a public hearing regarding public road names that have been petitioned for change and the addition of private names to the ordinance. Ms. Kinney also requested permission to employ a part-time temporary intern to assist in her office until an Assistant Planning Director or County Planner is hired.

Following discussion, the Board instructed the County Manager to review the application for the intern with Ms. Kinney and the intern, and report back to them at a later date.
Howard Jones, II appeared before the Board reviewing reasons why he believes the Mobile Home Park Ordinance is not being enforced by the County in regard to Kaye's Subdivision, and requested that the Board enforce the ordinance. The Board took no action on Mr. Jones' request.

Following Mr. Jones' presentation, Larry Bowman, attorney for Wayne Davis, owner of Kaye's Subdivision, spoke briefly to the Board indicating that he has positions about the matter that are directly contrary to Mr. Jones' comments, and that he will request permission to present his information to the County Commissioners at an appropriate time.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to declare as surplus two outdated cholesterol machines being used by the Surry County Health & Nutrition Center, to be traded in on two new machines at a cost of approximately $3,635.00 per machine, which will be paid by the Surry County Health Foundation. The motion included reimbursing the Health Foundation from revenues generated by the use of the two new machines.

Greg Meshaw with Municipal Engineering discussed with the Board changes to the original contract for the Municipal Solid Waste Facility Force Main. Following discussion, Gary York made a motion to approve the following changes which will be confirmed by formal change orders. Jim Miller seconded the motion which passed unanimously.

- Show force main in 200 LF of steel encasement installed by open cut in proximity to potable well at landfill office trailer - $6,000.00.
- Add notes requiring installation of force main at least 5 feet from edge of pavement along NCDOT secondary roads - No cost.
- Add approximately 400 LF of silt fencing - No cost.
- Show locations where erosion matting is to be installed. Notes within the August 18, 1998 plan set called for straw and net mat in disturbed ditchline slopes greater than 2% and Excelsior matting in disturbed ditchline slopes greater than 20% - No cost.
- Show construction of temporary dam as part of work to install force main across Stoney Creek. The August 18, 1998 plan set called for installation of force main through temporary berms of Class B riprap temporarily placed in the stream - No cost.
- Change slope of ductile iron gravity sewer and increase length - $7,000 ±.
- Add HDPE lined manhole at Sta. 163+58.68 - $5,000.00.
- Substitute two (2) 4-inch pressure sustaining valves with check feature for two (2) 6-inch check valves in valve vault at wetwell - $984.10.
- Truck loading pad deleted; configuration of loading vault changed; and loading vault relocated - $3,134.00.
- Force main relocated to south side of SR 2015 and relocated approximately 1,750 LF from the west side of SR 2012 (Old Highway 52) to the east side - $2,275.00.
Sheriff Connie Watson and Lieutenant Jimmy Combs came before the Board to request the Board’s permission to file a 1999 Grant Pre-application with the Governor’s Crime Commission for funds to employ four new officers, indicating that if the grant were approved, the County would receive funds in the amount of $278,100.70, requiring a $92,700.26 match from the County over a two year period. Sheriff Watson and Lieutenant Combs also requested approval to apply for a COPS grant entitled “Universal Hiring Program Officer Hiring Request” for an additional four officers, indicating that if these funds were received, the County would receive $290,997.60 in Federal funds, requiring a match from the County of $96,999.20 over a three year period.

Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to authorize the Sheriff to apply for the two grants as requested.

Eric Apple, Information Technology Director, came before the Board to request authorization to purchase ArcView Geographic Information Systems software from ESRI, which would be used in the computer assisted dispatching being utilized by the County E-911 system.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve Mr. Apple’s request to purchase the software in the amount of $12,574.24, which will be taken from the E-911 Fund.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to enter into closed session to discuss personnel items.

The Board came out of closed session, and Chairman Harrell reconvened the regular meeting.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve a request from Sheriff Connie Watson to grant an additional 1/2 step merit increase for Dwayne Livengood from Grade 65-7 to Grade 65-8, effective January 1, 1999.

The Board also appointed Fred O’Neal to work with the County Manager in conducting job performance reviews of several department heads.

Upon motion of Gary York, seconded by Jim Harrell, the Board voted unanimously to appoint Fred O’Neal as the Commissioners’ appointment to the Surry County Board of Health and Paul Johnson to serve as the Commissioners’ representative on the Recreation Advisory Committee.

There being no further business, the Board adjourned the meeting.
Linda H. Wilkins  
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on February 1, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

Others present for the meeting were:

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Ron Norman, Tax Administrator
Fred Folger, Jr., County Attorney
Betty Taylor, Asst. County Mgr. for Budget & Finance
Jan Hudson, Public Works Department
Charles Gillespie, Animal Control Officer
Wayne Cooke, EMS Senior Shift Supervisor
John Shelton, Emergency Services Director
Teresa Kinney, Planning Director
Eric Apple, Information Technology Director
Phyllis Vass, Asst. Tax Administrator for Collections
Cathy Booker, Assistant Tax Administrator
Gary Gant, Emergency Services Department
Dick Peterson, Computer Center Software
Roy Fibbs, Computer Center Software
Jerry LaLiberty, Computer Center Software
Arlie Snider, Rainbow Transport Services, Inc.
Joy Masten, Student, Surry Central High School
Mr. and Mrs. Larry Masten, Citizens
Tom Hemmings, J. Sam Gentry Middle School
Linda Crawford, J. Sam Gentry Middle School
Deborah Hunter, J. Sam Gentry Middle School
Alfred Hiatt, Flat Rock Ruritan Club
Mark King, Flat Rock Ruritan Club
Angela Leonard, Mount Airy News
Gary Snow, Sons of Confederate Veterans
Todd Merriman, The Tribune
Jim Forest, Dunmore Plantation
Cathy Lewis, Dunmore Plantation
Wayne Draughn, Surry County Planning Board
E. R. Forest, Citizen Mike Hoyng, Citizen
Eddie Simmons, Citizen George Saylor, Citizen
Katie Draughn, Citizen Rachel Long, Citizen
Roscoe Easter, Citizen Joe Long, Citizen
Wayne Edmonds, Citizen Vernon Hodges, Citizen
Tom York, Citizen Ann Gillespie, Citizen
Matt Bernhardt, Mount Airy City Manager
Tom Webb, Consultant
Jeff Armstrong, ASI Landmark
Marvin Carleton, ASI, Landmark
Laney Johnson, Ridgecrest Retirement & Assisted Living
Dr. Walter Linz, Health Director
Billy Payne, Central Care, Inc.
Barbara Anderson, Social Services Director
Ottis Holt, Buildings & Grounds Department
Michael Holt, Animal Control Officer
Chairman Jim Harrell called the meeting to order. Commissioner Jim Miller delivered the invocation and led those present in the pledge of allegiance.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve the minutes of the January 19, 1999 meeting.

Chairman Harrell called an open forum and asked those present for any comments they wished to make to the County Commissioners.

George Saylor addressed the Board requesting that the Board publicize, on a regular basis, expenditures made during the year that were not appropriated in the adopted budget.

Roscoe Easter spoke to the Board regarding motor vehicle tax, requesting that the Board move forward in trying to remedy the problem with billing of the motor vehicle tax procedure used by the State.

Jim Forest spoke to the Board indicating that he wished to speak on the Assisted Living Facility request which, would be presented by Scott Neeley, J.G. Associates, later in the meeting. The Board asked Mr. Forest to wait until Mr. Neeley made his presentation to address this issue.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the following Consent Agenda items:

1. EMS refund for EDS Federal Corporation, P. O. Box 300009, Raleigh, NC for patient Jeremiah Starkey, in the amount of $56.58 due to double payment by the patient and the insurance company.

2. EMS refund for Partners National Health Plan for patient Mary F. Midkiff, P. O. Box 751006, Charlotte, NC, in the amount of $113.60 due to the account being paid in error.

3. A request from the Department of Social Services to extend the implementation date for the Work First Plan, as indicated by memo from Barbara Anderson, Social Services Director.

4. The County Manager’s recommendation to allow the Northwest Piedmont Council of Governments to continue as lead agency for implementing the Home & Community Care Block Grant Program, and to allow the Council of Governments to bid caterer services for the nutrition centers and home meal delivery program.

5. The recommendation for the Home & Community Care Block Grant Advisory Committee for FY 1999-2000 as follows:

Jimmie R. Hutchens    Tammy Gant, Region I
YVEDDI      Aging Advisory Council
6. A request from Elkin City Schools to be exempted from the tipping fee for the solid waste program.

7. A request that Linda Haney, Purchasing Agent, continue to be the contact person for the Governor's Award Program.

8. Budget Transfer #19 as approved by the Budget Officer and Budget Amendment #20 to the FY 1998-99 Budget Ordinance as follows:

CHANGE

#20

GENERAL FUND

Expenditures

Finance
Increase line item 1054130-51350 (Group Insurance) by $2,165.00 to $14,383.00.
Increase departmental total by $2,165.00 to 470,477.00.

Non-Departmental
Decrease line item 1054199-59510 (General Fund Contingency) by $10,000.00 to $102,419.00.
Decrease line item 1054199-51350 (Group Insurance) by $2,165.00 to $47,835.00.
Decrease line item 1054199-59610 (Jail Reserve) by $2,069.00 to $22,931.00.
Decrease departmental total by $14,234.00 to $947,159.00.

Sheriff's
Increase line item 1054310-56010 (Equipment) by $22,306.00 to $206,306.00.
Increase departmental total by $22,306.00 to $2,268,610.00.
County Jail
Decrease line item 1054320-56010 (Equipment)
   by $20,237.00 to $2,069.00.
Decrease departmental total by $20,237.00 to $755,448.00.

Community Action Program
Create and increase line item 1055830-57162 (Senior Center Operations)
   by $10,000.00 to $10,000.00.
Increase departmental total by $10,000.00 to $93,000.00.

The above action does not change fund totals.

The County Manager reviewed correspondence from Howard Jones, who lives in the Westfield area, stating an intent to pursue a plan of development for areas within South Westfield, Longhill and Pilot Townships. Mr. Jones requested the Board’s support for the land use project. After further discussion, it was the consensus of the Board to authorize the County Manager and the Planning Director to be available for advice to Mr. Jones, if needed, as he works on the plan, and instructed the Planning Director to work on a County-wide land use plan as a top priority.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to instruct the County Manager to write to the County’s legislative representatives indicating the Board’s support for legislation to give county commissioners the power to levy an additional one-cent sales tax if necessary.

The County Manager informed the Board that the State had extended the time for removal of solid wastes which are stockpiled at the Elkin and Mount Airy landfills until October 1, 1999. Mr. Thompson presented a request from Jerry Snow, Public Works Director, to seek proposals from private contractors for moving the stockpiled waste at Elkin.

The County Manager also asked the Board if they have any interest in the County exploring the possibility of receiving solid waste from Alleghany County. Following discussion, the Board instructed the County Manager to discuss with Alleghany officials a non-bid proposal and bring the information back to the Commissioners for further consideration.

Chairman Harrell declared the meeting a public hearing to hear any public comments regarding the proposed Schedule of Tax Values and Standards presented to them by the Tax Administrator on January 19, 1999. Chairman Harrell asked for comments from the audience. There were no comments; therefore, the public hearing was closed.

Ron Norman, Tax Administrator, and Dick Peterson, Vice-President of Operations for Computer Center Software, gave the Board an update on the CCS project in the Tax Office.

Teresa Kinney, Planning Director, Eric Apple, Information Technology Director, and Jeff Armstrong, ASI Landmark, came be-
before the Board to give a general overview of the E-911 addressing project, and to request approval of several options that will insure proper implementation of the addressing project. Following the presentation, Fred O’Neal made a motion to approve the options as presented by the group. Gary York made a second to the motion, and the vote to approve the following was unanimous:

Option 1 - $33,360.00 estimated cost to provide on-site staffing by an individual who will be responsible for answering calls from County residents about the addressing notification process.

Option 2 - $8,000.00 estimated cost to provide on-site training for maintenance of the addressing project.

Options 3 & 4 - $15,656.00 estimated cost to purchase customized addressing maintenance software and to link the 911 addresses to corresponding building polygons. The E-911 surcharge funds will cover the estimated cost of the options.

Vice-Chairman Gary York continued the meeting by presenting plaques and certificates of appreciation to the following Surry County citizens who recently received recognition for special achievements:

Alfred Hiatt, who was recently named “Ruritan of the Year”;
Mark King, who was recently named “Ruritan Secretary of the Year”;
Arlie Snider, who recently received the “Most Improved Commercial Property” award from the Mount Airy Appearance Commission;
John Hemmings, Linda Crawford, and Deborah Hunter, who were instrumental in the development of the health, wellness and physical fitness program at J. Sam Gentry Middle School and for receiving the 1998 Governor’s Programs of Excellence in Education award;
Joy Masten, a senior at Surry Central High School, who was the winner of first place award in the N.C. MADD essay contest.

Tom Webb, Consultant for the City of Mount Airy, came before the Board to inform them that the City had given J. G. Associates, Inc. an option on a piece of property owned by the City on which the company proposes to build a $2.5 million assisted living facility. Mr. Webb encouraged the Board to favorably consider approving a forthcoming request from the company that the Board write a letter to the Division of Facility Services in Raleigh, asking that J.G. Associates be exempted from a moratorium regarding construction of new assisted living facilities. Mr. Webb informed the Board that the new facility would employ 40 people and would generate additional tax revenues for the City and County.

Scott Neeley, representing J. G. Associates, Inc., informed the Board that he had done a market survey by calling existing facilities in Surry County and he felt there was a need for an additional facility. Thomas Greenwood, with Blue Ridge Construction, and Matt Bernhardt, Mount Airy City Manager, also spoke in favor of constructing a new facility in the area, and urged the Board to approve Mr. Neeley’s request for a letter requesting exemption.

Jim Forest, owner of Dunmore Plantation,
Laney Johnson, Administrator of Ridgecrest Retirement and Assisted Living, Kathy Lewis, Manager of Dunmore Plantation, and Billy Payne, owner of two facilities in the Mount Airy area, spoke in opposition of the request, indicating they have facilities with unoccupied beds and felt like there was not a need for an additional facility at this time.

Gary York made a motion to table action on the request for two weeks to receive other comments and information regarding the issue. Fred O’Neal made a second to the motion, and the vote was unanimous.

Gary Snow, with Sons of Confederate Veterans, came before the Board to ask for tentative approval to place a monument on the Courthouse lawn honoring men who fought in the War Between the States. Mr. Snow indicated his group was still in the process of raising money for the monument, and he projected an 18-month period of time before the monument would be ready to be placed on the lawn.

After discussion, Paul Johnson made a motion to approve Mr. Snow’s request, contingent upon Mr. Snow working with the County’s architects on where to place the monument upon completion. Jim Miller made a second to the motion, and the vote was unanimous.

Barbara Anderson, Social Services Director, came before the Board to request permission to make an application for funding from Smart Start for SUCCESS software to be used for subsidized child care eligibility and case management and for the necessary equipment to implement the program. Mrs. Anderson indicated the Smart Start funds were in the amount of $4,000.00, and matching funds in the amount of $3,785.00 are currently in the department’s present budget.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve Mrs. Anderson’s request as presented.

Dr. Walter Linz, Health Director, came before the Board to present his mid-year programs update and to request adjustments to his budget regarding the following personnel recommendations:

1. To create the position of Computer Support Tech II, Grade 63, in the Administration budget.
2. To delete the position held by Barbara Stroud, Position No. 590-411-001, upon Mrs. Stroud’s retirement May 1, 1999.
3. To increase position of Judy Terrell, Position No. 590-380-003, from permanent part-time to permanent full-time at Grade 57-2.
4. To create an OSSOG III Inventory Control Clerk position at Grade 57.
5. To create a position for a part-time housekeeper at Grade 55 to work 20 hours per week at $7.63 per hour.

These changes do not require additional monies in the Health Department budget for FY 1998-99.
Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to approve the requests as presented by Dr. Linz.

Betty Taylor, Assistant County Manager for Budget & Finance, discussed with the Board the selection of an audit firm and informed the Board that the County's current firm, Haynes Strand Henry & Co., has decided not to bid on the upcoming audit services for the County. After discussion, it was the consensus of the Board to authorize Mrs. Taylor to advertise for audit proposals, extending consideration to firms outside of Surry County.

Mrs. Taylor continued her presentation by reviewing financing proposals for the Board's consideration. After review, Gary York made a motion to instruct Mrs. Taylor to go out for bids for approximately $9.9 million to finance the following projects:

- Mount Airy Middle School
- Landfill Access Road
- Landfill
- EMS Building
- College Construction Projects

Fred O'Neal made a second to the motion, and the vote was unanimous.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to reappoint Gene Everett to the Town of Dobson Planning Board for a three-year term as recommended by Town officials. Mr. Everett's term will expire February 1, 2002.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve reappointment of Ronny White and John Wood to the Emergency Services Advisory Board and to appoint Sergeant Rick Lawson of the N.C. Highway Patrol to serve as a member. These are two-year terms expiring February 6, 2001.

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board vote unanimously to reappoint Wayne Draughn and Curtis Taylor as members of the Surry County Planning Board, and to appoint Clark Comer to replace Donnie Gammons on the Board. These terms are for three years expiring March 31, 2002.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to reappoint Donna Barker, Bill Bennett, Katherine Parries and Naomi Slate as members of the Surry County Nursing/Domiciliary Home Advisory Committee.

It was the consensus of the Board to authorize Dr. Walter Linz to move forward with working on a proposed wellness program for County employees.
It was the consensus of the Board to authorize the County Manager to contact the following persons to see if any are interested in serving as members of the five member Animal Control Committee:

Donna McLamb, Ray Parker, Cooper Adams, Chris DiRusso, Pam Fencl, Kate Appler, Mike Royster, Pat Barfield and Jeri Massada.

It was the consensus of the Board to authorize Jerry Snow, Public Works Director, to seek proposals to move solid wastes stockpiled at the Elkin and Mount Airy landfills, as requested earlier in the meeting.

The County Manager reviewed for the Board a request from the Westfield Community Center that the County consider a $100,000.00 loan to make improvements at the center. After discussion, the Board appointed Paul Johnson and Jim Miller to work on developing options for improvement projects at the centers for the Board's consideration.

The County Manager and the Board continued discussion regarding a proposed water study as discussed at the January 19, 1999 meeting. Mr. Thompson informed the Board that he had received interest from the municipalities in developing a steering committee for the water study. After discussion, it was the consensus of the Board to appoint Gary York and Fred O'Neal to represent the County Commissioners to work with two commissioners and managers from the municipalities on the project.

The County Manager discussed with the Board a proposal from Glenn Cook to offer to the County approximately 53.164 acres, located adjacent to the Mount Airy Landfill, formerly known as the Hiatt property, for $120,000.00. Mr. Thompson informed the Board that if they have an interest in the offer, Mr. Cook may be receptive to letting the Board pay for the land in the next fiscal year, plus allow the Public Works Department to start moving dirt from the property immediately for cover of waste in the new landfill. After discussion, the Board instructed the County Manager to obtain an appraisal from the County staff for the acreage and instructed the County Attorney to draft an offer to Mr. Cook.

John Shelton, Emergency Services Director, discussed with the Board a memorandum of agreement between the County and Northern Hospital for leasing a new EMS headquarters building. It was the consensus of the Board that Fred O'Neal and Gary York meet with members of the Hospital board to discuss alternatives to the proposal.

Mr. Shelton continued his discussion with the Board, presenting information regarding modular buildings to temporarily house Emergency Services until new office space can be acquired. After discussion, Gary York made a motion to approve Mr. Shelton's request to lease the equipment as requested for one year at a cost of $58,450.00. Paul Johnson made a second to the motion, and the vote was unanimous.
Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to go into closed session to discuss various personnel items.

The Board came out of closed session, and Chairman Harrell reconvened the regular meeting.

Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to approve the following personnel actions effective February 1, 1999:

1. Increased the salary of Susan Slate, Position No. 610-361-001, from Grade 63-7 to Grade 63-10.

2. Authorized the Director of Social Services to make a request to State Personnel for reclassification of position No. 703-255-001, Income Maintenance Supervisor I to Income Maintenance Supervisor II.

3. Upgraded the position of Edna Stanley, Position No. 587-163-001 from Community Health Tech, Grade 56-5, to Chore Supervisor II, Grade 60-1.

4. Approved the following salary increases:
   - Angela Scott, Position No. 590-382-001, from Grade 61-2 to Grade 61-4.
   - Diane Caruso, Position No. 598-127-001, from Grade 79-10 to 79-13.
   - Brenda Johnson, Position No. 598-142-002, from Grade 71-5 to Grade 71-6.
   - Samantha Berryman, Position No. 596-157-002, from Grade 66-4 to Grade 66-5.
   - Deborah Creed, Position No. 593-142-001, from Grade 71-3 to Grade 71-4.
   - Tammy Marshall, Position No. 590-403-001, from Grade 59-4 to Grade 59-5.
   - Christy Shelton, Position No. 725-243-001, from Grade 66-2 to Grade 66-3.
   - Lori Ambrose, Position No. 725-145-001, from Grade 58-13 to Grade 58-14.
   - Jeff Hall, Position No. 540-100-002, from Grade 65-8 to Grade 65-10.
   - Karen Allen, Position No. 515-082-001, from Grade 62-9 to Grade 62-10.
   - Linda Haney, Position No. 400-004-001, from Grade 64-15 to Grade 64-16.
   - John Shelton, Position No. 608-207-001, from Grade 76-8 to Grade 76-10.
   - Betty Taylor, Position No. 440-014-001, from Grade 76-11 to Grade 76-13.
   - Linda Wilkins, Position No. 420-003-001, from Grade 66-19 to Grade 66-22.
   - Rebecca Adams, Position No. 420-352-001, from Grade 61-4 to Grade 61-5.

5. Reclassified the position of Public Works Director from Grade 72 to Grade 76 and increased Jerry Snow, Position No. 780-110-001, from Grade 72-15 to Grade 76-8.
There being no further business, the Board adjourned the meeting.

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Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on February 15, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Linda H. Wilkins, Clerk to the Board
Fred Folger, County Attorney, entered the meeting at 6:35 p.m.
Teresa Kinney, Planning Director
Ron Norman, Tax Administrator
Betty Taylor, Asst. County Mgr. for Budget & Finance
Cathy Booker, Assistant Tax Administrator
Phyllis Vass, Asst. Tax Administrator for Collections
Sheriff Connie Watson
Eric Apple, Information Technology Director
Jerry Holder, Computer Support Technician
Brenda Rose, County Extension Director
Ottis Holt, Buildings & Grounds Department
Wayne Cooke, EMS Senior Shift Supervisor
John Shelton, Emergency Services Director
Rich Smith, CBA Consultant
Bud Cameron, Register of Deeds
Jeff Boyles, Mount Airy City Engineer
Rob Johnson, Martin Boal Anthony & Johnson
Jon Long, Martin Boal Anthony & Johnson
Dennis Manuel, Rescue Squad Association
Various rescue squad members
Steve Player, The Wooten Company
Mike Hoyng, Criminal Justice Partnership
Rusty Slate, Juvenile Crime Prevention
Howard Jones, II, Attorney
Greg Einstein, Court Reporter
Elizabeth Horton, Attorney
Jamie Edwards, Pre-Trial Release Program
Jim Forest, Juvenile Justice Task Force
Paul Belk, Citizen
Fred Snow, Citizen
Billy Payne, Central Care, Inc.
Wayne Davis, Citizen
Grover Mabe, Citizen
Dwayne and Karen Carter, Citizens
Charles and Ann Gillespie, Citizens
Todd Merriman, The Tribune
Scott Neeley, J.G. Associates
Thomas Greenwood, Blue Ridge Construction
Tom Webb, Consultant
Larry Bowman, Attorney
Ricky Bowman, District Attorney
Jeff Brinkley, Surveyor
Judge Otis Oliver
Pete Gillespie, Pretrial Release Director
Jerry Gant, Tax Appraiser
Chairman Harrell called the meeting to order. Commissioner Fred O’Neal delivered the invocation and led those present in the pledge of allegiance.

Upon motion of Jim Miller, seconded by Fred O’Neal, the minutes of February 1, 1999 were approved.

Chairman Harrell opened the floor as open forum and asked if anyone present would like to address the Board on any issue. Grover Mabe, citizen, spoke briefly in opposition of the County contracting with Alleghany County to receive trash into Surry County’s landfill. There were no other comments from those present.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the following consent agenda items:

1. EMS refunds as follows:
   - Westside Memorial for patient, Fletcher Joyce, Jr., 1521 West Pine Street, Mount Airy, in the amount of $90.00, due to double payment by the patient and the insurance company.
   - Bernice H. Shelton, P. O. Box 140, Pilot Mountain, in the amount of $140.00, due to double payment by the patient and the insurance company.

Inspections refund as follows:
   - Estate of Sylvia Clement, 1312 Old Buck Shoals Road, Mount Airy, in the amount of $30.00. The estate requested a refund due to the death of Mrs. Clement.

Environmental Health refund as follows:
   - Patricia Cockerham, Rt. 2, Box 343-B, Elkin, in the amount of $20.00. Building Inspector did not approve application, therefore, a site revisit was not needed.

2. Adoption of the following resolution authorizing the filing of an application to seek financing and to set a public hearing as required:

   RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION
   FOR APPROVAL OF A FINANCING AGREEMENT AUTHORIZED BY
   NORTH CAROLINA GENERAL STATUTE 160A-20

   WHEREAS, the County of Surry, North Carolina desires to construct the Mount Airy Middle School, a landfill, a landfill access road, and a building to house Emergency Medical Services (“the Project”). The County of Surry desires to borrow $7,755,000 to finance the Project in order to better serve the citizens of Surry County; and

   WHEREAS, the County of Surry, North Carolina desires to finance the Project by the use of an installment contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and
WHEREAS, findings of fact by this Governing Body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract.

NOW, THEREFORE, be it resolved that the Board of Commissioners of Surry County meeting in regular session on the 15th day of February, 1999, makes the following findings of fact:

1. The proposed contract is necessary or expedient to provide the citizens and residents of Surry County with adequate educational facilities, solid waste facilities and emergency medical services.

2. The proposed contract is preferable to a bond issue for the same purpose, because the cost to issue general obligation bonds would be greater. Further, the cost of the Project exceeds the amount that can prudentely be raised from available appropriation, unappropriated fund balances, and non-voted bonds that could be issued by Surry County in the current fiscal year pursuant to Article V, Section 4, of the North Carolina General Statutes (the “two-thirds limitation”).

3. The sums to fall due under the contract are not excessive for the proposed purpose based on actual construction amounts and actual bids awarded.

4. Surry County’s debt management procedures and policies are good because the County carries out policies in strict compliance with the law and will continue to provide adequate debt management as directed by the North Carolina Local Government Commission.

5. If a tax increase is necessary to meet the sums to fall due under the proposed contract, such increase will not exceed 1.0 to 4.35 cents per one hundred dollars valuation and is deemed not to be excessive.

6. Surry County is not in default in any of its debt service obligations.

7. The attorney for Surry County, North Carolina has rendered an opinion that the proposed project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and Laws of North Carolina.

NOW, THEREFORE, be it fully resolved that the County Manager or Assistant County Manager for Budget and Finance is hereby authorized to act on behalf of the County of Surry, North Carolina in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract, to seek bank bids, and other actions not inconsistent with this resolution.

THIS RESOLUTION is effective upon its adoption this the 15th day of February, 1999.

3. Adoption of the following Reimbursement Resolution to allow the County to reimburse itself from any financing proceeds:
RESOLUTION DECLARING THE OFFICIAL INTENT
OF SURRY COUNTY, NORTH CAROLINA
WITH RESPECT TO THE REIMBURSEMENT OF
CERTAIN EXPENDITURES FROM INSTALLMENT FINANCING

WHEREAS, the Board of Commissioners (the “Board”) of Surry County, North Carolina on February 1, 1999 authorized the Assistant County Manager for Budget and Finance to seek bids for installment financing to finance the acquisition, construction and renovation of certain capital improvements for Mount Airy Middle School; and

WHEREAS, the Board now desires to finance the acquisition, construction and renovation of certain additional capital improvements for Mount Airy Middle School as authorized by GS 160A-20; and

WHEREAS, under the Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations, including specifically Regulation Section 1.150-2, if capital expenditures are incurred prior to the issuance of tax-exempt debt and it is desired that such expenditures be reimbursed from the proceeds of the issue, it is necessary that the issuer of the bonds has adopted an appropriate resolution prior to the original incurrence of such costs.

NOW, THEREFORE, BE IT RESOLVED by the Surry County Board of Commissioners as follows:

1. The Board hereby declares its official intent to reimburse any expenditures made by Surry County, North Carolina or by Mount Airy City Schools Board of Education for any costs or expenses incurred in connection with the Project from the proceeds of the installment financing to be issued by Surry County, North Carolina in a principal amount not to exceed $3,500,000 to finance such costs.

2. This declaration is made pursuant to Treasury Regulations Section 1.150-2.

3. This resolution shall take effect immediately.

ADOPTED by the SURRY COUNTY BOARD OF COMMISSIONERS this the 15th day of February, 1999.


5. Approved a request from the Assistant County Manager for Budget and Finance to use Attorney Bob Quick of Womble, Carlyle, Sandridge & Rice as Bond Counsel for upcoming College bonds sale.

6. Approved Budget Transfer #21 as approved by the Budget Officer and Budget Amendments #22 and #23 to the FY 1998-99 Budget Ordinance as follows:

CHANGE
#22

GENERAL FUND
Expenditures

Admin/Social Services Bldg.
Increase line item 1054196-51030 (Salaries & Wages Part-Time) by $2,030.00 to $18,832.00.
Increase line item 1054196-51300 (Social Security) by $130.00 to $3,577.00.
Increase line item 1054196-51310 (Medicare) by $40.00 to $846.00.
Increase departmental total by $2,200.00 to $145,742.00.

Non-Departmental
Decrease line item 1054199-59530 (Insurance Contingency) by $1,890.00 to $48,110.00.
Decrease departmental total by $1,890.00 to $945,269.00.

Health Dept. Administration
Decrease line item 1055110-51500 (Professional Services) by $2,200.00 to $24,800.00.
Decrease departmental total by $2,200.00 to $1,048,979.00.

Access II-Health
Increase line item 1055117-51010 (Salaries & Wages) by $1,893.00 to $46,903.00.
Increase line item 1055117-51040 (Salary Reserve) by $218.00 to $1,233.00.
Increase line item 1055117-51300 (Social Security) by $181.00 to $2,972.00.
Increase line item 1055117-51310 (Medicare) by $43.00 to $696.00.
Increase line item 1055117-51330 (Retirement) by $101.00 to $2,352.00.
Increase line item 1055117-51500 (Professional Services) by $549.00 to $6,049.00.
Increase line item 1055117-52010 (Supplies & Materials) by $744.00 to $2,244.00.
Increase line item 1055117-54010 (Travel) by $156.00 to $2,656.00.
Increase line item 1055117-54250 (Postage) by $200.00 to $200.00.
Increase line item 1055117-54350 (Printing) by $246.00 to $246.00.
Increase line item 1055117-56010 (Equipment) by $344.00 to $5,244.00.
Increase departmental total by $4,675.00 to $73,949.00.

School Based Health Center
Create and increase line item 1055126-51500 (Professional Services) by $8,000.00 to $8,000.00.
Increase line item 1055126-52020 (Medical Supplies) by $2,000.00 to $2,000.00.
Decrease line item 1055126-51010 (Salaries & Wages) by $10,000.00 to $49,839.00.
The above action does not change departmental total.

Health Check Coordinator
Create line item 1055177-54350 (Printing).

Services Programs
Increase line item 1055313-55150 (Insurance & Bonding) by $1,890.00 to $3,990.00.
Increase departmental total by $1,890.00 to $3,124,727.00.
Revenue
Increase line item 1045117-43324 (Access II-Health)
  by $4,675.00 to $73,949.00.

Increase fund totals by $4,675.00 to $45,392,372.00.

CHANGE

#23

GENERAL FUND

Expenditures

Social Services Admin
Increase line item 1055312-56010 (Equipment)
  by $25,000.00 to $67,000.00.
Increase departmental total by $25,000.00 to $377,111.00.

Transfers to Other Funds
Decrease line item 1059810-59400 (Public Assistance Transfer)
  by $25,000.00 to $2,615,234.00.
Decrease departmental total by $25,000.00 to $7,762,579.00.

The above action does not change fund totals.

Public Assistance Fund

Revenue
Increase line item 3145410-49900 (Unencumbered Balance)
  by $25,000.00 to $408,671.00.
Decrease line item 3145410-49800 (Transfer from General Fund) by
  $25,000.00 to $2,615,234.00.

The above action does not change fund totals.

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The County Manager reminded the Board that a decision was pending on the assisted living request brought before the Board at the February 1, 1999 meeting. Mr. Thompson presented the Board with several letters he had received from assisted living facility owners in the County stating their opposition to the request. Following discussion, Jim Miller made a motion to approve the request to favorably consider approving the request from J.G. Associates that the Board write a letter to the Division of Facility Services in Raleigh, asking that the company be exempted from a moratorium regarding construction of new assisted living facility. Mr. Paul Johnson made a second to the motion, and the vote was as follows:

AYES: Jim Miller, Paul Johnson
NAYS: Fred O’Neal, Gary York, Jim Harrell

The nays carried; therefore, the motion did not pass.

The Board continued discussion regarding the request, indicating their need for more information from the Department of Social Services and the Health Department, and asked the County Manager to put the business on the agenda as a formal item for the March 1, 1999 meeting, at which time the matter will be considered again.
Upon motion of Gary York, seconded by Fred O'Neal, the Board voted unanimously to approve Summerhill Subdivision, Section I (Final), contingent upon Environmental Health and DOT approval and an erosion control plan being in place.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve Cedar Gate, Section I (Final), as recommended by the Planning Board, contingent upon Environmental Health and DOT approval, and an erosion control plan being in place.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve Jonathan Wiley and Clifford Alvin Millner (Resubmitted Final), as recommended by the Planning Board, contingent upon Environmental Health approval.

Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to forward to the Department of Transportation a road petition for Tom’s Creek Bluff Lane.

Teresa Kinney, Planning Director, continued her items of business with a report on the residential growth impact on services in Surry County.

Following Ms. Kinney’s presentation, Chairman Harrell declared the meeting a public hearing to determine public sentiment on a rezoning request of Rodney and Tyra Badgett. Mr. and Mrs. Badgett requested a rezoning of their property located at 1767 Park Drive from Light Industrial to General Residential. Chairman Harrell asked those present for comments regarding the request. There were no comments in favor of or in opposition to the request.

The County Attorney, Fred Folger, entered the meeting at this time.

Chairman Harrell closed the public hearing and reconvened the regular meeting.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the rezoning request of Mr. and Mrs. Badgett as presented and as recommended by the Planning Board.

Ms. Kinney then presented the Board with a request from Robert Wayne Davis for approval of Kaye’s Subdivision, Section I (Final), indicating the Planning Board’s recommendation for approval of the proposed subdivision based on all provisions provided in the Subdivision Ordinance being met. Larry Bowman, Attorney for Mr. Davis, spoke to the Board indicating Mr. Davis’ compliance with the ordinance and requested the Board look favorably upon the request. Howard Jones, II, Attorney, spoke in opposition of the request, stating that Mr. Davis was in technical violation of the Mobile Home Park Ordinance. Ms. Kinney stated to the Board that the subdivision did meet legal requirements. Therefore, Fred O’Neal made a motion to approve Kaye’s
Subdivision, Section I (Final) as presented. Paul Johnson seconded the motion, and the vote was unanimous.

Mike Hoyng, Rusty Slate, and Rich Smith, CBA Consultant, came before the Board to give updates on the Criminal Justice Partnership Program and the Juvenile Crime Prevention Council. Following the presentation to the Board, Fred O’Neal made a motion to abolish the Juvenile Justice Task Force and to adopt the Juvenile Crime Prevention Council as follows:

Rusty Slate (BOCC Appointee)
Gary White (DSS Director Designee)
Mike Hoyng (Chief District Judge Designee)
Ritchie Nance (BOCC Appointee)
J. T. Henson (BOCC Appointee)
Nancy Buck (Member of Faith Community)
Jim Forest (Member of Business Community)
Carolyn Johnson (BOCC Appointee)
Steve Dearmin (Juvenile Defense Attorney)
Fonda G. Younger (Parks & Recreation Rep.)
Betty Smith (County Manager Designee)
Lydia Lovell (School Superintendent Designee)
Beth Hinshaw (BOCC Appointee)
Kay Collins (Chief of Police Designee)
Graham Atkinson (Local Sheriff Designee)
Catrina Smith (Local Health Dir. Designee)
Kaye McCormick (AMH/DD/SA Dir. Designee)
John McGrath (District Attorney Designee)
Carston Holthouser (BOCC Appointee)
Aaron Thompson (Person Under Age 21)
Ralena Molnar (BOCC Appointee)
Jack Moore (Chief Court Counselor)
Clyde Stewart (Non-Profit Representative)
Paul Kelly (Substance Abuse Counselor)
Gary York (County Commissioner)

Commissioner Paul Johnson made a second to the motion, and the vote to appoint the new members was unanimous.

Sheriff Connie Watson, Judge Otis M. Oliver, and Rick Bowman, District Attorney, came before the Board to discuss the importance of the Criminal Justice Partnership Program and ask for the Board’ s support to continue the program. Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to authorize the County Manager to sign the contract for discretionary funds in the amount of $31,250.00 to continue the Criminal Justice Partnership Program.

Ron Norman, Tax Administrator, came before the Board to address concerns of Roscoe Easter that the values used for taxing vehicles are too high. Mr. Norman indicated to the Board that the N.C. General Statutes define the basis for administering the motor vehicle tax, and that Surry County is one of 80 North Carolina counties using the same values.

Mr. Norman also presented a compromise request from Ramco Properties asking that interest on their bill in the amount of $533.76 be released. The Board took no action on the request.
Mr. Norman also presented the Board with information regarding additional personnel for his department. The Board accepted the information for study during budget deliberations.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to adopt the final schedule of values as presented by the Tax Administrator at the February 1, 1999 meeting. The Board instructed the Clerk to the Board to advertise notice as prescribed by law that the schedules, standards and rules to be used in the next scheduled reappraisal of real property in the County have been adopted and are open to examination in the office of the assessor.

Ken Hoofard, CPS President, and Ron Norman, Tax Administrator, gave the Board a brief update on the appraisal and assessment computer project.

The Board commended the Tax Office personnel for their hard work during the change in computer systems.

On behalf of the Board, Commissioners Gary York recognized employees of the City of Mount Airy’s Water Treatment Facility for outstanding participation in receiving state certification.

Rob Johnson and Jon Long with Martin Boal Anthony & Johnson, Architects gave the Board an update on the proposed new Courthouse project.

Mr. Johnson also discussed with the Board proposals to install a new roof on the Agricultural Building. Proposals from Bowman Roofing, in the amount of $21,000.00, and Roofing Associates, Inc., in the amount of $23,060.00, were reviewed with the Board. Mr. Johnson recommended the proposal submitted by Roofing Associates, stating the roof proposed by the company was in his opinion a better roofing system.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to approve the bid submitted by Roofing Associates, Inc. for the new roof. Funds to pay for the new roof will be taken from the County’s building contingency.

It was the consensus of the Board to authorize Martin Boal Anthony & Johnson to continue work on construction of a new Courthouse on the property located behind the Agricultural Building. The Board instructed the County Manager and the County Attorney to work on a proposed contract between the County and Martin Boal Anthony & Johnson for work on the project.

Dennis Manuel with the Rescue Squad Association came before the Board to request a countywide tax service district for the rescue squads. Mr. Manuel indicated that with the County’s current tax base a two-cent special tax rate would allow $600,000 in revenue for the squads. The Board asked the County Manager to check with the municipalities to see if they are interested in a special tax district. The Board will discuss the request during budget deliberations.
Tom Webb, Consultant, and Steve Player with The Wooten Company came before the Board in behalf of the City of Mount Airy to request the County’s support in submitting an application for two community block grants in the amount of $850,000.00. The request included that the County consider participating with the City in the local match of $400,000.00 which could be budgeted over a two-year period. The Board asked that they receive an updated report following a public hearing which will be held by the City on the matter.

Mr. Webb continued discussion with the Board encouraging the Commissioners to participate with the municipalities in a joint study regarding countywide water and sewer at a cost not to exceed $50,000.00.

Gary York made a motion to participate in the study with the County’s participation not to exceed $25,000. Fred O’Neal made a second to the motion, and the vote was unanimous.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to appoint Todd Surratt to the Mount Airy/Surry County Airport Authority to fill the unexpired term of John Shoulders who recently resigned. Mr. Surratt’s term will end March 31, 2001.

Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to appoint Randy Jones to fill the unexpired term of Wayne Pennington on the Recreation Advisory Committee. Mr. Jones’ term will expire December 31, 2000.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve a request from the Sheriff to transfer a 1991 Chevrolet, serial # 1G1BL5377MR127943, no longer needed by his department, to the Communications Department.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to authorize Eric Apple to move forward in centralizing the information technology facilities in the Government Center at an approximate cost of $58,044.00 as requested.

Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to approve a request from Eric Apple for permission to use Spectrum Technology to carry-out several projects within the County’s automation program.

The Board instructed Mr. Apple to work on any problems the County might have with computer programs in year 2000 and report back to them at a later date.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve a request from Jerry Snow, Public Works Director, to purchase a new truck from Scenic Ford in the amount of $19,554.50.
Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to authorize Municipal Engineering to do the design work for the proposed Elkin transfer station at no cost.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to authorize the Planning Director to employ a Planning intern on a part-time basis.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to accept a proposal from Bobbie Collins, Century 21 Realty, to act as the County’s agent in the sale of the Gilmer Street property.

Gary York made a motion that to enhance leadership, an application be submitted for the County Manager to become a member of the Rotary Club, with fees and meals to be paid for by the County. Jim Miller made a second to the motion, adding that when the County Manager could not attend the meetings, the Assistant to the County Manager attend in his place. The vote to approve was unanimous.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve a request made by Bud Cameron, Register of Deeds, to appropriate an additional $6,000 to his current budget, for various furnishing, transferring funds from the County’s building account.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to approve the purchase of a 53.164-acre tract of land adjoining the Mount Airy Landfill from Glen Cook at a cost of $120,000.00.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve a request from Dr. Walter Linz to add to the Classification Position Plan the position of Physician II at Grade 88.

It was the consensus of the Board to approve a request from the Sheriff to pay an in-County meal expense in the amount of $18.01 and to authorize the County Manager and the Assistant County Manager to review and approve or disapprove future requests of this nature.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to accept a bid from Dobson Trucking, Inc. to transport approximately 5,800 tons of stockpiled solid waste from the Elkin Landfill to the Mount Airy Landfill at a rate of $11.00 per ton.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to approve a request from Dr. Walter Linz to make the following budget changes and to declare as surplus the copier being replaced:
Move $6,530 from line item 5167-51010 to 5167-56010 to purchase a new Xerox copier and an electric Lactina Breastpump.
Move $1,000 from 5167-51010 to 5167-54200.
Move $1,000 from 5167-51010 to 5167-54010.
Move $1,000 from 5167-51010 to 5167-51350.
Move $15,000 from 4380-51050 to 5110-54030.

There being no further business, the Board recessed the meeting until 8:00 a.m., February 18, 1999, at Surry Community College for budget deliberations.

__________________________________________
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners reconvened the
meeting of February 15, 1999, at 8:00 a.m. on February 18, 1999,
as the Annual Budget-Long Range Goals Retreat. The retreat was
held at Surry Community College, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim
Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller,
Fred O’Neal and Paul Johnson.

Others present for the meeting were:

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Betty Taylor, Asst. County Mgr. for Budget & Finance
Ron Norman, Tax Administrator
Brenda Rose, County Extension Director
Donald Belle, Veterans Service Officer
Darlene Stanley, Employee Benefits Committee
Wayne Cooke, Employee Benefits Committee
John Shelton, Emergency Services Director
Gray Bryant, Building Codes Administrator
Sheriff Connie Watson
Chief Deputy Jim McHone
Teresa Kinney, Planning Director
Barbara Anderson, Social Services Director
Jerry Snow, Public Works Director
Bud Cameron, Register of Deeds
Dr. Walter Linz, Health Director
Fonda Younger, Recreation Director
Angie Crews, Elections Director
Angela Leonard, Mount Airy News
David Long, Division of Community Services, Facilitator
Todd Merriman, The Tribune
Dr. Frank Sells, President, Surry Community College

Chairman Jim Harrell called the meeting to order. Vice-
Chairman Gary York gave the invocation.

Ron Norman, Tax Administrator, and Betty Taylor, Assistant
County Manager for Budget & Finance, gave 1999-2000 revenue pro-
jections. Mrs. Taylor also updated the Board on contingency ac-
counts balances and schools capital projects funds.

David Long, Facilitator, asked the Board to develop a list
of what are the most important issues facing Surry County over
the next 1-4 years.

The following items were highlighted:

1. County-wide water system.
2. Mobile classrooms reduced.
3. Landfill extension to next cell.
4. Land use plan to protect environment and quality of
   life.
5. Expand County recreation.
6. Direction of economic development-better defined goals.
8. Health Department building addition needs.
10. Address drug problem.
11. Resolve 911 controversy.
12. Upgrade voting machines.
13. Upgrade County buildings maintenance.
15. Increase dental care for indigent population, especially children.
16. Comprehensive funding plan for volunteer emergency services.
17. Recognition of volunteers.
18. Merger of three school systems.
19. Health care planning County-wide.
20. Examine expansion of benefits for County employees (wellness).
21. Identify and sustain quality of life.
22. Long range planning for replacement of key personnel through retirement, etc.
23. Involve Hispanic population more in County activities.
24. Plan development for community centers.
25. Get input of public-bottom up rather than top down.
26. Address needs of citizens.
27. Examine whether we want to become regional center for landfill.
28. Look at general re-organization of County government.
29. Improve Animal Control program.
30. Continue technology expansion in County government; Y2K.
31. Straighten out Tax Office.

Following further discussion, the following items were identified as the top five projects:

1. Land use planning.
2. County-wide water system.
4. Direction of economic development-better defined goals.

The Board continued discussion on how to follow through on the following priority items:

Priority Item #1 regarding land use planning, which resulted in estimating an 18-24 months target date for completion after implementation of a plan.

Priority Item #2 regarding a County-wide water system. The Board requested that the County Manager check with other counties that have water systems for more information. The Board estimated 6-12 months to complete a feasibility study on the project.

The County Manager reviewed the County's Organization Chart and asked if the Board had any major concerns regarding County organization. The Board discussed the Planning and Administration Departments' staffing and considerations that may be addressed in the near future for an Assistant Planning Director or Assistant County Manager-Planner.
The County Manager reviewed the County’s Mission Statement and asked if the Board recommended any changes. No changes were recommended.

The Board and the County Manager briefly discussed the tax rate.

The Board discussed several ways in which schools budget issues could be addressed, including meetings with school boards, a bond referendum, committees to work on issues, and long range planning listing priorities.

The Board met for lunch with the following Department Heads, who gave brief program reports:

- Barbara Anderson, Social Services Director
- Don Belle, Veterans Service Officer
- John Shelton, Emergency Services Director
- Wayne Cooke, EMS Senior Shift Supervisor
- Jerry Snow, Public Works Director
- Bud Cameron, Register of Deeds
- Dr. Walter Linz, Health Director
- Fonda Younger, Recreation Director
- Angie Crews, Elections Director

Following lunch, the Board continued with the following.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve a request from Gray Bryant to purchase a new vehicle for the Inspections Department and to transfer funds from Non-Departmental Contingency to Inspections Capital Outlay line item to help pay for the vehicle. The Department has $6,000 in its Capital Outlay line item to pay toward the vehicle.

It was the consensus of the Board to release Theresa Draughn from working one day per week in the office of the County Manager, so she may work 100% of the time in the Veterans Service Office. The Board also instructed the County Manager to prepare a proposal for additional part-time help in his office.

Wayne Cooke presented a report to the Board on behalf of the Employee Benefits Committee. The report reflected the Committee’s most common concerns as follows:

1. Yearly cost of living adjustments.
2. Health insurance.
4. 401K Employer Contribution Plan.

Chairman Harrell introduced Dr. Frank Sells, President of Surry Community College.

Sheriff Connie Watson reviewed his office’s budget concerns with the Board. Those concerns were additional personnel (dep-
ties), vehicle replacement, and reclassification of positions in
the Sheriff’s Office.

Chief Deputy Jim McHone discussed a proposed salary plan
for officers of the Sheriff’s Office based on educational re-
quirements and longevity.

Brenda Rose reviewed budget needs for Cooperative Extension
Services, highlighting capital needs, staffing and educational
needs.

The Board continued the meeting with discussion with Teresa
Kinney, Planning Director, regarding land use planning. Follow-
ing discussion, the Board authorized Ms. Kinney, Dennis Thompson
and Commissioner Fred O’Neal to review applications for Assis-
tant Planning Director for a recommendation to the Board.

There being no further business, the Board adjourned the
meeting.

________________________________________
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on March 1, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney
Sheriff Connie Watson
Betty Taylor, Asst. County Mgr. for Budget & Finance
Don Belle, Veterans Service Officer
Theresa Draughn, Veterans Service Office
David Swann, Area Director, Crossroad Behavioral Healthcare
Cathy Booker, Assistant Tax Administrator
Phyllis Vass, Asst. Tax Administrator for Collections
Eric Apple, Information Technology Director
Charles Gillespie, Rabies Control
Walter Johnson, Pine Ridge VFD
Richard Collins, Skull Camp VFD
Chief Lloyd Johnson, Skull Camp VFD
Gordon Leonard, Waste Management
Rebecca Veasy, The MAPS Group
Angela Leonard, Mount Airy News
Junior Girl Scout Troop 626
Teresa O’Dell, Surry Friends of Youth
Scott Neeley, J. G. Associates
Thomas Greenwood, Blue Ridge Construction
Elkin High School Quiz Bowl Champions
Todd Merriman, The Tribune
Jack Moore, Juvenile Services
Robert Comer, President, Economic Development Partnership
Craig Hunter, Economic Development Partnership
Van Hamlin, Economic Development Partnership
Gary Laws, Economic Development Partnership
Mike Stanley, Economic Development Partnership
Crystal Morphis, Economic Development Partnership

Chairman Jim Harrell called the meeting to order and delivered the invocation. Junior Girl Scout Troop 626 from Dobson led those present in the pledge of allegiance.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve the minutes of the February 15 and February 18, 1999 meetings.
Chairman Harrell opened the floor with a public forum asking for comments from anyone wishing to speak to the Board on any matter. There were no comments from those present.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to approve the following consent agenda items:

1. EMS refund in the amount of $10.00 for Geneva T. Sidden, Rt. 1, Box 818, State Road due to overpayment of the account.
2. Regional Transportation Policy for Region I as submitted by the Northwest Piedmont Council of Governments.
3. Request from Jack Moore, Chief Court Counselor, Juvenile Services, to furnish office space in the Dean Bray building on West Pine Street for an additional Court Counselor position, and to furnish the telephone line, office desk, desk chair, three side chairs, bookcase, and computer table as requested.
4. Accepted Budget Transfer #24 as approved by the Budget Officer, and approve Budget Amendments #25 and #26 to the FY 1998-99 Budget Ordinance as follows:

**GENERAL FUND**

**Expenditures**

**Board of Elections**
Increase line item 1054170-51350 (Group Insurance)
by $320.00 to $1,578.00.
Increase departmental total by $320.00 to $160,713.00.

**Register of Deeds**
Increase line item 1054180-56010 (Equipment)
by $6,000.00 to $31,500.00.
Increase departmental total by $6,000.00 to $401,735.00.

**Automated Systems Services**
Increase line item 1054210-56010 (Equipment)
by $46,364.00 to $61,595.00.
Create and increase line item 1054210-56600 (Other Improvements)
by $11,680.00 to $11,680.00.
Create line item 1054210-51500 (Professional Services).
Increase departmental total by $58,044.00 to $150,803.00.

**Buildings & Grounds-County**
Decrease line item 1054190-59620 (County Buildings Reserve)
$29,060.00 to $20,940.00.
Decrease departmental total by $29,060.00 to $58,901.00.

**Agriculture Building**
Increase line item 1054194-56600 (Other Improvements)
by $23,060.00 to $23,060.00.
Increase departmental total by $23,060.00 to $42,860.00.

**Non-Departmental**
Decrease line item 1054199-51350 (Group Insurance)
by $320.00 to $47,515.00.
Decrease line item 1054199-59600 (Productivity/Efficiency Reserve) by $58,044.00 to $84,773.00.
Decrease departmental total by $58,364.00 to $886,905.00.

**Learn and Serve Grant**
Increase line item 1054953-51720 (Contracted Services) by $1,100.00 to $3,400.00.
Increase line item 1054953-52010 (Supplies & Materials) by $3,950.00 to $7,925.00.
Increase line item 1054953-54300 (Utilities) by $450.00 to $600.00.
Increase departmental total by $5,500.00 to $11,975.00.

**Natural Resources Cons Serv**
Increase line item 1054960-56010 (Equipment) by $1,400.00 to $3,400.00.
Increase departmental total by $1,400.00 to $73,477.00.

**Kate B Reynolds Grant**
Create line item 1055140-51030 (Salaries & Wages Part-Time).
Create and increase line item 1055160-51010 (Salaries & Wages) by $13,414.00 to $13,414.00.
Create line item 1055160-51030 (Salaries & Wages Part-Time).
Create and increase line item 1055160-51300 (Social Security) by $984.00 to $984.00.
Create and increase line item 1055160-51310 (Medicare) by $230.00 to $230.00.
Create and increase line item 1055160-51330 (Retirement) by $793.00 to $793.00.
Create and increase line item 1055160-51350 (Group Insurance) by $439.00 to $439.00.
Create and increase line item 1055160-51720 (Contracted Services) by $8,000.00 to $8,000.00.
Create and increase line item 1055160-52010 (Supplies & Materials) by $21,640.00 to $21,640.00.
Create and increase line item 1055160-54010 (Travel) by $1,500.00 to $1,500.00.
Create and increase line item 1055160-56010 (Equipment) by $3,000.00 to $3,000.00.
Increase departmental total by $50,000.00 to $50,000.00.

**Supplemental Food Program**
Create 1055167-51030 (Salaries & Wages Part-Time).
Increase line item 1055167-56010 (Equipment) by $600.00 to $23,423.00.
Increase departmental total by $600.00 to $283,699.00.

**Health Check Coordinator**
Increase line item 1055177-51010 (Salaries & Wages) by $9,174.00 to $54,595.00.
Increase line item 1055177-51300 (Social Security) by $692.00 to $3,515.00.
Increase line item 1055177-51310 (Medicare) by $162.00 to $823.00.
Increase line item 1055177-51350 (Group Insurance) by $3,805.00 to $7,437.00.
Increase line item 1055177-51330 (Retirement) by $487.00 to $2,764.00.
Increase line item 1055177-51040 (Salary Reserve) by $1,464.00 to $2,490.00.
Increase line item 1055177-52010 (Supplies & Materials)
by $1,195.00 to $4,970.00.
Create and increase line item 1055177-54350 (Printing)
by $186.00 to $186.00.
Increase line item 1055177-54200 (Telephone)
by $170.00 to $1,070.00.
Increase line item 1055177-56010 (Equipment)
by $2,000.00 to $8,000.00.
Increase departmental total by $19,335.00 to $91,538.00.

Environmental Health
Increase line item 1055181-52010 (Supplies & Materials)
by $3,088.00 to $12,038.00.
Increase line item 1055181-54350 (Printing)
by $1,000.00 to $2,143.00.
Increase departmental total by $4,088.00 to $300,642.00.

Revenue
Increase line item 1044953-43360 (Learn and Serve Grant)
by $5,500.00 to $11,975.00.
Increase line item 1044960-42120 (Federal Dept of Agr)
by $1,400.00 to $2,225.00.
Create and increase line item 1045160-43309 (NC Cardiovascular Health) by $50,000.00 to $50,000.00.
Increase line item 1045167-42372 (WIC)
by $600.00 to $231,826.00.
Increase line item 1045177-43321 (Health Check Coordinator)
by $19,335.00 to $91,538.00.
Increase line item 1045181-43323 (Environmental Health Grant)
by $4,088.00 to $18,531.00.
Increase fund totals by $80,923.00 to $45,473,295.00.

GENERAL FUND

Expenditures

Cops Fast Grant
Increase line item 1054312-51010 (Salaries & Wages)
by $11,312.00 to $11,312.00.
Increase line item 1054312-51130 (401K Supplement Retirement)
by $545.00 to $545.00.
Increase line item 1054312-51300 (Social Security)
by $565.00 to $565.00.
Increase line item 1054312-51310 (Medicare)
by $132.00 to $132.00.
Increase line item 1054312-51330 (Retirement)
by $487.00 to $487.00.
Increase line item 1054312-51350 (Group Insurance)
by $1,711.00 to $1,711.00.
Increase departmental total by $14,752.00 to $14,752.00.

Revenue
Increase line item 1044312-42334 (COPS Fast Grant)
by $14,752.00 to $14,752.00.
Increase fund totals by $14,752.00 to $45,488,047.00.
Create and increase line item 1154922-51565 (Water/Sewer Study) by $25,000.00 to $25,000.00.
Decrease line item 1154922-51500 (Professional Services) by $25,000.00 to $15,000.00.

The above action does not change fund totals.

### E911 Telephone Fund

**Expenditures**
- Increase line item 3454327-51500 (Professional Services) by $30,000.00 to $50,000.00.
- Increase line item 3454327-51720 (Contracted Services) by $150,000.00 to $210,000.00.
- Increase line item 3454327-54200 (Telephone) by $240,000.00 to $400,000.00.
- Decrease line item 3454327-59500 (Contingency) by $611,785.00 to $554,477.00.

**Revenue**
- Decrease line item 3444327-49900 (Unencumbered Balance) by $191,785.00 to $1,557,371.00.

Decrease fund totals by $191,785.00 to $2,037,297.00.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the following resolution as presented and requested by Betty Taylor, Assistant County Manager for Budget & Finance:

**RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO PROPOSED CAPITAL IMPROVEMENTS FOR SURRY COMMUNITY COLLEGE, APPROVING THE FORM OF A NOTICE OF INTENT TO MAKE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF ISSUANCE OF BONDS, AUTHORIZING THE PUBLICATION OF SUCH NOTICE OF INTENT, AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF THE ISSUANCE OF GENERAL OBLIGATIONS TO FINANCE SUCH CAPITAL IMPROVEMENTS, DESIGNATING REPRESENTATIVES OF SURRY COUNTY TO FILE SUCH APPLICATION, RATIFYING ACTIONS TAKEN WITH RESPECT TO SUCH APPLICATION AND DESIGNATING BOND COUNSEL FOR THE BONDS.**

**WHEREAS,** the Surry County Board of Commissioners (the "Board") has determined that certain facilities at Surry Community College have become inadequate to meet the current and future needs of the residents of Surry County and that capital improvements costing approximately $2,060,000 should be commenced immediately in order to provide additional facilities, including the construction of a new emergency services training center and the renovation of the existing library, cafeteria and shop building and related facilities and the installation of necessary furnishings, equipment and machinery and the acquisition of land or rights-in-land required therefor, to be located in Surry County, North Carolina; and

**WHEREAS,** the Board has further determined that the most practical and cost-effective way of financing such capital improvements is for Surry County to issue its general obligation bonds, in an aggregate amount not to exceed $2,060,000 (the "Bonds").

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:
Section 1. The Board has ascertained and hereby determines that it is necessary to make capital improvements in order to provide additional facilities, including the construction of a new emergency services training center and the renovation of the existing library, cafeteria and shop building and related facilities and installation of necessary furnishings, equipment and machinery and the acquisition of land or rights-in-land required therefor, to be located in Surry County, North Carolina.

Section 2. The Board hereby determines that the capital improvements described in Section 1 above are necessary to provide adequate facilities at Surry Community College for current and future residents of Surry County, North Carolina.

Section 3. Based upon cost estimates provided to the Board, the Board hereby finds that the projected costs for such capital improvements are reasonable and adequate for the purposes intended.

Section 4. The form of notice of intent to make an application to the North Carolina Local Government Commission for approval of the issuance of the Bonds, which notice is substantially in the form of Exhibit A attached hereto, is hereby approved and the County Manager and County Attorney of Surry County are hereby authorized and directed to cause the publication of said notice in a newspaper of general circulation in Surry County as soon as practicable.

Section 5. The Board acknowledges that as of January 1, 1999, the County's long-term bond indebtedness of Surry County was $25,635,000, composed of $3,920,000 in 1992 School G.O. Bonds, $7,690,000 1995 Public Improvement G.O. Bonds, and $14,025,000 1998 School Refunding G.O. Bonds, and to the best knowledge of the Board the debt management policies of Surry County have been carried out in accordance with applicable law.

Section 6. The Board finds that as of June 30, 1998, Surry County had a general fund balance of $16,041,310 and $4,094,496 remained undesignated, that Surry County had met all budget restrictions during the 1998 fiscal year, and that to the best knowledge of the Board the budget and fiscal management policies of Surry County have been carried out in accordance with applicable law.

Section 7. The Board hereby finds that an increase of $0.01-0.02 may be required in Surry County property taxes in order to meet the anticipated debt service requirements of the Bonds and that such an increase is not excessive.

Section 8. The Board hereby designates Dennis Thompson, County Manager, and Betty Taylor, Assistant County Manager for Budget & Finance, as its duly authorized representatives to prepare and file the Application for Approval of Issuance of General Obligation Bonds with the Local Government Commission, to prepare and file with the Clerk a sworn statement of debt of Surry County, and to take on behalf of Surry County any and all other necessary or appropriate actions related to said Application or the issuance and sale of the Bonds.

Section 9. The Board hereby ratifies, confirms and approves any and all actions taken by the County Manager, the Assistant County Manager for Budget & Finance or the County Attorney prior to the date of this Resolution with respect to the Ap-
plication for Approval of Issuance of the Bonds, the notice of intent to apply for approval to issue the Bonds and any and all matters related thereto.

Section 10. The law firm of Womble Carlyle Sandridge & Rice, PLLC, Winston-Salem, North Carolina, is hereby designated to serve as bond counsel in connection with the issuance by Surry County, North Carolina of the Bonds, or any series thereof, and in connection with the issuance by Surry County, North Carolina of such additional issues of bonds as the Board shall deem appropriate.

Section 11. This Resolution shall take effect immediately upon its adoption.

ATTACHMENT A

NOTICE OF INTENTION TO APPLY TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF BONDS

NOTICE is hereby given of intention of the undersigned to file application with the Local Government Commission, Raleigh, North Carolina, for its approval of the issuance of general obligation bonds of the County of Surry, North Carolina, which bonds have been approved by the voters of said County at an election and shall be for the following purpose and in the following maximum amounts: $2,060,000 of bonds to pay capital costs of providing additional facilities, including the construction of a new emergency services training center and the renovation of the existing library, cafeteria and shop building and related facilities and the installation of necessary furnishings, equipment and machinery and the acquisition of land or rights-in-land required therefor, to be located in Surry County, North Carolina.

Any citizen or taxpayer of the County of Surry, North Carolina, objecting to the issuance of any or all of said bonds may, within seven days after the publication of this notice, file with the Local Government Commission and with the undersigned a written statement setting forth his or her objections. The statement shall set forth each objection to the proposed bond issue and shall contain the name and address of the person filing it.

This the ______ day of March, 1999.

BOARD OF COMMISSIONERS OF THE COUNTY OF SURRY, NORTH CAROLINA

Rebecca Veasy, with The MAPS Group, made a presentation to the Board on management and personnel services the Group offers. Ms. Veasy reviewed the various services, indicating it would be a four-five month process to perform the study on County employees, exempting State personnel employees in the Health Department and the Department of Social Services. The County Manager asked that the Group be allowed to also review the County Personnel Ordinance and the Organization Chart. Following Ms. Veasy's presentation, it was the consensus of the Board to ask her to prepare a formal contract proposal, including the County Manager's request, for the Board's consideration.
Chairman Harrell declared the meeting a public hearing to accept public comments on the proposed financing agreement as discussed at the February 15, 1999 meeting. Betty Taylor presented and reviewed the bids with the Board. Following the review, Chairman Harrell asked for comments from the audience. There were no comments made in favor of or in opposition to the proposal; therefore, the public hearing was closed and the regular meeting reconvened.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to award the bid to BB&T/Craigie Governmental Finance in accordance with the proposal dated February 16, 1999.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve the following resolution:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF SURRY, NORTH CAROLINA, APPROVING AN INSTALLMENT FINANCING CONTRACT, THE EXECUTION AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS

WHEREAS, the County of Surry, North Carolina (the “County”) is a duly and regularly created and validly existing political subdivision of the State of North Carolina, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the “State”); and

WHEREAS, the County has the power, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, to (i) purchase real and personal property, (ii) enter into installment financing contracts in order to finance the purchase of real and personal property used, or to be used, for public purposes, and (iii) finance the construction of fixtures or improvements on real property by contracts that create in the fixtures or improvements and in the real property on which such fixtures or improvements are located a security interest to secure repayment of moneys advanced or made available for such construction; and

WHEREAS, the County has previously determined to undertake a project for landfill, landfill access road, EMS building and Mt. Airy Middle School, and the Assistant County Manager for Budget & Finance (“Finance Officer”) has now presented a proposal for the financing of such project.

BE IT THEREFORE RESOLVED, as follows:

1. The County hereby determines to finance the project through BB&T/Craigie Governmental Finance (“BB&T”), in accordance with the proposal dated February 16, 1999. The amount financed shall not exceed $7,755,000, the annual interest rate (in the absence of default or change in tax status) shall not exceed 4.26% and the financing term shall not exceed ten (10) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the County are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as
contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and an Escrow Agreement as BB&T may request.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer’s satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by County officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer’s release of any Financing Document for delivery constituting conclusive evidence of such officer’s final approval of the document’s final form.

4. The County shall not take or omit to take any action the taking or omission of which will cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The County hereby designates its obligations to make principal and interest payments under the Financing Documents as “qualified tax-exempt obligations” for the purpose of Internal Revenue Code Section 265(b)(3).

5. All prior action of County officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

THIS RESOLUTION is effective upon its adoption on this 1st day of March, 1999.

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David Swann, Area Director of Crossroads Behavioral Healthcare, gave the Board a program update on Crossroads and requested that the Board adopt the following resolution:

RESOLUTION OF THE BOARD OF SURRY COUNTY COMMISSIONERS

WHEREAS, Crossroads Behavioral Healthcare provides excellent services to the citizens of Surry, Yadkin, and Iredell Counties; and,

WHEREAS, Crossroads intends to begin construction of a new clinical and administrative facility located in Elkin in June 1999; and,

WHEREAS, Crossroads needs the commitment of the North Carolina Department of Transportation to construct the entrance road to the new Crossroads site located on North Bridge Street in the Elkin Business Park; and,

WHEREAS, Crossroads has developed a proposal to the North Carolina Department of Transportation with the help of the Dis-
trict Engineer for the road to begin after construction of the building begins; and,

WHEREAS, Surry County believes the building and its location will benefit the citizens of Surry County; and,

WHEREAS, Surry County has already made a $500,000 capital contribution to assist with construction.

NOW, THEREFORE BE IT RESOLVED that the Surry County Board of Commissioners requests the assistance of the North Carolina Department of Transportation to construct the entrance road to the site of the new Crossroads facility located in the Elkin Business Park.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve the foregoing resolution as requested by Mr. Swann.

The Board continued the meeting with the citizen recognition program, recognizing members of Junior Girl Scout Troop 626 from Dobson and the Elkin High School Quiz Bowl Champions.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to approve a request made by J. G. Associates at previous meetings that the Board request an exemption from the DFS for an additional 50-bed assisted living facility to be built in the Mount Airy area.

Jack Moore, Juvenile Court Counselor, came before the Board to ask permission to submit a grant application to the Governor’s Crime Commission for the establishment of the Camp I Can Structured Weekend Program, which would be located on Highway 268 in the Siloam area. Mr. Moore indicated grant funds in the amount of $115,758.00 for the first year and $113,671.00 for a second year program are available to establish the program if the grant application were approved. Mr. Moore also indicated no County funds would be requested to assist in developing the program. Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to authorize Mr. Moore to apply for the funds, with the County serving as applicant administrator.

Walter Johnson, Chairman of the Board of Directors for Pine Ridge Volunteer Fire Department, came before the Board to ask approval to proceed with referendum process to establish a tax district for the department for FY 2000-2001. Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to approve Mr. Johnson’s request.

Lloyd Johnson, Fire Chief, and Richard Collins, Chairman of the Board of Trustees of the Skull Camp Volunteer Fire Department, came before the Board to request approval to build a substation in the Skull Camp Fire District. Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve the request as presented.
Craig Hunter, Chairman, and Bob Comer, President of the Economic Development Partnership, came before the Board to give a program update and annual report.

Upon motion of Fred O'Neal, seconded by Paul Johnson, the Board voted unanimously to approve an EMS refund request for Eugene F. May, 2037-B N. Main Street, Mount Airy, in the amount of $14.26 due to overpayment of the account.

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to appoint Mary Lewis of Mount Airy to the Surry County Nursing/Domiciliary Home Advisory Committee for a one year period. Mrs. Lewis’ term will expire March 1, 2000.

Dennis Thompson informed the Board that the County’s contract with Waste Management for operation of the three compactor centers in the County expires on September 30, 1999. Mr. Thompson indicated the company’s desire to continue operating the centers in the County’s behalf and presented alternative proposals for the Board’s consideration. Mr. Thompson also informed the Board that Jerry Snow, Public Works Director, had indicated his willingness to operate the centers through the Public Works Department, if the land and equipment were purchased by the County. It was the consensus of the Board to ask Mr. Snow to develop a proposal and make a presentation of cost of operation to the Board during budget deliberations.

The County Manager discussed with the Board the annual budget process, indicating that he would meet with the Department Heads on March 12 to discuss the budget process with them. Mr. Thompson asked for the Board’s guidance on what percent cost of living, if any, the Board would consider, so the information could be used by the Department Heads in developing their budgets. Following discussion, the Board instructed Mr. Thompson that a 3% cost of living increase could be used in developing departmental budgets, keeping in mind the percentage could increase or decrease.

It was the consensus of the Board to authorize the County Manager to develop a formal proposal for the Board’s review regarding a new compensation plan for County Commissioners developed by the Association of County Commissioners.

The Board authorized the County Manager to correspond with the legislative delegates indicating the Board’s support for the proposed tobacco settlement, which will be most beneficial for Surry County's citizens who are employed in the tobacco economy.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to exercise the County's right for renewal option for a one-year period on a lease between the County and Victoria Cave for office space on Crutchfield Street in Dobson.
The County Manager presented a resolution from the Town of Pilot Mountain, indicating their support for County-wide land use planning and zoning. The Board instructed the County Manager to send a letter back to the Town officials expressing their appreciation for the support.

The County Manager informed the Board that the grant application for Community Services Block Grant through YVEDDI and the Public Transportation Plan were available for public review with the Clerk to the Board.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to approve a request made by letter from Dr. Marsha Bledsoe, Superintendent of Surry County Schools, that the balance left from the Copeland Elementary School building addition in the amount of $93,726.09 be transferred for use in the new middle school project.

Upon motion of Gary York, seconded by Fred O'Neal, the Board voted unanimously to go into closed session to discuss personnel items and to discuss industrial development with the County Manager.

The Board came out of closed session, and Chairman Harrell called the regular meeting back to order.

Upon motion of Fred O'Neal, seconded by Paul Johnson, the Board voted unanimously to approve a request made by the Tax Administrator to create one permanent full-time position for Tax Clerk IV, Grade 59, and two part-time positions in the Tax Office.

Upon motion of Gary York, seconded by Fred O'Neal, the Board voted unanimously to make the following changes on the Northern Hospital Board of Trustees:

1. Appointed Tom Riggs to replace and fill the unexpired term of Bill Inman.
2. Appointed Dr. Jim Reeves to replace and fill the unexpired term of Teresa Yeatts.

Jim Miller made a motion to reappoint Ron Norman as Tax Administrator for a two-year period. Paul Johnson made a second to the motion, and the vote was as follows:

AYES: Jim Miller, Paul Johnson, Fred O'Neal, Jim Harrell
NAYS: Gary York

The ayes carried, therefore, Mr. Norman was re-appointed as Tax Administrator until July 1, 2001.

There being no further business, the Board adjourned the meeting.
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on March 15, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

Others present for the meeting were:

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney
Dr. Walter Linz, Health Director
Sheriff Connie Watson
Chief Deputy Jim McHone
Teresa Kinney, Planning Director
Jerry Snow, Public Works Director
Charles Gillespie, Animal Control Officer
Jeff Hall, Building Codes Inspector
Gray Bryant, Building Codes Administrator
Matt Bernhardt, Mount Airy City Manager
Members of the Westfield Boosters Club
Members of the Westfield Ruritans
Ricky Arrington, Westfield Ruritan Club
Jeff Boyle, Mount Airy City Engineer
Steve Player, The Wooten Company
Kevin Heath, Adams Heath Engineering, Inc.
Jack Moore, Juvenile Services
Mike Hoyng, Adult Probation & Parole
Jack Loftis, President, Surry County Realtors Assn.
Peter Sorenson, Mount Airy News
Todd Merriman, The Tribune
Linda Chaney, Surry County Women’s Shelter
Rob Johnson, Martin Boal Anthony & Johnson
Elaine Whitaker, Cooperative Extension Services
Pat Barfield, Surry County Women’s Shelter
Jim Woodie, Municipal Engineering Services
Wayne Sullivan, Municipal Engineering Services
Tom Webb, Consultant
Larry Bowman, Attorney
Carole Gardner, Attorney
Danny Stanley, Central Surry VFD
Ann Gillespie, Citizen
Bobby Watson, Citizen
Marty Dale Collins, Citizen
Wayne Edmonds, Citizen
Dan Tucker, Citizen
Rexanna White, Citizen
Wayne Davis, Citizen
Ron Atkins, Citizen
David Collins, Citizen
Roger Collins, Citizen
Tee Gillespie, Citizen
Ronnny White, Citizen
Gary Hodgin, Citizen
Phil Williams, Citizen
Denny Tucker, Citizen
Angus Tucker, Citizen
Glenda Shropshire, Citizen
Francis Phillips, Citizen
Shirley Nichols, Citizen
Becky Lawson, Citizen
Judy Tucker, Citizen
Richard Lawson, Citizen
Wilbur Hudson, Citizen
Cheryl Howard, Citizen
Melinda Darling, Citizen
Anita Hodgin, Citizen
Chairman Jim Harrell called the meeting to order. Vice-Chairman Gary York gave the invocation and led those present in the pledge of allegiance.

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to approve the minutes of the March 1, 1999 meeting.

Chairman Harrell opened the floor for the open forum portion of the meeting, asking those present if anyone wished to make comments. Jack Loftis, President of the Surry County Board of Realtors, came before the Board to express concern and frustration that the realtors and other users are experiencing using the current computer system in the Tax Office. Mr. Loftis asked to go on record that the Board of Realtors was asking the Commissioners to revisit the commitment to a system that would give the public the information that was available to them on the old system.

There were no other comments for the open forum portion of the meeting. The Board continued with consideration of the consent agenda items. Chairman Harrell asked if any Board member wished to remove any item from the consent agenda. Fred O'Neal made a motion to approve the consent agenda items as follows.

1. Approved a correction to the December 7, 1998 minutes, page 5506, changing the membership expiration date of Frances Bryant, who was appointed to the Surry County Board of Health, from December 31, 2002 to December 31, 2001.

2. Approved a request from Thomas Stuart Earp, Communications employee, that 75 hours of sick leave accrued while he was in the employment of the County of Wilkes be transferred to Surry County.

3. Approved a request to approve 200 hours of the 264.43 hours sick leave accrued by R. Kenneth Smith, EMS employee, while he was in the employment of Alleghany County ambulance service.

4. Authorized the County Manager's office to send a letter to Mrs. Nan Kidd that the County is exercising its right to a two-year option in the lease agreement between the County and Nan's, Inc. for lease of office space for the probation offices in Dobson. The original agreement expired January 31, 1999.

5. Approved a request from the Clerk to the Board to transfer $1,500.00 from Salary Contingency to Administration Part-time Salaries & Wages to employ a part-time secretarial position for the office.
6. Approved a request from the County Manager to permit Municipal Engineering to accumulate small change orders for the solid waste forcemain project until the project is completed.

7. Approved a request from the County Manager to seek clarification as to whether or not the City of Mount Airy intends to participate in funding a portion of the water/sewer project costs for the Airport Road/Cross Creek Industries component.

8. Approved a request from the Assistant County Manager for Budget & Finance to approve Budget Amendment #27 to the FY 1998-99 Budget Ordinance as follows:

CHANGE
#27

GENERAL FUND

Expenditures

Non-Departmental
Decrease line item 1054199-59510 (General Fund Contingency) by $12,591.00 to $89,828.00.
Decrease departmental total by $12,591.00 to $874,314.00.

Inspections
Increase line item 1054350-51720 (Contracted Services) by $1,000.00 to $4,500.00.
Increase line item 1054350-54350 (Printing) by $1,000.00 to $2,500.00.
Increase line item 1054350-56010 (Equipment) by $10,591.00 to $50,591.00.
Increase departmental total by $12,591.00 to $417,435.00.

Rabies Control
Decrease line item 1054380-51050 (Personnel Expansion) by $15,000.00 to $29,327.00.
Decrease departmental total by $15,000.00 to $178,800.00.

Health Dept. Administration
Increase line item 1055110-54030 (Out of County Travel) by $15,000.00 to $22,500.00.
Increase departmental total by $15,000.00 to $1,063,979.00.

Supplemental Food Program
Increase line item 1055167-51350 (Group Insurance) by $1,000.00 to $10,106.00.
Increase line item 1055167-54010 (Travel) by $1,000.00 to $4,700.00.
Increase line item 105167-54200 (Telephone) by $1,000.00 to $4,000.00.
Increase line item 1055167-56010 (Equipment) by $6,530.00 to $29,953.00.
Decrease line item 1055167-51010 (Salaries & Wages) by $9,530.00 to $177,257.00.
The above action does not change fund totals.

Landfill Fund

Expenditures

Landfill Operations
Create line item 6757420-53225 (1990 Compactor 390 Rex (3)).
Subtitle D Landfill
Create and increase line item 6757425-56500 (Land) by $120,000.00 to $120,000.00.
Create and increase line item 6757425-53010 (Buildings & Grounds Maint) by $2,000.00 to $2,000.00.
Increase line item 6757425-56600 (Other Improvements) by $533,000.00 to $3,133,000.00.
Increase departmental total by $655,000.00 to $3,396,795.00.

Revenue
Increase line item 6747425-49840 (Trans from Landfill Reserve) by $655,000.00 to $3,255,000.00.
Increase fund totals by $655,000.00 to $6,547,000.00.

Landfill Reserve fund

Expenditures
Increase line item 6857430-59255 (Trans to Landfill Fund) by $655,000.00 to $3,255,000.00.

Revenue
Increase line item 6847430-49110 (Proceeds from Financing) by $655,000.00 to $3,855,000.00.
Increase fund totals by $655,000.00 to $3,954,409.00.

9. Approved a request for permit refund from Lorne and Roxanne Pardue, 318 Collins Road, Elkin, who purchased a permit for remodeling their home, and then changed their minds about doing the work at this time. The amount of the refund is $94.00.

10. Approved tax releases for the month ending January 31, 1999 in the amount of $6,525.78.

11. Authorized the Tax Administrator to collect the taxes for May, June and July, 1998 on motor vehicle renewals in the following amounts: May - $256,729.36; June - $252,696.66; July - $235,167.85. A copy of the renewals is on file in the office of the Tax Administrator and in the Finance Office.


13. Approved tax refunds from July 1, 1998 through February 28, 1999 in the amount of $49,605.00.

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Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to approve the following resolution as requested by Central Surry Volunteer Fire Department, Inc. and presented by the County Manager.

RESOLUTION APPROVING FINANCING BY THE CENTRAL SURRY VOLUNTEER FIRE DEPARTMENT, INC.

WHEREAS, the CENTRAL SURRY VOLUNTEER FIRE DEPARTMENT, INC. is a non-profit corporation which provides valuable fire protection and assistance to the citizens of Surry County, North Carolina; and
WHEREAS, the governing body of the CENTRAL SURRY VOLUNTEER FIRE DEPARTMENT, INC. has determined to finance an amount up to $235,000.00 for a new fire truck, such financing to be provided by and through BB&T/Craigie Governmental Finance; and

WHEREAS, the United States Internal Revenue Code (the "Code") requires that, in order for such proposed financing to be carried out on a tax-exempt basis, this Board must first approve the financing; and

WHEREAS, the CENTRAL SURRY VOLUNTEER FIRE DEPARTMENT, INC. held a public hearing on March 8, 1999, concerning the financing proposal after publishing notice in the Mount Airy News as required by the Code and has reported the results of such hearing to this Board.

BE IT THEREFORE RESOLVED, that the Surry County Board of County Commissioners approved the CENTRAL SURRY VOLUNTEER FIRE DEPARTMENT, INC. entering into the proposed financing of an amount up to $235,000.00 for a new fire truck, such financing to be provided by and through BB&T/Craigie Governmental Finance; and

BE IT FURTHER RESOLVED, that the Surry County Board of County Commissioners gives this approval for the limited purpose of assisting the CENTRAL SURRY VOLUNTEER FIRE DEPARTMENT, INC. to comply with the Code in order for this financing to be offered on a tax-exempt basis.

ADOPTED this 15th day of March, 1999.

In regard to Board action of the March 1, 1999 meeting, whereas the Board voted to grant permission to Jack Moore, Juvenile Courts Counselor, to submit a grant application to the Governor's Crime Commission for the establishment of a Wilderness Adventure Program, a structured week-end program for juvenile defenders at Camp I Can on Highway 268, the Board requested that Mr. Moore give an update regarding controversial issues which have arisen since the approval on March 1. Mr. Moore briefed the Board on the program and indicated that he had attended community meetings to answer questions for residents in the area, indicating there were several residents in the area in favor of the program, as well as others who were not in favor of the program. Mr. Moore requested that the Board consider signing the grant application to forward to Raleigh.

Chairman Harrell opened the floor for comments regarding the issue. Those in attendance who spoke in opposition to establishing the program on Highway 268 in the Siloam area, as previously requested, were Denny Tucker, Angus Tucker, Richard Lawson, Glenda Shropshire, Wilbur Hudson, Francis Phillips, Cheryl Howard, Shirley McNichols, Darnell Bowlin, Walter Nichols, Kenneth Huffman, Terry Stewart, Stacie Harlan, and Mark Tucker. Those who spoke in favor of the program were Melinda Darling, Becky Lawson, Anita Hodgin, Darlene Cook, Gail Beck, and Jerry Hodgin.

Following comments, Chairman Harrell asked for a show of hands from those present who were in favor of the Wilderness Adventure Program being located at the proposed site on Highway 268. There were approximately 30 persons who raised their hands in favor of the program. Chairman Harrell asked for a show of
hands from those present in opposition to the program being located on Highway 268. There were approximately 50 persons present who raised their hands in opposition to the program. Petitions in support of and in opposition to the program being located on Highway 268 were presented to the Clerk to the Board for file.

The Board indicated their interest in the program and asked Mr. Moore to speak with Tim Bodford, Camp Director, asking him to explore other areas to see if the program could be run in another location that may be more suitable. Fred O'Neal made a motion to withdraw approval of the grant application, as requested for the project to be located on Highway 268, and encouraged Mr. Moore to seek alternate sites because the program does have merit. Gary York made a second to the motion, and the vote was unanimous.

Gary York recognized the following citizens and volunteers for outstanding service to Surry County:

Ronny White, immediate past Chief, Elkin Rescue Squad;
Jill M. Williams for her involvement in the community, working with United Fund, Surry Friends of Youth, Environmental Concerns Committee, Special Olympics, as well as other organizations;
Surry County Nursing/Domiciliary Homes Community Advisory Board members: Chairman Dixie Lee Atkins, Charles Cook, Bill Bennett, Katherine Parries, Naomi Slate, Donna Barker, and Mary Ruth Lewis.

All those recognized received Certificates of Appreciation and a County pin from the Board.

Pat Barfield, who serves on the Board of Directors for the Surry County Women's Shelter, gave the Board an update on the program and requested the Board's consideration in the FY 1999-2000 budget of a $20,000.00 allocation for the Shelter to employ two part-time staff members and to be used for operation of the Shelter. The County Manager asked Mr. Barfield to send a formal letter of request for the Board's consideration during budget deliberations.

Jim Woodie, Municipal Engineering, gave the Board an update on the landfill project, informing the Board that the life of the first cell of the new landfill would be approximately two years. Mr. Woodie encouraged the Board to consider funding in the FY 1999-2000 budget to start the next cell to be sure the section would be completed in time. Mr. Woodie also informed the Board that one acre at the Elkin landfill has been permitted as closed by the State; that one monitoring well at the Mount Airy landfill will need to be reconstructed at no cost to the County; and that the existing disposal site in the Mount Airy landfill needed to be closed out. It was the consensus of the Board to request Jerry Snow, Public Works Director, to excavate dirt from the proposed second cell to be used in covering the existing site to be closed.

Mr. Woodie continued his update on the water and sewer project in the Holly Springs area, indicating the original water project had been completed; the elevated storage tank had been
completed; the forcemain was one month behind; that the Cross Creek design is almost completed; and the forcemain easement to serve Cross Creek is currently being surveyed. Mr. Woodie continued his presentation by presenting the Board aerial photographs of the new landfill and of the new water tank in the Holly Springs area.

Gaynell Dancy, Community Service Coordinator, gave the Board an update on the Community Service Work Program. Ms. Dancy also asked the Board for supervisory assistance for a road-side pick-up project, which would be conducted on a week-end. The Board took Mrs. Dancy’s request for study.

Ricky Arrington, with the Westfield Ruritan Club, came before the Board to request a loan in the amount of $187,000.00 to renovate the old Westfield School cafeteria building. After discussion, it was the consensus of the Board to make a commitment to work with the Ruritans in completing the project and ask them to come back with renovation figures and a repayment schedule. The Board instructed the County Manager and the County Attorney to work with the group in developing the formal proposal, and also to work with other community center representatives in preparing a ten-year plan for all the community centers for the Board’s information.

The following votes were taken on planning items as presented by Teresa Kinney, Planning Director:

1. Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve subdivision plat for C&M Properties owned by John B. Cockerham and Maureen McCall, contingent upon Environmental Health approval.
2. Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to approve subdivision plat for Odell and Carolyn Fowler, final, contingent upon Environmental Health approval.
3. Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to approve subdivision plat for Leroy and Minerva Hicks, final, contingent upon Environmental Health approval.
4. Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve Smith Landing, Section I, final, contingent upon Environmental Health approval and some general plat revisions to be approved by the Planning Director.
5. Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to approve Summer Hills, Section 3, final, as presented.
6. Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve Hunter’s Stand, Sections 1, 2, 3, final, contingent upon Environmental Health approval, N.C. DOT approval of drive-way entrances, and N.C. DENR erosion control plan being in place.
7. Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve Kaye’s Subdivision, Section 2, Phase I, final, contingent upon revising the pan-handle width of Lot 35, as recommended by the Planning Board.
8. Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to approve Jack T. and Patty D.
Marion, final, contingent upon Environmental Health approval.

9. Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve Spring Hill Estates, Phase I, resubmitted final, contingent upon Environmental Health approval and renumbering each lot to be consistent with the proposed Phase II.

10. Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve Masakatsu and Gina Nakagawa Estates Subdivision, final, contingent upon Environmental Health approval.

Teresa Kinney, Planning Director, spoke with the Board regarding a request for approval from the DOT that Niston Road be declared as a neighborhood public road. Ms. Kinney informed the Board that in 1998 the Planning Board reviewed a proposed six lot subdivision submitted by Marty Dale Collins. The proposed subdivision was to be located off Niston Road, which is a private road off Pine Ridge Road. Ms. Kinney indicated that it was discovered that the proposed subdivision did not have adequate right-of-way to the State maintained road; therefore, the subdivision could not be fully approved until the right-of-way was obtained from other property owners; road maintenance agreements were approved; and a road upgrade was installed. Ms. Kinney indicated that the Planning Board, the County Attorney and she concur that approving Niston Road as a neighborhood private road will not meet the general purpose of the subdivision regulations for the following reasons:

1. N.C. DOT no longer recognizes neighborhood public roads for any maintenance or any other purpose.
2. In declaring a neighborhood public road, anyone may develop their property without obtaining a right-of-way, upgrading the present road to public or private road standards as defined in the Subdivision Regulations, and establishing a road maintenance agreement.
3. The practice may set precedence for land development which may be located off a private road that does not meet with Subdivision Regulations requirements.

Carroll Gardner, attorney representing Marty Dale Collins, reviewed General Statutes regarding neighborhood public roads to the Board, and requested that the Board make a recommendation to the DOT that the road be declared as a neighborhood public road. Mr. Hayslip, a resident on the road, spoke in opposition, indicating that he did not want the road changed. The Board instructed the County Attorney to review the request and report back to them at the next meeting as to what the Board can legally do regarding the request.

Upon motion of Fred O'Neal, seconded by Paul Johnson, the Board voted unanimously to forward to the DOT road petitions for Clifford Lane, Lawrelyn Drive, and Wingate Court.

Matt Bernhardt, Mount Airy City Manager, came before the Board to request their participation in a proposed Community Development Block Grant providing improvements to the Sandy Level Community water and sewer system. Steve Player, with The Wooten Company, assisted Mr. Bernhardt in his presentation, presenting the following proposal for the Board's consideration.
PROPOSED FY-99 CDBG PROJECT
SANDY LEVEL COMMUNITY WATER AND SEWER IMPROVEMENTS

1.0 Sewer Improvements-110 households
   12,500 L.F. 8" sewer line* $1,073,200
   Engineering, legal, contingencies 268,300
   Subtotal-sewer $1,341,500

2.0 Water Improvements-6 households
   700 L.F. 6" water line** $53,100
   Engineering, legal, contingencies 13,175
   Subtotal-water $66,375

3.0 TOTAL PROJECT COST $1,407,875
   Say $1,400,000

4.0 Project Financing $800,000
   CDBG 200,000
   ARC/Rural Center 200,000
   City of Mount Airy 200,000
   Surry County 200,000
   Total 200,000
   $1,400,000

*includes manholes, services to houses, tap fees and abandonment of septic tanks
**includes fire hydrants, services to houses and tap fees

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to participate in the project, with the County’s share being up to $200,000.00 as proposed in the improvement project.

Mr. Bernhardt continued discussion with the Board regarding the Mount Airy water and sewer system expansion. Mr. Bernhardt introduced Kevin Heath, with Adams Heath Engineering, Inc., who presented the Board with maps and other information pertaining to the water and sewer project. Mr. Bernhardt asked the Board to adopt a resolution indicating the Board’s interest in applying and receiving Clean Water Grant monies to participate in the project. It was the consensus of the Board that all the municipalities within the County should be offered involvement in the project. The Board instructed the County Manager to talk with managers of the municipalities, asking if they would be interested in meeting on March 22 at 7:00 p.m. to discuss the water and sewer system expansion project.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to adopt the following resolution authorizing the Chairman to execute a services agreement with Martin Boal Anthony & Johnson to serve as architects on a proposal to construct a new judicial center and to renovate the Agricultural Building, the Jail, and the present Courthouse.

RESOLUTION
WHEREAS, it is essential for Surry County to construct a new Judicial Center and to renovate the Agriculture Building, the Jail, and the present County Courthouse; and

WHEREAS, G.S. 143-64.31-143-64.32 establishes the policy which must guide local governments in the selection of architects; and

WHEREAS, it is in the public interest that this construction and renovation be carried out as a unified project, served by a single architectural firm.

NOW, THEREFORE, BE IT RESOLVED that the Surry County Board of Commissioners exempts the above-referenced project from any provisions or restrictions of the referenced statute which would restrict the County from selecting a single architectural firm to conduct the project. The Board authorizes the Chairman of the Board to execute a services agreement with the architectural firm of Martin Boal Anthony & Johnson.

ADOPTED this 15th day of March, 1999.

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Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to authorize the County Manager to forward to the Northern Hospital Board of Trustees a memorandum of agreement between the County and the Hospital for the purchase of the EMS building site.

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Upon motion of Jim Miller, seconded by Fred O’Neal, the Board authorized the County Manager to address a letter to the legislators, for the Chairman’s review and signature, requesting that Surry County be assigned to the Broughton Hospital area for treatment of County residents incarcerated in the Surry County Jail who require in-patient psychiatric care.

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Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to appoint the following persons to the Animal Control Committee, as provided by the Animal Control Ordinance: Joan Vasata, Pat Barfield, Dr. Donna McLamb, Gray Parker and David Haynes.

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It was the consensus of the Board to authorize the County Manager to sign a listing agreement with Homestead Realty to list the old Health Department building located on Gilmer Street in Mount Airy. The agreement will be effective until August 1999.

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The County Manager presented a request from Bud Cameron for funds in the amount of $10,200.00 to pay for several projects regarding installation of the new imaging system for his office. It was the consensus of the Board to authorize the County Manager to bring the request back to them in the form of a budget amendment.

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The County Manager brought forward a proposed ordinance for loitering for the purpose of engaging in drug related activities for the Board’s review and consideration. After discussion, the
Board took the ordinance for further review and instructed the County Manager to contact the municipalities in the County to see if they were interested in participating in adoption of the ordinance.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve the following vehicles, which are no longer needed by the Sheriff’s Office, as surplus and authorized Linda Haney, Purchasing Agent, to contact the Pilot Mountain and Dobson Rescue Squads, who have requested surplus vehicles to be used by their agencies, to see if they would be interested in any of the vehicles. The Board also authorized Mrs. Haney to sell the vehicles by the sealed bid method.

1992 Chevrolet – SN 1G1BL5373NR139332
1993 Chevrolet – SN 1G1BL5372PR128986
1992 Chevrolet – SN 1G1BL5371NR139085
1990 Chevrolet – SN 1G1BL5479LA141581
1994 Chevrolet – SN 1G1BL52P5RR188300
1991 Chevrolet – SN 1G1BL5377MR127943
1988 Ford – SN 1FABP40A2JF284224

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to go into closed session to discuss personnel matters and to discuss a matter of confidentiality with the County Attorney.

The Board came out of closed session, and Chairman Harrell reconvened the regular meeting.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to approve the following personnel actions:

1. Approved a request from Bud Cameron, Register of Deeds, to reclassify Portia Oakley from Deputy Register of Deeds I at Grade 57-4 to Deputy Register of Deeds II at Grade 59-3.
2. Authorized the County Manager to offer the position of Assistant Planning Director to an applicant at Grade 70, Step 15.
3. Authorized the Health Director to offer the position of Home Health Nursing Director to an applicant at Grade 72, Step 19.

There being no further business, the Board recessed the meeting until 7:00 p.m., March 18, 1999.

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Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners reconvened the meeting of March 15, 1999, at 7:00 p.m. on March 18, 1999, in Room 335 of the Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

Others present for the meeting were:

Betty Taylor, Assistant County Manager for Budget & Finance
Marsha Bledsoe, Surry County Schools Superintendent
Sue Stone, Surry County Board of Education
I. Bobby Hanes, Surry County Board of Education
Tim Dockery, Surry County Board of Education
Graham Atkinson, Surry County Board of Education
Wayne Burton, Surry County Board of Education
Billy Sawyers, Surry County Schools Asst. Superintendent
Bob Ward, Surry County Schools Asst. Superintendent
Chuck Graham, Principal, Flat Rock Elementary School
Betsy McNichols, Director, School-Community Relations, Surry County Schools
Tommy Haymore, Director of Plant Operation, Surry County Schools
Debbie Carson, Elkin City Board of Education
John T. Kennedy, Elkin City Board of Education
Stephen Laws, Elkin City Schools Superintendent
Betty Tesh, Elkin City Board of Education
Bill Church, Mount Airy City Schools Superintendent
David Rowe, Mount Airy City Board of Education
Tim Matthews, Mount Airy City Board of Education
Wendy Carriker, Mount Airy City Board of Education
Thomas C. Koch, Mount Airy City Board of Education
Allen Burton, Mount Airy City Board of Education
Melvin M. Miles, Mount Airy City Board of Education
Angela Leonard, Mount Airy News

Chairman Jim Harrell reconvened the meeting, and Commissioner Paul Johnson delivered the invocation.

Betty Taylor, Assistant County Manager for Budget & Finance, presented to the Board a financial update.

David Rowe, Mount Airy City Board of Education, spoke on behalf of the Mount Airy City Schools regarding the Peterson Associates Proposed Long-Range Study, emphasizing a high school and Tharrington Elementary School as immediate needs.

John Kennedy and Debbie Carson, Elkin City Board of Education, spoke on behalf of the Elkin City Schools regarding the Peterson study and capital needs, expressing their desire for architectural assistance.
Sue Stone, Surry County Board of Education, and Marsha Bledsoe, Surry County Schools Superintendent, spoke on behalf of the Surry County Schools regarding the Peterson study and capital needs.

Those present discussed a possible one percent sales tax for schools capital needs, and it was the consensus of the four boards to support a joint resolution requesting that the N.C. General Assembly adopt such legislation.

Upon motion of Vice-Chairman Gary York, seconded by Commissioner Fred O’Neal, the Board voted unanimously to support a local sales tax option to be levied by the Board of County Commissioners for schools capital needs.

RESOLUTION

WHEREAS, the school systems in Surry County are facing extensive building needs; and

WHEREAS, these building projects will cost the County an estimated $90-100 million; and

WHEREAS, funding these costs through County property taxes would place an undue burden on the citizens of Surry County.

NOW, THEREFORE, BE IT RESOLVED that the Surry County Board of Commissioners, the Surry County Board of Education, the Elkin City Board of Education, and the Mount Airy City Board of Education request that the N.C. General Assembly adopt legislation giving the County the option of approving a one percent sales tax for education, upon a vote of the Board of County Commissioners.

AND BE IT FURTHER RESOLVED that the above boards and their membership, both as a group and individually, urge local legislators to introduce and/or support this legislation.

ADOPTED this the 18th day of March, 1999.

Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to approve a tax-exempt loan for Westfield Volunteer Fire Department from First Citizens Bank & Trust in the amount of $129,000.00 for the purchase of a fire truck.

Commissioner Johnson introduced the following resolution and moved for its passage. Gary York made a second to the motion, and the vote to adopt was unanimous.

RESOLUTION

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Commissioners of Surry County, North Carolina does hereby approve a tax-exempt loan to the Westfield Volunteer Fire Department, Inc. (the “VFD”) from First Citizens Bank & Trust Company in the principal amount of $129,000.00, which loan is for the following purpose:

The purchase by the VFD of a fire truck, which fire truck will be owned and operated by the VFD at the following address: Old Westfield Road, Westfield, NC 27053-0041.
RESOLVED, FURTHER, that the approval of the loan to the VFD set forth above is given solely for purposes of the public approval requirements for tax-exempt financing applicable to the VFD because of Section 150(e)(3) and Section 147(f) of the Internal Revenue Code of 1986, as amended, and such approval does not obligate the County or its Board of Commissioners in any way regarding repayment of the debt.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the County Board of Commissioners of Surry County, North Carolina hereby does approve a written agreement requiring the provision of fire fighting services to the County by the VFD in the form of the written agreement attached hereto as an exhibit and incorporated herein.

RESOLVED, FURTHER, that Jim Harrell, Jr., Chairman of the County Board of Commissioners, hereby is authorized to execute on behalf of the County a written agreement with the VFD in the form of the written agreement attached hereto as an exhibit and incorporated by reference herein.

ADOPTED this the 18th day of March, 1999.

ATTACHMENT A

STATE OF NORTH CAROLINA
COUNTY OF SURRY

AGREEMENT FOR THE PROVISION OF FIRE FIGHTING SERVICES

THIS AGREEMENT made the 18th day of March, 1999, by and between County of Surry, North Carolina (hereinafter referred to as the "County") and Westfield VFD, Inc. (hereinafter referred to as the "VFD").

WHEREAS, the VFD shall provide fire fighting and, if applicable, emergency medical rescue services to the County in the area designated on a map of the County as set forth on Schedule A attached hereto, which designated area is not provided within any other fire fighting services; and

WHEREAS, in consideration for financial assistance from the County, the County requires the VFD to provide such fire fighting services; and

WHEREAS, the parties hereto desire to put such agreement in writing.

WITNESSETH:

NOW, THEREFORE, for and in consideration of these premises and other good and valuable considerations given by each party to the other, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

1. VFD shall provide fire fighting services, and if applicable, emergency medical rescue services to the County in the area designated on Schedule A attached hereto, which Schedule is incorporated by reference herein.

2. County shall assist the VFD financially as the County may determine, in its sole discretion, from time to time to be
appropriate in consideration for and as long as the VFD continues to provide the aforementioned services to the area designated on Schedule A.

IN WITNESS WHEREOF, the VFD has caused this instrument to be executed in its corporate name by its President, attested by its Secretary and its corporate seal to be hereto affixed, all by order of its Board of Directors duly given, and County has caused this instrument to be properly executed and its seal to be hereto affixed, all by order of its County Board of Commissioners, this the day and year first above written.

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There being no further business, the Board recessed until 7:00 p.m. on March 22, 1999.

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Linda H. Wilkins
Clerk to the Board
COUNTY BOARD OF COMMISSIONERS
Meeting of March 22, 1999
Reconvened From March 18, 1999

The Surry County Board of Commissioners reconvened the meeting of March 18, 1999 at 7:00 p.m. on March 22, 1999 for the purpose of discussing water/sewer expansion projects with officials of the municipalities in Surry County and for other County business. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

Others present for the meeting were:

Dennis Thompson, County Manager
Linda H. Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney
Sheriff Connie Watson
Matt Bernhardt, Mount Airy City Manager
Jeff Boyles, Mount Airy City Engineer
Tom Webb, Consultant for the City of Mount Airy
Bill Joe Woodruff, Mount Airy City Commissioner
Tyco Wood, Mount Airy City Commissioner
Wayne Atkins, Manager, Town of Dobson
Jim Davis, Mayor, Town of Dobson
Kermit Draughn, Commissioner, Town of Dobson
Grant Goings, Manager, Town of Elkin
Vance Brooks, The Wooten Company, Engineer for the Town of Pilot Mountain
Kevin Heath, Adams-Heath Engineering
Peter Sorensen, Mount Airy News
Todd Merriman, The Tribune
David Johnson, Citizen
Robert & Angie Johnson, Citizens
Tim & Dee Watson, Citizens

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Chairman Harrell reconvened the meeting. Vice-Chairman Gary York delivered the invocation.

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Matt Bernhardt, Mount Airy City Manager, reviewed with those present the City’s proposal to apply for Public Water Supply bond funds to expand the City’s water/sewer facilities out into the County. Mr. Bernhardt proposed that the City, the County, the Town of Dobson and the Town of Pilot Mountain apply for the grant funds for a joint project of expanding Mount Airy’s water/sewer system into the areas of Dobson/White Plains, Pilot Mountain, Route 52 North, Toast, Flat Rock, and to the Bassett Furniture Company in Mount Airy. After discussion among the City and County officials, Mr. Bernhardt indicated that the next step in the process, should the County and other municipalities participate, is to adopt a resolution authorizing submission of their applications for the grant funds to meet the first deadline of March 31, 1999. The second deadline is July 31, 1999, and the third deadline in September 30, 1999.
Gary York made a motion that the County participate along with the City of Mount Airy to move forward in applying for the grant funds and requested the support of Pilot Mountain, Dobson, and Elkin on proposals which affect their areas, and to authorize Chairman Harrell to execute any necessary documents pertaining to the application for the funds. Fred O’Neal seconded the motion contingent upon Dobson and Pilot Mountain being part of the proposal. The vote to approve the motion and second was unanimous.

Jim Miller made a motion to adopt the following resolution. Paul Johnson seconded the motion, and the vote to approve was unanimous.

RESOLUTION BY GOVERNING BODY OF SURRY COUNTY

WHEREAS, The Federal Clean Water Act Amendments of 1987, Federal Safe Drinking Water Act Amendments of 1996, and the North Carolina Clean Water Revolving Loan and Grant Act of 1987 have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems; and

WHEREAS, Surry County has need for and intends to construct a wastewater collection system and water supply system project described as Dobson/White Plains/Toast; and

WHEREAS, Surry County intends to request state loan and grant assistance for the project.

NOW, THEREFORE, BE IT RESOLVED by the Surry County Board of Commissioners:

That Surry County will adopt and place into effect on or before completion of the project a schedule of fees and charges which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the Surry County Board of Commissioners agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of Surry County to make scheduled repayment of the loan, to withhold from Surry County any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That Surry County will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Dr. Jim Harrell, Jr., Chairman, and successors so titled, are hereby authorized to execute and file an application on behalf of Surry County with the State of North Carolina for a loan and grant to aid in the construction of the project described above.

That Dr. Jim Harrell, Jr., Chairman, and successors so titled, are hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the
assurances as contained above; and to execute such other documents as may be required in connection with the application.

That Surry County has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinance applicable to the project and to Federal and State grants and loans pertaining thereto.

ADOPTED this the 22nd day of March, 1999 at Dobson, North Carolina.

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Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to authorize the Sheriff to use drug eradication monies in the amount of $13,500 to purchase a vehicle through a local car dealership to be used by the narcotics division. Further descriptive information will not be available since the vehicle will be used in drug undercover operations.

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It was the consensus of the Board to instruct the County Manager to speak to an employee of the Tax Department regarding making comments to the news media which the Board believes are inappropriate.

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Upon motion of Jim Miller, seconded by Gary York, the Board voted to approve a request from former Commissioner Buck Golding to give him a replica of the chair he used when he was a Board member. The vote was as follows:

AYES: Jim Miller, Gary York, Paul Johnson, Jim Harrell
NAYS: Fred O’Neal

There being no further business, the Board adjourned the meeting.

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Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on April 5, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Linda H. Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney
Sheriff Connie Watson
Chief Deputy Jim McHone
Todd Stanley, Sheriff’s Office
Bobby Randolph, Retired Rabies Control Supervisor
Betty Taylor, Assistant County Manager for Budget & Finance
Debbie Dezern, Planning Department
John Shelton, Emergency Services Director
Jerry Snow, Public Works Director
Wayne Cooper, Environmental Health Supervisor
Glenn East, Public Works Department
Charles Gillespie, Rabies Control
Dr. Walter Linz, Director, Health and Nutrition Center
Jan Hudson, Public Works Department
Jonathan Strickland, Emergency Medical Services
Todd Merriman, The Tribune
Jamie Shaw, Citizen
Harlan Stone, Citizen
Ann Gillespie, Citizen
Sgt. Clyde Shook, Citizen
Norma Wood, Citizen
Melissa Marion, Citizen
Tom Carter, Employment Security Commission
Garrett Hinshaw, Surry Community College
John Hedrick, Northwestern Regional Library
Mike Sawyer, Northwestern Regional Library
Mike Hiatt, Mount Airy City Schools
Peter Sorsenson, Mount Airy News
Diane Watson, Yadkin Senior Center
Mike Hoyng, Criminal Justice Partnership
Jamie Edwards, Day Reporting Program
Pete Gillespie, Pre-Trial Release Program
Robin Howell, Northwest Piedmont Council of Governments
Dr. Bill Church, Superintendent, Mount Airy City Schools
David Rowe, Mount Airy City School Board
Alan Burton, Mount Airy City School Board
Brenda Peterson, Waste Management, Inc.
Butch Joyce, Joyce Engineering
Janis McHargue, Joyce Engineering
Debra Henzey, NC Association of County Commissioners
Dave Plyler, Forsyth County Commissioner
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Chairman Harrell called the meeting to order. Commissioner O’Neal delivered the invocation and led those present in the Pledge of Allegiance.
Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to approve the minutes of the March 15, 18, and 22, 1999 meetings, directing the Clerk to make changes as discussed.

Chairman Harrell opened the floor for the open forum portion of the meeting, asking those present if anyone wished to make comments on any subject. Harlan Stone, Jamie Shaw, and Norma Wood spoke to the Board requesting that a request made by Jose Rodriguez for a variance to the Noise Ordinance not be granted. Mr. Rodriguez made a written request to the Board for a variance in order that his band be able to practice their music on his premises. Ms. Shaw presented the Board with letters from two citizens who lived in her neighborhood also requesting the variance not be approved. The Board took the matter under advisement. The County Manager will present the request made by Mr. Rodriguez during review of his agenda notes later in the meeting. There were no other comments from the audience.

Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to approve the following consent agenda items:

1. EMS refund requests made due to overpayment of the accounts as follows:
   - James V. Stewart, 848 Willow Hill Circle, Mt. Airy - $272.00
   - Dunmore Plantation, P. O. Box 705, Dobson, for patient Willie Penn - $23.41
   - Partners National Health Plan, P. O. Box 24907, Winston-Salem, for patient Whitney M. Marvin - $72.00
   - Darrell L. Vernon, 111 Laurel Hill Lane, State Road - $205.00
   - QualChoice Medicare Gold, 2000 W. First St., Suite 210, Winston-Salem, for patient Claude B. Marion - $142.00
   - Partners National Health Plans of N.C., Inc., P. O. Box 24907, Winston-Salem, for patient Carole A. Walker - $72.00
   - Joe Phillips, P. O. Box 102, Cana, Virginia - $64.92
   - EDS Federal Corporation, P.O. Box 300009, Raleigh - $9.41
   - CIGNA Federal Insurance Benefits, Inc., P. O. Box 10820, Newark, NJ, for patient Howard Lawson - $37.66

2. Appointed Warren Rhyne to replace Ronny White as the rescue squad’s representative on the EMS Board, as requested by the Association of Rescue Squads, Inc.

3. Appointed Derrick Puckett to replace Randy Jones on the Recreation Advisory Committee.

4. Approved the artwork for a County pin, in the shape of Surry County with the County flag and Ambassador on the front, which the Board will present to those who are recognized for worthy deeds.

5. Declared a 1994 Ford Type III Ambulance, Serial # 1FKDKE3M3RHC16871, as surplus and authorized sale by the sealed bid method with bids to start at $15,000.

6. Approved Budget Transfer # 28 as approved by the Budget Officer and Budget Amendments # 29 and # 30 as follows:

   Change # 29

   Expenditures
Register of Deeds
Increase line item 1054180-51720 (Contracted Services) by $2,000.00 to $42,000.00.
Increase line item 1054180-52010 (Supplies & Materials) by $1,850.00 to $20,350.00.
Increase departmental total by $3,850.00 to $405,585.00.

County Facilities—Shared
Increase line item 1054191-56600 (Other Improvements) by $6,350.00 to $6,350.00.
Increase departmental total by $6,350.00 to $114,064.00.

Agriculture Building
Increase line item 1054194-56600 (Other Improvements) by $806.00 to $23,866.00.
Increase departmental total by $806.00 to $43,666.00.

Admin/Social Services Bldg.
Increase line item 1054196-56600 (Other Improvements) by $11,484.00 to $20,984.00.
Increase departmental total by $11,484.00 to $157,226.00.

Non-Departmental
Decrease line item 1054199-59600 (Productivity/Efficiency Reserve) by $10,200.00 to $74,573.00.
Decrease departmental total by $10,200.00 to $864,114.00.

Sheriff’s
Increase line item 1054310-56010 (Equipment) by $4,500.00 to $210,806.00.
Increase departmental total by $4,500.00 to $2,273,110.00.

Criminal Justice Discretionary
Decrease line item 1054318-51720 (Contracted Services) by $50,250.00 to $4,125.00.
Decrease line item 1054318-54010 (Travel) by $1,000.00 to $-0-.
Decrease line item 1054318-56010 (Equipment) by $1,300.00 to $5,500.00.
Decrease departmental total by $52,550.00 to $31,250.00.

Pre-Trial Release (CJP)
Increase line item 1054319-54010 (Travel) by $125.00 to $1,125.00.
Increase departmental total by $125.00 to $64,875.00.

Automated Systems Services
Decrease line item 1054210-56010 (Equipment) by $11,484.00 to $50,111.00.
Decrease departmental total by $11,484.00 to $139,319.00.

Emergency Medical Services
Increase line item 1054370-56010 (Equipment) by $104,800.00 to $194,800.00.
Increase departmental total by $104,800.00 to $2,546,722.00.

Revenue
Increase line item 1044000-48500 (Insurance Refunds) by $104,800.00 to $197,800.00.
Increase line item 1044000-48900 (Miscellaneous) by $5,306.00 to $11,306.00.
Decrease line item 1044318-42345 (Crim Justice Discretionary)
Increase line item 1044319-42347 (Pre-Trial Release) by $125.00 to $64,875.00.
Increase fund totals by $57,681.00 to $45,545,728.00.

GENERAL FUND

Expenditures

Natural Resources Cons Service
Increase line item 1054960-54080 (District Travel) by $1,500.00 to $1,950.00.
Increase departmental total by $1,500.00 to $74,977.00.

Aids Control
Increase line item 1055151-51010 (Salaries & Wages) by $9,091.00 to $9,091.00.
Increase line item 1055151-51300 (Social Security) by $564.00 to $564.00.
Increase line item 1055151-51310 (Medicare) by $132.00 to $132.00.
Increase line item 1055151-51330 (Retirement) by $455.00 to $455.00.
Increase line item 1055151-51350 (Group Insurance) by $468.00 to $468.00.
Increase line item 1055151-56010 (Equipment) by $1,290.00 to $1,290.00.
Increase departmental total by $12,000.00 to $12,000.00.

CSHS Speech & Hearing
Create line item 1055174-51020 (Longevity Pay).

Revenue
Create and increase line item 1044960-48900 (Miscellaneous) by $1,500.00 to $1,500.00.
Increase line item 1045151-42358 (Aids Control) by $12,000.00 to $12,000.00.
Increase fund totals by $13,500.00 to $45,559,228.00.

Capital Projects Fund

Expenditures

Emergency Services Bldg.
Create department 6054213 (Emergency Services Bldg).
Create line item 6054213-51500 (Professional Services).
Create line item 6054213-51640 (Project Construction).
Create line item 6054213-51650 (Site Development).
Create and increase line item 6054213-55020 (Rent-Buildings & Equip) by $58,450.00 to $58,450.00.
Create line item 6054213-56500 (Land).
Create and increase line item 6054213-59500 (Contingency) by $508,720.00 to $508,720.00.
Increase departmental total by $567,170.00 to $567,170.00.

Revenue
Create and increase line item 6044213-49150 (Proceeds of Capital Lease) by $400,000.00 to $400,000.00.
Create and increase line item 6044213-49882 (Trans. from Bldg Res) by $167,170.00 to $167,170.00.
Increase fund totals by $567,170.00 to $4,068,578.00.

Capital Reserve-Co. Buildings

**Expenditures**

Increase line item 6254250-59177 (Trans to CP-EMS Bldg) by $167,170.00 to $167,170.00.

Decrease line item 6254250-59614 (EMS Bldg Reserve) by $167,170.00 to -0-.

The above action does not change fund totals.

7. Declared as surplus the following vehicles and authorized the Purchasing Agent, Linda Haney, to sell the vehicles as prescribed by the General Statutes:
   - 1980 GMC Truck, Serial # TCW33AV590481
   - 1989 Chevrolet Truck, Serial # 2GCEK14H9K1170869

8. Approved a request from Dr. Walter Linz to approve annual leave transfer requests from employees in the Health and Nutrition Center to another employee in the department to be used as sick leave.

Dianne Watson and others from the Yadkin Senior Center reviewed programs held at the Center and indicated to the Board that many Surry senior citizens use the Center as well as Yadkin County seniors. Ms. Watson requested that the Board consider an allocation to be placed in the FY 1999-2000 budget which the Center would use to expand services and to help retire the construction debt. The Board took the request for study during budget deliberations.

Mike Sawyer and John Hedrick with the Northwestern Regional Library gave the Board a programs update.

Garrett Hinshaw and Tom Carter, who work with the Job Link Program, gave the Board an update on the program and indicated that operation of the program would move from Surry Community College to Mount Airy.

Mike Hoyng with the Criminal Justice Partnership came before the Board to request approval of the Pretrial Release/Day Reporting Program’s annual plan, and to request funding for the program in the FY 1999-2000 budget in the amount of $62,000 to match State grant funds.

Jim Miller made a motion that the County make a commitment for funding in the new budget as requested and to approve the plan as presented. Gary York made a second to the motion, and the vote was unanimous.

Dr. William C. Church, Mount Airy City Schools Superintendent, came before the Board to make the following requests:

1. Requested funds in the amount of $45,000 to remove the existing roof on the Mount Airy High School Gymnasium and replace it with a rubber-based roof.
2. Requested an emergency appropriation of $47,625 to remove and dispose of a leaky fuel oil tank located at Mount Airy High School and to convert the heating to gas.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve Dr. Church's request as presented.

Dr. Church also requested funds up to $200,000 for employment of an architect for the Tharrington School renovation project. The Board took Dr. Church's request under advisement.

The County Manager presented information from the County Attorney regarding a request made at the March 15 meeting that the Board make a request to DOT that Niston Road be declared a neighborhood public road. Mr. Folger indicated in the memorandum that he had not found any provision in N.C.G.S. 136-67 which gives County Commissioners of any county the authority to hear evidence, make findings of facts from evidence presented and conclude that a road is a "neighborhood public road", or otherwise determine a road to be a "neighborhood public road." Following discussion, the Board instructed the County Manager to write a letter to Wayne Atkins, DOT District Engineer, requesting that DOT review the request to see if the road can be placed on the map as a neighborhood public road or what procedures need to be followed to change it as requested.

Sheriff Connie Watson came before the Board to ask the Board's favorable consideration in adopting a Loitering Prevention Ordinance. Chairman Harrell declared the meeting a public hearing to receive comments on the proposed ordinance from those present. The Chairman asked if anyone present wished to comment on the proposed ordinance. There were no comments, therefore, the public hearing was closed, and the regular meeting reconvened.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to adopt the following Loitering Prevention Ordinance, effective upon adoption:

ORDINANCE FOR THE PURPOSE OF PREVENTING LOITERING FOR THE PURPOSE OF VIOLATING NORTH CAROLINA CONTROL SUBSTANCE ACT

The Board of Commissioners of Surry County, North Carolina, does enact and ordain:

SECTION 1. Loitering for the purpose of violating North Carolina Controlled Substance Act.

(a) For purposes of this section "public place" means any street, sidewalk, bridge, alley or alleyway, plaza, park, driveway, parking lot or transportation facility, or the doorways and entrance ways to any building that fronts on any of these places, or a motor vehicle in or on any of these places, or any property owned by Surry County.

(b) It shall be unlawful for a person to remain or wander about in a public place and
(1) Repeatedly beckon to, stop, or attempt to stop passers-by, or repeatedly attempt to engage passers-by in conversations; or
(2) Repeatedly stop or attempt to stop motor vehicles; or
(3) Repeatedly interfere with the free passage of other persons; or
(4) Repeatedly pass to or receive from passers-by, whether on foot or in a vehicle, money or objects

for the purpose of violating any provision of Article 5 of Chapter 90 of the General Statutes.

SECTION 2. Should any section or provision of this Ordinance be declared by the courts to be invalid, such declaration shall not affect the validity of the Ordinance as a whole, or any part thereof, other than the part so specifically declared to be invalid.

SECTION 3. Any person who violates any provision of this Ordinance shall be guilty of a misdemeanor and shall be fined not more than fifty ($50.00) dollars, or imprisoned for not more than thirty (30) days, or both, at the discretion of the Court.

SECTION 4. This ordinance becomes effective upon adoption.

Duly adopted by the Board of Commissioners of Surry County, North Carolina, this the 5th day of April, 1999.

_________________ ________________ ________________

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve a request made by Sheriff Connie Watson to use money from the drug funds in the amount of $18,330 to purchase a vehicle for use by the narcotics unit.

The following were recognized during the Citizen Recognition portion of the meeting:

1. Gary York presented Melissa Marion with a certificate and County pin. Ms. Marion developed the logo “Surry County Works” for the Economic Development Partnership.

2. Jim Miller presented the following resolution to retiree Bobby A. Randolph and moved for its adoption. Commissioner Paul Johnson made a second to the motion, and the vote to adopt was unanimous.

RESOLUTION

WHEREAS, Bobby A. Randolph was employed with Surry County for approximately 12-1/2 years until his retirement on March 31, 1999; and

WHEREAS, Mr. Randolph served in the capacity of Surry County Deputy Sheriff for many years and ends his career in local government as an Animal Control Supervisor in the Surry County Health and Nutrition Center; and

WHEREAS, the citizens of Surry County, the law enforcement community and the public health community recognize Mr. Randolph for his service to those communities; and
WHEREAS, the Board of County Commissioners wishes to publicly commend Mr. Randolph for untiring execution of his duties while he served as a County employee.

NOW, THEREFORE, BE IT RESOLVED:

That Mr. Randolph exhibited a fine spirit of cooperation with the public and with other County employees, while carrying out his duties as a County employee.

That the Board commends Mr. Randolph for the professional manner in which he served the citizens of Surry County and wishes to express its appreciation to him for devotion to duty and sense of responsibility while performing his duties.

ADOPTED this the 5th day of April, 1999.

3. David Plyler, Forsyth County Commissioner, and Debra Henzey with the NC Association of County Commissioners, presented the 1998 Outstanding County Program Award to John Sheldon, representing Emergency Services, in recognition of successful, innovative programs and services honoring Surry County’s School System Teacher/First Responder Program.

Jerry Snow, Public Works Director, came before the Board to propose that the County exercise its option to buy the recycling centers located on Wildlife Road in Elkin, Highway 89 above North Surry High School, and Highway 103 in the Flat Rock area for $1.00, and that the Public Works Department take over the operation of the centers. Following discussion, the Board instructed Dennis Thompson to work with Mr. Snow in developing a cost comparison between Waste Management and Surry County for operation of the Centers, and to report back to them on how much it costs the County to operate the landfill each year.

Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to accept Budget Transfer #31 as approved by the Budget Officer and presented by Betty Taylor.

Betty Taylor, Assistant County Manager for Budget and Finance, presented bids for audit services, and recommended the low bidder, Martin Starnes & Associates. The firm bid $37,300, plus $10,000 accounting costs to assist with the tax project, for the first year; $37,300 for the second year; and $38,300 for the third year.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve the low bid as presented.

Chairman Harrell excused himself from the meeting for a brief time and asked Vice-Chairman York to take over the meeting.

Dennis Thompson reviewed with the Board a request from Jimmie Hutchens for release of funds in the amount of $10,000, which was budgeted as a match for a grant which YVEDDI did not
receive, to be used for maintenance of the Jones Family Resource Center.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to authorize release of the funds as requested by Mr. Hutchens.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to transfer $28,260.02 from Salary-Contingency to Part-time Salaries and Wages in EMS to cover an anticipated shortfall in the line item caused by several employees being out for medical reasons.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to approve a proposal submitted by The Maps Group to perform a comprehensive classification and pay study for a cost of $26,200. The study will be paid from the Salary Contingency budget.

It was the consensus of the Board to instruct the County Manager to respond to Jose Rodriquez that the Board does not want to entertain his request for a variance from the Noise Ordinance. Several citizens stated opposition to the variance request in the open forum section of this meeting.

It was the consensus of the Board to authorize Teresa Kinney, Planning Director, and the County Manager to work with the Department of Commerce in a land use planning project. Commerce staff members will be paid mileage by the County, and the County will also pay for any report costs created by the study. Mr. Thompson recommended that the Planning Board be involved in the study and also that a six person steering committee be appointed to work with the Planning Board on the project. A list of suggested members will be developed by the Board and Mr. Thompson to be appointed during a future meeting.

The County Manager presented the Board with information from two solid waste engineering firms which have expressed an interest in working with the County in landfill planning and management. Butch Joyce and Janis McHargue with Joyce Engineering were present and spoke to the Board briefly, indicating their interest in working with Surry County. The Board authorized Mr. Thompson to solicit proposals from the three firms for the Board’s review.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to approve a request from Dr. Walter Linz, Health Director, to purchase an unbudgeted copier out of Health and Nutrition Center funds; instructed Betty Taylor to work with Dr. Linz in the transfer of the funds to pay for the copier; and, declared as surplus a Monroe RL-985 DS, Serial # T473110, and a Monroe 916Z, Serial # K351225, which will be turned over to the Purchasing Agent to dispose of according to General Statutes.
Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve a request from the Health Director to transfer funds within the department in the amount of $1,458 for roof repair on the Health and Nutrition Center building. Betty Taylor will follow-up with the necessary budget amendments.

The County Manager presented, for the Board’s information and file, school enrollment projections for FY 1999-2000, including comparison figures from FY 1997-98 and 1998-99. The Board asked Mr. Thompson to get information on the number of school personnel which are locally funded in all three systems for their review.

The County Manager presented the master plan for the Piedmont Triad West Industrial Park for the Board’s consideration of approval. Following discussion, Fred O’Neal made a motion to approve the master plan concept. Jim Miller seconded the motion, and the vote was unanimous.

Dennis Thompson and John Shelton presented various price options and schematic drawings for the proposed new Emergency Services Building to be located on Worth Street in Mount Airy. The Board took the information for review.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to go into closed session to discuss personnel items and to discuss nominations for the Volunteer of the Year Award.

The Board came out of closed session and Chairman Harrell, who returned to the meeting during closed session, reconvened the regular meeting.

Upon motion of Gary York, seconded by Jim Harrell, the Board voted unanimously to approve the following personnel items effective April 1, 1999:

- Reclassified the position of Assistant Finance Officer from grade 69 to grade 70 in the Classification Position Plan.
- Approved a salary increase for Patty Edmonds from Grade 69-14 to Grade 70-14.
- Approved a salary increase for Sandra Harris from Grade 65-14 to Grade 65-16.
- Approved a salary increase for Sandra Snow from Grade 65-7 to 65-9.
- Approved a salary increase for JoAnn Wilmoth from Grade 63-11 to Grade 63-13.
- Approved a salary increase for Sheila Creed from Grade 65-5 to Grade 65-6.

There being no further business, the Board adjourned the meeting.
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on April 19, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O'Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney
Betty Taylor, Asst. County Mgr. for Budget & Finance
Ron Norman, Tax Administrator
Doug Jones, Fire Marshal
Cathy Booker, Assistant Tax Administrator
Earl Mounce, Assistant Fire Marshal
Gray Bryant, Building Codes Administrator
Eldon Rogers, Health & Nutrition Center
Jeff Hall, Local Ordinance Enforcement Officer
Chief Deputy Jim McHone
Sheriff Connie Watson
Teresa Kinney, Planning Director
Donald Belle, Veterans Service Officer
Wayne and Kathryn Edmonds, Citizens
Todd Merriman, The Tribune
Robert & Angie Johnson, Citizens
Justin & Jason Johnson, Citizens
Charlie Peele, Planning Board
Angela Leonard, Mount Airy News
Craig Hunter, Economic Development Partnership
Matt Bernhardt, Mount Airy City Manager
Bob Comer, Economic Development Partnership
John Adams, Adams-Heath Corporation
Wayne Peele, Citizen  Paul Taylor, Citizen
Jerry Venable, Citizen  Ron Atkins, Citizen
Wayne Davis, Citizen  David Johnson
John Priddy, BB&T
Mitchell Wickham, Binswanger Associates
Patrick Zimmer, Binswanger Associates
Paul Kelly, Crossroads Behavioral Healthcare
Dixie Lee Atkins, Nursing/Domiciliary Home Advisory Committee
Richard Collins, Skull Camp VFD
Several members of the Skull Camp VFD
Lloyd Johnson, Skull Camp VFD

Chairman Jim Harrell called the meeting to order. Commissioner Jim Miller delivered the invocation and led those present in the pledge of allegiance.

Upon motion of Fred O'Neal, the Board voted unanimously to approve the minutes of the April 5, 1999 meeting.
Chairman Harrell opened the meeting for comment during the open forum portion of the meeting.

Mike Hoyng expressed his appreciation to the Board for the Volunteers Appreciation Dinner recently held for volunteer members appointed to various boards and commissions by the County Commissioners.

Commissioner Gary York expressed his gratitude to those who supported the March of Dimes in raising $116,000 this year.

There were no other comments from those present.

Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to approve the following consent agenda items:

1. Refunds as requested by the Inspections Department:
   - James Todd Smith, 717 Pine Ridge Road, Mount Airy - $100. Mr. Smith purchased the wrong permit.
   - Mac Snow, 4230 Highway 601, Dobson - $30. Mr. Snow purchased a permit for an upgrade to the heating system in his home, then changed his mind about doing the work.

2. Refunds as requested by the Emergency Services Department:
   - Edward Radford, 465 Wilson Road, Mount Airy - $167, due to double payment from the patient and the insurance company.
   - Josephine Mosteller Estate, c/o Leroy Hicks, P. O. Box 21, White Plains - $74.80, due to double payment of the account.
   - Estelle M. Wright, 200 Lyles Street, Apt. 4A, Elkin - $102, due to double payment of the account.

2. Board appointments:
   - Beverly Brooks was appointed to fill the unexpired term of Tammy Gant on the Region I Aging Advisory Council. Ms. Brooks' term will expire September 30, 1999.
   - Fred Folger, Jr., County Attorney, was appointed to replace Ed Woltz, former County Attorney, on the Welfare Reform Plan Committee.

3. Budget Amendment No. 32 to the FY 1998-99 Budget Ordinance as follows:
   
   **GENERAL FUND**

   **Expenditures**

   **Governing Body**

   Increase line item 1054110-51350 (Group Insurance) by $75.00 to $555.00.

   Increase departmental total by $75.00 to $264,424.00.

   **Administration**
Increase line item 1054120-51030 (Salaries & Wages Part-time) by $1,390.00 to $1,390.00.
Increase line item 1054120-51300 (Social Security) by $110.00 to $7,079.00.
Increase line item 1054120-51350 (Group Insurance) by $29.00 to $2,882.00.
Increase departmental total by $1,529.00 to $145,223.00.

Tax Supervisor
Increase line item 1054140-51350 (Group Insurance) by $9,550.00 to $40,505.00.
Increase departmental total by $9,550.00 to $957,771.00.

Board of Elections
Increase line item 1054170-51350 (Group Insurance) by $50.00 to $1,628.00.
Increase departmental total by $50.00 to $160,763.00.

Admin/Social Services Bldg.
Increase line item 1054196-51350 (Group Insurance) by $3,760.00 to $5,702.00.
Increase departmental total by $3,760.00 to $160,986.00.

Non-Departmental
Decrease line item 1054199-51350 (Group Insurance) by $47,510.00 to $5.00.
Decrease line item 1054199-59520 (Salary Contingency) by $17,531.00 to $172,349.00.
Decrease line item 1054199-59530 (Insurance Contingency) by $1,745.00 to $46,365.00.
Decrease line item 1054199-59635 (C.O.L.A. Reserve) by $22,568.00 to $99,013.00.
Decrease departmental total by $89,354.00 to $774,760.00.

Sheriff’s
Increase line item 1054310-51010 (Salaries & Wages) by $15,000.00 to $1,171,548.00.
Increase line item 1054310-51350 (Group Insurance) by $9,506.00 to $78,252.00.
Increase departmental total by $24,506.00 to $2,297,616.00.

County Jail
Increase line item 1054320-51350 (Group Insurance) by $12,715.00 to $46,715.00.
Increase departmental total by $12,715.00 to $768,163.00.

Communications Center
Increase line item 1054325-51010 (Salaries & Wages) by $7,128.00 to $327,932.00.
Increase line item 1054325-51350 (Group Insurance) by $6,825.00 to $22,205.00.
Increase departmental total by $13,953.00 to $625,156.00.

Inspections
Increase line item 1054350-51010 (Salaries & Wages) by $6,020.00 to $19,385.00.
Increase line item 1054350-51350 (Group Insurance) by $6,020.00 to $19,385.00.
Increase departmental total by $22,051.00 to $439,486.00.

Road Signs Project
Increase line item 1054912-51010 (Salaries & Wages) by $430.00 to $19,881.00.
Increase line item 1054912-51300 (Social Security) by $10.00 to $1,736.00.
Increase line item 1054912-51350 (Group Insurance) by $725.00 to $3,825.00.
Increase departmental total by $1,165.00 to $58,618.00.

The above action does not change fund totals.

4. Betty Taylor was authorized to make a line item transfer in the Recreation Department for the purchase of a new PC in the department.

5. Tax releases for the month of March 31, 1999 in the amount of $17,157.60 were approved. Adjustments for the month ending March 31, 1999 in the amount of $371.06 were approved. The Tax Administrator was authorized to collect taxes for August, September, October and November, 1998 motor vehicle renewals as follows: August 1998 - $247,699.37; September 1998 - $242,134.62; October 1998 - $217,861.36; November 1998 - $203,273.38. Copies of the charges are on file in the Office of the Tax Administrator and in the Finance Office.

6. Health Department:
- Approved a request from Dr. Walter Linz to add to the fee schedule a charge of $40.00 per injection of Hepatitis A vaccine.
- Approved a request from Dr. Linz to transfer funds in the amount of $1,300 from 10-55110-51010 to 10-55112-56600 to pay for repair to the eaves at the Health & Nutrition Center, using Nixon's Home Improvement, Inc. to do so.

Upon Motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to accept the recommendation of the Home & Community Care Block Grant Committee to allocate grant funds to YVEDDI, for its transportation and nutrition program, and to the Surry County Health & Nutrition Center, for the in-home health program, and to make an additional allocation of $147.00 to assist in the project.

The County Manager informed the Board that North Carolina will host the Nation's counties for the Year 2000 Annual Conference which will be held in Charlotte and asked the Board how Surry County may participate in the program. The Board asked the County Manager to work with the N. C. Association of County Commissioners in exploring what options the County has in participating.

Upon motion of Jim Harrell, seconded by Fred O'Neal, the Board voted unanimously to appoint Kent Cockerham as Chairman of the Equalization & Review Board.

The County Manager spoke briefly with the Board regarding the upcoming budget process, asking the Board if they wanted to have special meetings, sometime during the month of May, to hear budget presentations from various department heads. Following discussion, the Board instructed the County Manager to make his
recommendation, as in the past, for the Board’s review and consideration, and also indicated there may be a need for an extra meeting during the month of May.

Chairman Harrell declared the meeting a public hearing concerning petition and request from citizens in the State Road Fire Tax District for inclusion of an additional area within the fire tax district. Chairman Harrell called on Doug Jones, Fire Marshal, who presented to the Board petitions as required by the General Statutes, with signatures of 2/3rds majority landowners in the proposed additional district. Mr. Jones indicated that the public hearing had been advertised and public notices had been posted in the area as required by the General Statutes.

Chairman Harrell asked for comments from those present in favor of or in opposition to the proposed additional tax districts. There were none; therefore, the public hearing was closed.

Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to approve the following resolution:

RESOLUTION OF THE BOARD OF COMMISSIONERS OF SURRY COUNTY DESIGNATING AND DESCRIBING THE INCREASED AREA OF THE STATE ROAD FIRE TAX DISTRICT, SURRY COUNTY, NORTH CAROLINA, TO BE ADDED TO THE PRESENT STATE ROAD FIRE TAX DISTRICT

WHEREAS, the regular monthly meeting of the Commissioners of Surry County was held on April 19, 1999 at which time a public hearing was held to determine whether or not the fixing and declaring of the additional and increased area of the State Road Fire Tax District boundary; and

WHEREAS, the petition and proposal was duly presented to the Surry County Board of Commissioners, and it appearing to the Board that the State Road Fire Tax District has complied with the provisions of the statutes and requirements of law concerning increasing the area of the State Road Fire Tax District.

IT IS HEREBY RESOLVED that the additional area for the State Road Fire Tax District be and the same is hereby established and determined to be as follows, described in hereinafter set forth, with the map marked Exhibit A attached hereto and made a part hereof:

TRACT # 1
Beginning at Point # 1 on SR 1326, where SR 1326 crosses the Surry-Wilkes County boundary, thence in a generally easterly direction following the existing State Road Fire Tax District boundary to Point # 2 at the intersection of the existing State Road Fire Tax District boundary and the Mountain Park Fire Tax District boundary .1 mile north of SR 1326 as shown on attached map; thence in a generally northwesterly direction following the Mountain Park Fire Tax District boundary to Point # 3 where the Mountain Park Fire Tax District boundary intersects the Surry-Wilkes County boundary as shown on attached map; thence in a generally southeasterly direction following the Surry-Wilkes County boundary to Point # 1 on SR 1326, where SR 1326 crosses the Surry-Wilkes County boundary, which is the point of beginning.
TRACT # 2
Beginning at Point # 1 located on the Surry-Wilkes County boundary where the existing State Road Fire Tax District boundary intersects the Surry-Wilkes County boundary as shown on attached map; thence in a southerly direction following the Surry-Wilkes County boundary to Point # 2 where the Elkin Creek crosses the Surry-Wilkes County boundary; thence following the Elkin Creek as it meanders generally southeasterly to Point # 3 where the Elkin Creek crosses the Elkin Town boundary; thence following the Elkin Town boundary in a generally northeasterly direction to Point # 4 at the intersection of the C. C. Camp Fire Tax District and Elkin Town boundary; thence in a generally northerly direction following the C. C. Camp Fire Tax District to Point # 5 at the intersection of the C. C. Camp Fire District boundary and the existing State Road Fire Tax District boundary; thence in a generally northwesterly direction following the existing State Road Fire Tax District Boundary to Point # 1 located on the Surry-Wilkes County boundary where the existing State Road Fire Tax District boundary intersects with the Surry-Wilkes County boundary, which is the point of beginning. THE OWNER OR OWNERS OF PROPERTY LOCATED AS SHOWN ON EXHIBIT A:

The aforesaid exhibit being in the area or areas and territory to be added to the present STATE ROAD FIRE TAX DISTRICT.

This additional district includes portions of the Elkin and Bryan Townships.

ADOPTED this the 19th day of April, 1999.

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Bob Comer, Economic Development Partnership, and Matt Bernhardt, Mount Airy City Manager, came before the Board to discuss the Piedmont Triad West Corporate Park. Mr. Bernhardt introduced John Adams, with Adams-Heath Corporation, who reviewed the proposed master plan for the park, and the cost estimate for extending water and sewer lines into the park to the end of the paved section. Mr. Bernhardt asked for the Board’s consideration in joining the City in extending water and sewer lines as proposed at a cost of $150,000 each. Mr. Bernhardt indicated that the original contract between the County and the City would need to be amended to reflect this action, if the Board should approve.

Following Mr. Bernhardt’s and Mr. Adams’ presentation, it was the consensus of the Board to authorize Dennis Thompson to work with Mr. Bernhardt in drawing up an agreement for participation in the project as requested for the Board’s study and consideration during budget deliberations.

Bob Comer continued this business, introducing Patrick Zimmer and Mitchell Wickham, with Binswanger Associates, to explain the overall process of building a 100,000 square feet shell building in the park. John Priddy, with BB&T, gave the Board a proposal for financing the shell building, whereby a consortium of banks will finance the building for three years. If the building has not been sold after the three year period, the City and County would assume ownership. The estimated cost of the building is $2.1 million.
Bob Comer made a request that the Board participate up to $400,000 for grading of the property for the shell building, which will be located on a 25-30 acre tract of land. Mr. Comer informed the Board that the Partnership would enter into a contract with the County and the City for the grading fee, which would be paid back to the County, should the Commissioners request the funds back, by the Partnership upon sale of the building. Following discussion, Gary York made a motion to defer a decision on these matters until the first meeting in July when budget deliberations are finished, or an earlier date if possible. Fred O’Neal made a second to the motion, and the vote was unanimous.

Commissioner Gary York recognized Colonel Don Belle, Veterans Service Officer, and Eldon Rogers, with the Health and Nutrition Center, for outstanding service to the County, and Dixie Lee Atkins, volunteer on the Nursing/Domiciliary Home Advisory Committee, who was voted Volunteer of the Year for 1999.

Richard Collins, Chairman of the Board of Trustees of the Skull Camp Volunteer Fire Department, and Lloyd Johnson, Fire Chief, discussed with the Board a proposal to locate the substation for the Fire District on the Lowgap Community Center property, which is owned by the County. Mr. Collins presented a statement of support of their request from the Board of Directors of the Community Center. Mr. Collins and Mr. Johnson indicated that the property they had originally planned to use for the substation was not adequate for a septic system.

After discussion, the County Manager recommended that the Fire Department obtain a survey of the land needed for the substation and to also check with the Inspections Department, Planning Department, Environmental Health, and the Department of Transportation to see if the substation could be built on the property. Jim Miller made a motion to entertain the idea as presented and Mr. Thompson’s recommendation. The motion was seconded by Paul Johnson, and the vote to approve was unanimous. The County Commissioners approved a request from Skull Camp Volunteer Fire Department on March 1, 1999 to build the substation in the fire district.

Jeff Hall, Local Ordinance Enforcement Officer, reviewed the Automobile, Salvage Yard and Junkyard Ordinance, and made several recommendations for amendments to the ordinance. Following discussion, the Board instructed Mr. Hall to make the changes as recommended and bring the document back to the Board for their review, at which time a public hearing will be scheduled to determine public sentiment on the proposed changes. It was the consensus of the Board to schedule the public hearing after budget deliberations are completed. The Board also instructed Mr. Hall to work with the County Attorney regarding civil penalties for violations of ordinances in Surry County.

Paul Kelly, Substance Abuse Program Director with Crossroads Behavioral Healthcare, reviewed a proposal with the Board for establishment of a multi-county program for Surry, Yadkin and Iredell Counties which would provide intensive outpatient substance abuse treatment within the counties. Mr. Kelly also presented the Juvenile Crime Prevention Council’s recommendation
that the County Commissioners consider approving the grant request as presented. Commissioner Gary York made a motion to approve Juvenile Services Discretionary Funds, in the amount of $250,000, and Adolescent Substance Abuse Block Grant Funds, in the amount of $10,656, for use in establishing the Star Project as requested by Mr. Kelly. The motion included that Surry County is the administering agency for the grant funds. Fred O’Neal made a second to the motion, and the vote to approve was unanimous. Mr. Kelly informed the Board there would be sufficient grant funds to pay the cost of the County administering the program.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to approve a request made by Charles and Christina Stanley for an automobile salvage yard permit.

Teresa Kinney, Planning Director, reviewed with the Board proposed amendments to the Manufactured Home and Manufactured Home Park Ordinance. Following the review, Ms. Kinney made a recommendation that the Planning staff review the amendments further and report back to the Board at a later date. The Board authorized Ms. Kinney’s request.

Sheriff Connie Watson presented his proposed FY 1999-2000 budget request and reviewed the request with the Board. The Sheriff also asked that $11,000 in drug eradication money be used to purchase a surplused Highway Patrol vehicle which would be used by the School Resource Officer, and that the funds be paid back to the drug fund in FY 1999-2000 budget funds.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the Sheriff’s request as presented.

It was the consensus of the Board to instruct Fonda Younger, Recreation Director, to remain as the County’s representative on the Juvenile Crime Prevention Council.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve a request by memo from Dr. Walter Linz to transfer $20,000 from 10-54380-51050 (Personnel Expansion) to 10-54380-56010 (Equipment) to purchase a new vehicle for the Rabies Control Department. The motion included declaring as surplus and allowing Dr. Linz to trade in a 1993 Ford Ranger, Serial #1FTDR15G14T7A5049, toward the purchase of the new truck.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve a request made by memo from Bud Cameron, Register of Deeds, to transfer $1,943.36 from the County’s Automation account into the Register of Deeds budget to purchase seven sets of MS Office 97 Standard Edition software programs for the office.
Dennis Thompson presented the following bids on surplus vehicles on behalf of Linda Haney, Purchasing Agent, and asked for the Board’s approval of the high bid on each vehicle.

### 1992 Chevrolet - SN 1G1BL5373NR139332

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Roger Thompson
7736 Grapevine Rd.
Lewisville, NC 27023
$300.00

### 1993 Chevrolet - SN 1G1BL5372PR128986

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Roger D. Thompson
7736 Grapevine Rd.
Lewisville, NC 27023
$300.00

### 1992 Chevrolet - SN 1G1BL5371NR139085

<table>
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<tr>
<th>Company</th>
<th>Bidder</th>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Bid Amount</th>
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</thead>
<tbody>
<tr>
<td>Welcome Motors</td>
<td>Cana Motors</td>
<td>P.O. Box 59910</td>
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<td>Grace Quality Used Cars</td>
<td>Linda Brady</td>
<td>945 Lincoln Hwy</td>
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<tr>
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### 1990 Chevrolet - SN 1G1BL5479LA141581

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<th>Address</th>
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<tr>
<td>Welcome Motors</td>
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<td>P.O. Box 59910</td>
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<td>945 Lincoln Hwy</td>
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<td>Morrisville, PA 19067</td>
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Danny Griffith
Linda Brady
MEETING OF APRIL 19, 1999 CONTINUED

P.O. 827
Dobson, NC
$657.00

Welcome Motors
P.O. Box 59910
Chicago, IL 60559
$3,285.00

Grace Auto Sales
945 Lincoln Hwy
Morrisville, PA 19067
$2,200.00

Danny Griffith
P.O. Box 827
Dobson, NC 27017
$1,133.33

Danny Griffith
P.O. Box 217
Dobson, NC 27017
$311.00

1994 Chevrolet - SN 1G1BL52P5RR188300
Welcome Motors
P.O. Box 217
Cana, VA 24317
$173.00

Cana Motors
P.O. Box 10
Cana, VA 24317
$2,600.00

Linda Brady
P.O. Box 217
Cana, VA 24317
$117.00

1988 Ford - SN 1FABP40A2JF284224
Danny Griffith
P.O. Box 827
Dobson, NC 27017
$311.00

1994 Ford Type III Ambulance - SN 1FDKE30M3RHC16871
Blue Ridge Volunteer Rescue
1961 Willis Gap Road
Ararat, VA
$15,001.00

(minimum starting bid of $15,000)

1980 GMC Truck - SN TCW33AV590481
Cana Motors
P.O. Box 10
Cana, VA 24317
$1,101.00

Dyrek Garrison
Rt. 2, Box 150D
Pinnacle, NC 27043
$876.00

Danny Griffith
P.O. Box 827
Dobson, NC 27017
$679.00

1989 Chevrolet Truck - SN 2GCEK14H9K1170869
Gary E. Snow
Rt. 2, Box 358
Dobson, NC 27017
$2,153.60

Cana Motors
P.O. Box 10
Cana, VA 24317
$1,700.00

Linda Brady
P.O. Box 217
Lowgap, NC 27024
$1,313.00

James M. Johnson
Marlin Lowe
Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve the high bid on each vehicle as presented.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to go into closed session to discuss a potential land purchase for an EMS building. The Clerk requested to be excused from the closed session due to illness. The Board excused her as requested.

The Board came out of closed session, and there being no further business, adjourned until the next regular meeting.

______________________________
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on May 3, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney
Betty Taylor, Asst. County Mgr. for Budget & Finance
Teresa Kinney, Planning Director
Lynn Shore, Assistant Planning Director
Dr. Marsha Bledsoe, Superintendent, Surry County Schools
Members of the Surry County School Board and other staff members of the school system
Dr. William Church, Superintendent, Mount Airy City Schools
Members of the Mount Airy City School Board and other staff members of the school system
Dr. Stephen C. Laws, Superintendent, Elkin City Schools
Members of the Elkin City School Board and other staff members of the school system
Dr. Frank Sells, President, Surry Community College
Members of the Surry Community College Board of Trustees and other staff members of the College
Jason Kemp, Student, North Surry High School
Dorsey and Becky Kemp, Citizens
Mr. and Mrs. Clyde Shook, Citizens
Angela Leonard, Mount Airy News
Todd Merriman, The Tribune
David Swann, Crossroads Behavioral Healthcare
Crossroads Behavioral Healthcare Board
Larry and JoAnn Wilmoth, Citizens
Dr. Stephen Yokeley, Citizen
Jerry Weaver, Dobson Lions Club
Forris Thompson, Dobson Lions Club
Jimmie Hutchens, YVEDDI Executive Director
Maxine Reynolds, Family Resource Center Coordinator
Jack Moore, Juvenile Services
Rusty Slate, Juvenile Services
Mike Hoyng, Criminal Justice Partnership
Clyde Stewart, Surry Friends of Youth
Tim Bodford, Camp I Can
Bob Comer, Economic Development Partnership
Crystal Morphis, Economic Development Partnership
David Adkisson, Citizen
Carroll Gardner, Attorney, Northern Hospital of Surry County

Lee Merritt, Chairman Northern Hospital Board of Trustees
Bill James, CEO, Northern Hospital of Surry County
Several Surry County Citizens
Chairman Harrell called the meeting to order and delivered the invocation, after which he led those present in the pledge of allegiance.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted to approve the minutes of the April 19, 1999 meeting as read.

Chairman Harrell declared the meeting an open forum, asking those present for any comments they wish to make on any subject.

Teresa Kinney, Planning Director, introduced the new Assistant Planning Director, Lynn Shore.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve the following consent agenda items:

1. Health & Nutrition Center refunds:
   - Richard Birkholz, 331 Cleo Cain Road, Pilot Mountain - $25.00 - used private lab.
   - Victoria Shinault, 398 Fish River Road, Mount Airy - $20.00 - due to double payment.
   - Linda K. Allen, 179 Culler Road, Pinnacle - $50.00 - application denied by Planning & Development, no evaluation needed.
   - Jesus Guzman Lasama, 115 S. Kirkland Street - $50.00 - double payment.
   - Tanya Reynolds, 264 Crossingham Road, Mount Airy - $25.00 - used private lab.
   - Sandi Mendenhall, 109 Lynda Street, Mount Airy - $40.00 - changed mind.
   - Cleveland Dobson, 1247 Camp Dogwood Road, Pinnacle - $50.00 - changed mind.
   - Josh Comer, P. O. Box 322, Dobson - $35.00 - charged in error.
   - Blue Cross Blue Shield of North Carolina, P. O. Box 30048, Durham - $159.21 - check was cut to wrong provider for patient.
   - Grace Wall, Route 1, Box 105, Siloam - $10.72 - overpayment received in error.
   - Connecticut General Life Insurance Company, Gastonia Claim Office, P. O. Box 2048, Gastonia - $57.95 - payment sent in error.
   - Accent Insurance Recovery Solutions, P. O. Box 69004, Omaha, NE - $57.95 - payment issued in error.

EMS refund:

   - Virginia R. Billings, 900 Johnson Ridge Road, #37, Elkin - $142.00 - double payment by patient and insurance company.

Inspections refunds:

   - Jeff Pruitt, Rt. 2, Box 197, Pinnacle - $70.00 - purchased a permit for a mobile home, then changed mind.
2. Authorized the Sheriff to file an application for a two-year grant from the Governor’s Crime Commission in the amount of $155,035 the first year and $102,909.99 for the second year to form a Juvenile At-Risk Interdiction Team. Should the Crime Commission approve the grant application, a local match is required.

3. Authorized the Health Director to file a grant application in the amount of $100,000, which does not require a County match, to establish an intensive home visiting program for children.

4. Accepted Budget Transfers #33 and #34 as approved by the Budget Officer, and approved Budget Amendment #35 to the FY 1998-99 Budget Ordinance as follows:

CHANGE

#35

GENERAL FUND

Expenditures

Governing Body
Increase line item 1054110-51500 (Professional Services) by $36,200.00 to $106,357.00.
Increase departmental total by $36,200.00 to $300,624.00.

Register of Deeds
Increase line item 1054180-52010 (Supplies & Materials) by $1,944.00 to $22,294.00.
Increase departmental total by $1,944.00 to $407,529.00.

Non-Departmental
Decrease line item 1054199-59510 (General Fund Contingency) by $46,200.00 to $43,628.00.
Decrease line item 1054199-59520 (Salary Contingency) by $28,261.00 to $144,088.00.
Decrease line item 1054199-59600 (Productivity/Efficiency Reserve) by $1,944.00 to $72,629.00.
Decrease departmental total by $76,405.00 to $698,355.00.

Emergency Medical Services
Increase line item 1054370-51030 (Salaries & Wages Part-Time) by $28,261.00 to $103,774.00.
Increase departmental total by $28,261.00 to $2,574,983.00

Health Dept. Administration
Decrease line item 1055110-51010 (Salaries & Wages) by $1,300.00 to $597,562.00.
Decrease line item 1055110-51500 (Professional Services) by $500.00 to $24,300.00.
Decrease line item 1055110-55500 (Dues & Subscriptions) by $1,000.00 to $4,000.00.
Decrease departmental total by $2,800.00 to $1,061,179.00.

Health Dept. Building
Increase line item 1055112-56600 (Other Improvements) by $2,800.00 to $2,800.00.
Increase departmental total by $2,800.00 to $12,050.00.
School Based Health Center
Create & increase line item 1055126-56010 (Equipment)
by $2,500.00 to $2,500.00.
Increase line item 1055126-51030 (Salaries & Wages Part-Time) by $13,900.00 to $13,900.00.
Decrease line item 1055126-51010 (Salaries & Wages) by $16,400.00 to $33,439.00.
The above action does not change departmental total.

March of Dimes Grant
Increase line item 1055141-51010 (Salaries & Wages) by $16,622.00 to $23,039.00.
Increase line item 1055141-51300 (Social Security) by $1,149.00 to $1,547.00.
Increase line item 1055141-51310 (Medicare) by $269.00 to $362.00.
Increase departmental total by $18,040.00 to $27,198.00.

Aids Control
Create line item 1055151-51020 (Longevity Pay)

Chore Grant
Increase line item 1055156-51720 (Contracted Services) by $39,535.00 to $114,535.00.
Decrease line item 1055156-51010 (Salaries & Wages) by $50,000.00 to $70,854.00.
Decrease line item 1055156-51300 (Social Security) by $3,100.00 to $7,662.00.
Decrease line item 1055156-51310 (Medicare) by $725.00 to $1,792.00.
Decrease line item 1055156-51330 (Retirement) by $2,500.00 to $6,179.00.
Decrease line item 1055156-51350 (Group Insurance) by $3,810.00 to $2,190.00.
Decrease line item 1055156-51500 (Professional Services) by $25.00 to $75.00.
Decrease line item 1055156-51510 (Prof. Services – Drug Screen) by $130.00 to 0.
Decrease line item 1055156-52010 (Supplies & Material) by $1,000.00 to $1,150.00.
Decrease departmental total by $21,755.00 to $221,657.00.

Cancer Control Program
Increase line item 1055158-51722 (Contracted Serv-Komen Grant) by $10,000.00 to $15,000.00.
Increase departmental total by $10,000.00 to $39,199.00.

Cardiovascular Disease Program
Create line item 1055159-51020 (Longevity Pay)

Community Action Plan
Increase line item 1055830-57162 (Senior Center Operations) by $10,000.00 to $20,000.00.
Increase departmental total by $10,000.00 to $103,000.00.

Revenue
Increase line item 1045141-43165 (March of Dimes Grant) by $18,040.00 to $27,198.00.
Increase line item 1045158-44551 (Susan G. Komen Grant) by $10,000.00 to $15,000.00.
Decrease line item 1045156-43322 (Chore Service-NWFCOG Grant) by $21,755.00 to $221,657.00.
Increase fund totals by $6,285.00 to $45,565,513.00.

Sheriff’s Narcotics Fund

Expenditures
Increase line item 1854311-56020 (Equipment – Narcotics) by $65,000.00 to $65,747.00.

Revenue
Increase line item 1844311-42330 (US Equitable Sharing) by $64,000.00 to $93,666.00.
Increase line item 1844311-43355 (NC Controlled Sub Tax) by $1,000.00 to $1,000.00.

Increase fund totals by $65,000.00 to $94,666.00.

Schools Capital Outlay Fund

Expenditures
Create & increase line item 3655912-57031 (Mt. Airy Gym Roof) by $45,000.00 to $45,000.00.
Create & increase line item 3655912-57032 (Mt. Airy High Fuel Tank) by $47,625.00 to $47,625.00.

Revenue
Create & increase line item 3645912-49850 (Trans. from CR-MA Roof) by $45,000.00 to $45,000.00.
Create & increase line item 3645912-49851 (Trans. from CR-MA Fuel Tank) by $47,625.00 to $47,625.00.

Increase fund totals by $92,625.00 to $2,484,248.00.

Schools Capital Reserve Fund

Expenditures
Create & increase line item 3755918-59155 (Trans. to CO-MA Roof) by $45,000.00 to $45,000.00.
Create & increase line item 3755918-59156 (Trans. to CO-MA Fuel Tank) by $47,625.00 to $47,625.00.
Decrease line item 3755918-59615 (Emergency Reserve) by $92,625.00 to $407,375.00.

The above action does not change fund totals.

Budget proposals for FY 1999-2000 were presented for the Board’s consideration during budget deliberations by the following:

Dr. Marsha Bledsoe, Surry County Schools;  
Dr. William Church, Mount Airy City Schools;  
Dr. Stephen Laws, Elkin City Schools; and  
Dr. Frank Sells, Surry Community College.

The Board accepted the information for study.
The following were presented certificates of recognition and County pins during the citizen recognition portion of the meeting:

Jason Kemp, a senior at North Surry High School who recently won the Morehead Scholarship;
Clyde Shook, who recently won the 1999 N. C. Council Leadership Award; and
Dobson Lions Club Members, Larry Wilmoth, Forris Thompson, Dr. Steve Yokeley, and Jerry Weaver, who recently received the Lions Chevron Monarch Award for Longevity.

Rusty Slate, Chairman of the Juvenile Crime Prevention Council, came before the Board in behalf of the Council regarding allocation of Juvenile Services funds for FY 1999-2000. Mr. Slate made the following recommendations for allocating the funds totaling $219,889:

Surry Friends of Youth - $161,338 to operate the Best Friends Program, the Individual Counseling Program, and Restitution Program.

Juvenile Service - $13,100 to operate the Emergency Shelter Program and the Psychological Testing Program.

Surry-Yadkin-Iredell Mental Health - $45,451 to operate the Youth Substance Abuse Intervention Program.

Total grant funds include $29,101 for substance abuse services for FY 1998-99 to be allocated for use by June 30, 2000. These funds do not require a County match. The balance of the recommended grant funds does require a 20% match from the County.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to endorse the Council’s recommendation as presented.

Jack Moore, Chief Court Counselor, came before the Board to give a brief update on Camp I Can. Mr. Moore indicated that the Northwest Piedmont Council of Governments has agreed to be the sponsor for the camp and indicated that Cleve Harris has donated land off Highway 52 to be used for the camp. Mr. Moore further indicated that he had polled 12 out of 18 neighbors in the area, who were not opposed to the camp location. He informed the Board that he had not been able to reach six other residents of the area. Mr. Moore also indicated that the Council of Governments asks for the Board’s support in their proposal to be sponsor for the project.

Following discussion, Paul Johnson made a motion that a public hearing be held, tentatively set for the second meeting in June, following notification that the organization had received grant funds to operate the camp. Gary York made a second to the motion, and the vote to approve was unanimous.

The following program updates and budget requests were presented for the Board’s consideration:
Jim Hutchens, Executive Director of the Yadkin Valley Economic Development District, Inc., reported on Surry County services which YVEDDI provided for FY 1998-99.

David Adkisson gave an annual report for the Family Resource Center.

David Swann, Area Director & CEO, Crossroads Behavioral Healthcare, made a presentation on behalf of Crossroads.

Bill James, Administrator, Northern Hospital of Surry County, Lee Merritt, Hospital Board of Trustees, and Carroll Gardner, Bond Attorney, came before the Board to ask for approval to issue Hospital bonds in the amount of approximately $17 million to pay for capital improvements to the Northern Hospital. Following the presentation, Commissioner Jim Harrell introduced the following resolution, copies which were made available to the Board:

RESOLUTION MAKING CERTAIN FINDINGS, AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF THEISSUANCE OF BONDS, APPOINTING A FINANCING TEAM FOR THE BONDS AND CERTAIN OTHER MATTERS ALL RELATING TO THE PROPOSED NORTHERN HOSPITAL DISTRICT OF SURRY COUNTY, NORTH CAROLINA, HEALTH CARE FACILITIES REVENUE BONDS, SERIES 1999

WHEREAS, the Board of Commissioners for the County of Surry, North Carolina (the “Board”), in its capacity as the governing body of Northern Hospital District of Surry County (the “District”), has appointed the Board of Trustees of Northern Hospital District of Surry County, North Carolina (the “Board of Trustees”) to conduct the business of the District subject to approval by the Board as the governing body of the District; and

WHEREAS, the Board of Trustees has previously determined that the public interest of residents of the District and the surrounding area will be served by the District making certain capital improvements to Northern Hospital of Surry County as more fully described in Exhibit “A” attached hereto and incorporated herein by reference (the “Improvements”); and

WHEREAS, the Board of Trustees has authorized the administrative staff of the District to investigate the feasibility and advisability of the District issuing its health care facilities revenue bonds to finance all or a portion of the Improvements; and

WHEREAS, the administrative staff of the District has conferred with representatives of the Local Government Commission of North Carolina (the “LGC”) and has determined that the issuance of health care facilities revenue bonds by the District to finance the costs of the Improvements is feasible; and

WHEREAS, in order to proceed with the approval process for the bonds, the District needs to file an Approval of Issuance of the bonds with the LGC and to take certain other related action.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR THE COUNTY OF SURRY, NORTH CAROLINA, AS FOLLOWS:

Section 1. The Board hereby ratifies, adopts and approves the following findings made by the Board of Trustees:
(a) The Improvements proposed to be made to Northern Hospital of Surry County (the "Hospital") are necessary to insure the continued provision of quality health care at the Hospital to the residents of the District and the surrounding area and therefore are in the best interests of the public.

(b) Based upon the most recent available information, including without limitation submitted bids and architect's estimates, the projected costs of the Improvements are as follows:

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<th>Description</th>
<th>Cost</th>
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<td>Tower</td>
<td>$11,077,483</td>
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<tr>
<td>SNF Unit</td>
<td>539,783</td>
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<tr>
<td>Ground &amp; 1st Floor</td>
<td>4,937,289</td>
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<tr>
<td>Worth Street Parking Expansion</td>
<td>276,901</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$16,831,456</td>
</tr>
</tbody>
</table>

(c) The Improvements are feasible and, upon careful consideration of the projected costs for the Improvements as described above, the budget for the Improvements is sufficient but not excessive.

(d) The financing of the cost of the Improvements, together with a reasonable debt service reserve fund and certain costs of issuance, through the issuance by the District of its Health Care Facilities Revenue Bonds, Series 1999 in an aggregate principal amount not to exceed $19,000,000 (the "Bonds"), which amount of Bonds will be sufficient but not excessive to finance the Improvements, provides the most fiscally responsible method for paying the costs of the Improvements.

(e) The issuance of the Bonds by the District to finance the costs of the Improvements is necessary and expedient.

(f) The debt management procedures and policies of the District are good and are maintained in accordance with sound fiscal management principles.

Section 2. William B. James, as the Chief Executive Officer of the District, and Robert G. Hetrick, as the Chief Financial Officer of the District, are hereby authorized to submit an application to the LCG for authority to issue the Bonds, the proceeds of which are to be used to finance the capital costs of the Improvements, a reasonable debt service reserve fund and certain costs of issuance of the Bonds. The administrative staff of the District is authorized to provide the LCG with all relevant financial and other information relating to the Bonds and the Improvements and to do all other things necessary to obtain approval of the LGC, the issuance of the Bonds, and the proposed financing of the Improvements.

Section 3. The Board hereby approves and recommends to the LGC the appointment of the following professionals to compose the financing team for the Bonds and that their services be certified to the extent required and where appropriate:

District Representatives:
William B. James, Chief Executive Officer
Robert G. Hetrick, Chief Financial Officer
Northern Hospital of Surry County
P. O. Box 1101
Mount Airy, NC 27030
District Counsel:
John C. W. Gardner
Gardner, Gardner, Johnson & Mills
304 Franklin Street
P. O. Box 866
Mount Airy, NC 27030

Bond Counsel:
Womble Carlyle Sandridge & Rice, PLLC
200 West Second Street
Winston-Salem, NC 27102

Underwriter:
First Union Capital Markets Corp.
901 East Byrd Street, 4th Floor
Richmond, VA 23217

Underwriter’s Counsel:
Parker Poe Adams & Bernstein, LLP
2500 Charlotte Plaza
Charlotte, NC 28244

Trustee/Registrar:
The Bank of New York (DTC)
10161 Centurion Parkway
Jacksonville, FL 32256

Co-Trustee:
Central Carolina Bank and Trust Co.
Raleigh, NC

Feasibility Consultant:
KRMG LLP
303 Peachtree Street, NE, Suite 2000
Atlanta, GA 30308

Section 4. The District will provide the LGC with the necessary information supporting the financial ability of the District to repay the Bonds.

Section 5. The District represents that all of the components of the Improvements have been bid except for the "Ground & 1st Floor" as referenced in Section 1(b) above (the "Unbid Component"). Should the actual cost of the Unbid Component exceed the projected cost estimate for the Unbid Component ($4,937,289) by as much as 20%, the District has sufficient available funds on hand (i.e., not less than $987,458) that can and would be appropriated by the District to permit the completion of the Improvements.

Section 6. The public facilities, including utilities and public service necessary for the Improvements, will be available at the Hospital.

Section 7. The Hospital, including the Improvements, will continue to be operated for the public good as a part of the District’s mission as a public non-profit hospital, and it will benefit the District’s service area without regard to race, creed, color or national origin.
Section 8. William B. James and Robert G. Hetrick, the Chief Executive Officer and Chief Financial Officer, respectively, of the District, be and they are hereby authorized to take all necessary actions to expedite the issuance by the District of the Bonds.

Section 9. The LGC is hereby requested to sell the Bonds at private sale without advertisement to any purchaser or purchasers thereof, at such prices as the LGC determines to be in the best interest of the District, subject to the approval of the Board as the governing body of the District.

Section 10. The Bonds will be marketed at a reasonable cost to the District.

Following discussion of the Resolution set forth above, Commissioner Fred O'Neal moved that the Resolution be adopted by the Board, which motion was seconded by Commissioner Gary York. The resolution was adopted by the following vote:

AYES: Jim Harrell, Fred O'Neal, Gary York, Paul Johnson, Jim Miller

Betty Taylor, Assistant County Manager for Budget & Finance, came before the Board to discuss the indirect cost plan. Mrs. Taylor indicated that Haynes Strand Henry & Company had performed Central Services Cost Allocation Plan for Surry County for the last five years. Mrs. Taylor further indicated that since the company will not be performing the County's audit for FY 1998-99, the firm may not be interested in providing the Cost Plan services. She asked the Board's permission to request informal proposals from Haynes Strand Henry & Company, David M. Griffith Associates, and Martin Starnes & Associates.

The Board instructed Mrs. Taylor to obtain the informal proposals as requested.

Betty Taylor continued her presentation, informing the Board that May 18, 1999 is the date scheduled for the Surry Community College bond sale. Mrs. Taylor presented the following resolution as proposed by bond counsel for the Board's review.

RESOLUTION PROVIDING FOR THE ISSUANCE OF $2,060,000 GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 1999, OF THE COUNTY OF SURRY, NORTH CAROLINA

WHEREAS, the Bond Order hereinafter described has taken effect, and it is desirable to make provision for the issuance of Bonds authorized by said Bond Order;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Surry, North Carolina (the "Issuer"), as follows:

1. The Issuer shall issue its General Obligation Community College Bonds, Series 1999 in the aggregate principal amount of $2,060,000 (collectively the "Bonds") pursuant to and in accordance with that certain Bond Order adopted by the Board of Commissioners on September 7, 1993 (the "Bond Order") and ap-
proved by the voters of the Issuer at a referendum held on November 2, 1993.

2. The Bonds to be issued pursuant to the Bond Order shall be designated "Community College Bonds, Series 1999." The Board of Commissioners of the Issuer (the "Board") has ascertained and hereby determines that the average period of usefulness of the capital projects being financed by the issuance of the Bonds is not less than twenty (20) years computed from the date of the initial issuance of the Bonds. Subject to the right of the Issuer to prior redemption of the Bonds as described below, the Bonds shall be payable in annual installments on June 1 in each year, as follows:

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<th>Year of Maturity</th>
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<td>2000</td>
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</tr>
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<td>2013</td>
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<td>2014</td>
<td>400,000</td>
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<tr>
<td>2015</td>
<td>260,000</td>
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3. The Bonds shall be dated June 1, 1999 and shall bear interest from their date at a rate or rates which shall be hereafter determined upon the public sale thereof and such interest shall be payable semiannually on each June 1 and December 1, beginning December 1, 1999.

4. The Bonds shall be registered as to principal and interest and shall bear the original or facsimile signatures of the Chairman and the Clerk of the Issuer. An original or facsimile of the corporate seal of the Issuer shall be imprinted upon each of the Bonds.

5. The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One fully-registered bond certificate for each stated maturity of the Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of $5,000 or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Interest on the Bonds will be payable in clearinghouse funds to DTC or its nominee or any other person appearing as registered owner of the Bonds. The principal of and interest on the Bonds will be payable to owners of Bonds shown on the records of DTC at the close of business on the day preceding an interest payment date or a bond payment date. The Issuer will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Finance Officer of the Issuer determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the beneficial owners of the Bonds, the Issuer will discontinue the book-entry
system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will authenticate and deliver replacement bonds in the form of fully registered certificates.

6. The Bonds maturing prior to June 1, 2010, will not be subject to redemption prior to maturity. The Bonds maturing on June 1, 2010 and thereafter will be subject to redemption prior to maturity, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole or in part on any date not earlier than June 1, 2009, (in multiples of $5,000) in inverse order of their maturities on any interest payment date not earlier than June 1, 2009, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption plus a redemption premium of one-half of one percent (1/2 of 1%) of the principal amount of the Bonds to be redeemed for each calendar year or part thereof between the redemption date and the maturity date of such Bond to be redeemed, such premium not to exceed two percent (2%) of such principal amount. If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of the Bonds to be redeemed shall be selected by lot in such manner as the Issuer may determine; provided that DTC and its participants shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed so long as a book entry system with DTC is continued. Whenever the Issuer shall elect to redeem Bonds, notice of such redemption of Bonds, stating the redemption date, redemption price and identifying the Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable upon each Bond or portions thereof so to be redeemed, the principal thereof, redemption premium and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given by not less than 30 days nor more than 60 days prior to the redemption date in writing to DTC or its nominee as the registered owner of the Bonds, by pre-paid first class mail, at the address provided to the Issuer by DTC, but any failure or defect in respect of such mailing will not affect the validity of the redemption. The Issuer is not responsible for mailing notices for redemption to anyone other than DTC or its nominee unless no qualified securities depository is the registered owner of the Bonds.

7. The Bonds and the provisions for the registration of Bonds and for the approval of the Bonds by the Secretary of the Local Government Commission shall be in substantially the following form:

(Form of Bond)

NO. R- $

UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA
SURRY COUNTY

DATE OF
INTEREST RATE
MATURE ORIGINAL ISSUE
CUSIP

REGISTERED OWNER:
PRINCIPAL SUM:

GENERAL OBLIGATION COMMUNITY COLLEGE BOND, SERIES 1999

The County of Surry, North Carolina (hereinafter referred to as the "Issuer"), a body politic and corporate of the State of North Carolina, acknowledges itself indebted and for value received hereby promises to pay to the registered owner named above, on that date specified above, upon surrender hereof, the principal sum shown above and to pay to the registered owner hereof interest thereon from the date of this Bond until it shall mature at the rate per annum specified above, payable on December 1, 1999 and semi-annually thereafter on June 1 and December 1 of each year. Principal of and interest on this Bond are payable in clearinghouse funds to The Depository Trust Company ("DTC") or its nominee as registered owner of the Bonds and is payable to the owner of the Bonds shown on the records of DTC at the close of business on the day preceding an interest payment date or a bond payment date. The Issuer is not responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act, the bond order adopted by the Board of Commissioners of the Issuer on September 7, 1993 and approved by the voters of the Issuer at a referendum held on November 2, 1993, and the Bond Resolution adopted by the Board of Commissioners of Surry County, North Carolina on May 3, 1999 to pay capital costs of providing additional facilities and improvements to Surry County Community College, including, the construction of new school facilities and renovation of existing school facilities and installation of necessary furnishings, equipment and machinery and the acquisition of land or rights-in-land required therefore, and a tax to be levied for the payment thereof (the "Project").

The Bonds maturing prior to June 1, 2010, will not be subject to redemption prior to maturity. The Bonds maturing on and after June 1, 2010 will be subject to redemption prior to maturity, at the option of the Issuer, from any moneys that may be made available for such purpose, either in whole on any date not earlier than June 1, 2009, or in part (in multiples of $5,000) in inverse order of their maturities on any interest payment date not earlier than June 1, 2009, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption plus a redemption premium of one-half of one percent (1/2 of 1%) of the principal amount of the Bonds to be redeemed for each calendar year or part thereof between the redemption date and the maturity date of such Bond to be redeemed, such premium not to exceed two percent (2%) of such principal amount. If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot in such manner as the Issuer may determine; provided that DTC and its participants shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed so long as a book entry system with DTC is continued. Whenever the Issuer shall elect to redeem Bonds, notice of such redemption of Bonds, stating the redemption date, redemption price and identifying the Bonds or portions thereof to...
be redeemed by reference to their numbers and further stating
that on such redemption date there shall become due and payable
upon each Bond or portions thereof so to be redeemed, the prin-
cipal thereof, redemption premium and interest accrued to the
redemption date and that from and after such date interest
thereon shall cease to accrue, shall be given by not less than
30 days nor more than 60 days prior to the redemption date in
writing to DTC or its nominee as the registered owner of the
Bond, by pre-paid first class mail, at the address provided to
the Issuer by DTC, but any failure or defect in respect of such
mailing will not affect the validity of the redemption. The Is-
suer is not responsible for mailing notices for redemption to
anyone other than DTC or its nominee unless no qualified securi-
ties depository is the registered Owner of the Bonds.

It is hereby certified and recited that all condi-
tions, acts and things required by the Constitution or statutes
of the State of North Carolina to exist, be performed or happen
precedent to or in the issuance of this Bond, exist, have been
performed and have happened, and that the amount of this Bond,
together with all other indebtedness of the Issuer, is within
every debt and other limit prescribed by said Constitution or
statutes. The faith and credit of the Issuer are hereby pledged
to the punctual payment of the principal of and interest on this
Bond in accordance with its terms.

This Bond shall not be valid or become obligatory for
any purpose until the certifications hereon shall have been
signed by authorized representatives of the Local Government
Commission of North Carolina.

IN WITNESS WHEREOF, the Issuer has caused this Bond to
bear the original or facsimiles of the signatures of the Chair-
man and the Clerk of the Issuer and an original or facsimile of
the corporate seal of the Issuer to be imprinted hereon and this
Bond to be dated June 1, 1999.

(SEAL)

(Signature)____________________ (Signa-
ture)____________________
Clerk Chairman

Date of Execution:____________________

The issue hereof has been approved under the
provisions of The Local Government Bond Act.

____________________
ROBERT M. HIGH
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series of Bonds designated
herein and issued under the provisions of the Bond Resolution
referenced herein.

By:____________________
Betty W. Taylor
Finance Officer
County of Surry, North Carolina
ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto __________________________, the within Bond and irrevocably appoints ______________________________, attorney-in-fact, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_______________

______________________________

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without any alteration whatsoever.

8. The Issuer covenants to take such action as may be required in the opinion of nationally recognized bond counsel to cause the Bonds and all actions of the Issuer with respect to the proceeds thereof to comply with Internal Revenue Code of 1986, as amended (the "Code"). In particular, the Issuer covenants as follows:

(1) At least one of the following two conditions will be satisfied: (i) less than 10% of the proceeds of the Bonds reduced by costs of issuance will be used directly or indirectly in the business of a person other than a state or local governmental unit or (ii) less than 10% of the principal or interest on the Bonds is (under the terms of such issue or any underlying arrangement) directly or indirectly (A) secured by an interest in property used or to be used in a private business or any interest in payments made with respect to such property or (B) to be derived from payments made with respect to property, or borrowed money, used or to be used in a private business;

(2) Less than 5% of the proceeds of the Bonds reduced by costs of issuance will be used by nongovernmental persons for a use unrelated to the purposes for which the Bonds are issued;

(3) It will not loan directly or indirectly more than 5% or $5 million (whichever is less) of the Bond proceeds to nongovernmental persons;

(4) It will not enter into any management contract with respect to the project financed with the proceeds of the Bonds unless it obtains an opinion of nationally recognized bond counsel that such management contract will not impair the exclusion from a recipient's gross income for federal income tax purposes of the interest on the Bonds;

(5) The Issuer acknowledges that the continued exclusion of interest on the Bonds from a recipient's gross income for federal income tax purposes depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code. The Issuer covenants to comply with all the requirements of Section 148 of the Code, including the rebate requirements, and it shall not permit at any time any of the proceeds
of the Bonds or other funds of the Issuer to be used, directly or indirectly, to acquire any asset or obligation, the acquisi-
tion of which would cause the Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code;

(6) The Bonds are not and shall not be "federally guaranteed" as defined in Section 149(b) of the Code; and

(7) The Issuer covenants to file or cause to be filed Form 8038G in accordance with Section 149(e) of the Code.

9. The Finance Officer is hereby directed to create and establish a special fund to be designated "County of Surry, North Carolina General Obligation Community College Bonds, Series 1999 Construction Fund" (the "Construction Fund"). The proceeds from the sale of the Bonds shall be deposited in the Construction Fund. Any moneys held in the Construction Fund shall be invested and reinvested by the Finance Officer as permitted by the law of the State, and the income therefrom to the extent permitted by the Code shall be retained in the Construction Fund and used to pay the Cost of Construction, as directed by the Finance Officer. The Finance Officer shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom. "Cost of Construction" shall include payment of or reimbursement for the following items:

(a) obligations incurred or assumed for the Project in connection with the construction, acquisition, installation and equipping thereof;

(b) the cost of construction, acquisition, installation and equipping of the Project, including, without limitation, legal fees and expenses, inspection costs, permit fees, filing and recording costs and advertising expenses in connection with the acquisition of the Project;

(c) the costs incurred in connection with the Bonds, the initial compensation and expenses of the Registrar and Paying Agent, legal fees and expenses, costs of publication, printing and engraving, and compensation to any financial consultant;

(d) all other costs which are considered to be a part of the costs of the construction, acquisition, installation and equipping of the Project in accordance with generally accepted accounting principles and which will not affect the exclusion from gross income of the recipient thereof for federal income tax purposes of the interest on the Bonds, including sums required to reimburse the Issuer for advances made by the Issuer that are properly chargeable to the construction, acquisition, installation and equipping of the Project and interest on the Bonds prior to the date the Project is completed (the "Completion Date").

10. The Finance Officer is hereby directed to create and establish a special fund to be designated "County of Surry, North Carolina General Obligation Community College Bonds, Series 1999 Rebate Fund" to which deposits shall be made as provided hereafter if moneys remain in the Construction Fund on a date six (6) months from the date of issuance of the Bonds. Within said Rebate Fund there is hereby created two accounts (i) the Rebate Principal Account and (ii) the Rebate Income Account. The Finance Officer shall make the calculation(s) required by
the Investment Instructions attached hereto as Exhibit A and shall make deposits and disbursements from the Rebate Fund in accordance with the Investment Instructions. The Finance Officer shall invest the Rebate Fund pursuant to said Investment Instructions and shall deposit income from such investments immediately upon receipt thereof in the Rebate Income Account. The Investment Instructions may be superseded or amended by new Investment Instructions delivered by the Issuer and accompanied by an opinion of nationally recognized bond counsel addressed to the Issuer to the effect that the use of said new Investment Instructions will not cause the interest on the Bonds to become taxable to the recipient thereof.

The Finance Officer shall annually make the computation of the Rebate Deposit described in Section 4 of the Investment Instructions attached hereto as Exhibit A. If a deposit to the Rebate Principal Account is required as a result of such computation, the Finance Officer shall, not later than each June 1, deposit an amount sufficient to make such payment. If a withdrawal from the Rebate Principal Account is permitted as a result of such computation, the amount withdrawn shall be applied to the next payment of interest on the Bonds. Records of the determinations required by this Section and Section 4 of the Investment Instructions must be retained by the Finance Officer until six (6) years after the final retirement of the bonds.

Not later than thirty (30) days after the end of the fifth Bond Year (thirty (30) days after June 1, 2004) and every five (5) years thereafter, the Finance Officer shall pay to the United States ninety percent (90%) of the amount required to be on deposit in the Rebate Principal Account as of such payment date and one hundred percent (100%) of the amount on deposit in the Rebate Income Account as of such payment date. Not later than sixty (60) days after the final retirement of the Bonds, the Finance Officer shall pay to the United States one hundred percent (100%) of the balance remaining in the Rebate Principal Account and the Rebate Income Account. Each payment required to be paid to the United States pursuant to this Section shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. Each payment shall be accompanied by a statement summarizing the determination of the amount to be paid to the United States.

11. Actions taken by officials of the Issuer to select paying and transfer agents, and a bond registrar, or alternate or successor agents and registrars pursuant to Section 159E-8 of the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, are hereby authorized and approved.

12. The Local Government Commission of North Carolina is hereby requested to (1) sell said Bonds, and (2) state in the Notice of Sale of said Bonds that bidders may name one rate of interest for part of said Bonds and another rate or rates for the balance of said Bonds. Subject to the ensuing sentences in this paragraph, said Bonds shall bear interest at such rates as may be named in the proposals to purchase said Bonds which shall be accepted by said Local Government Commission.

13. The Chairman, the County Manager and the Finance Officer of the Issuer are hereby authorized and directed to cause said Bonds to be prepared and, when they shall have been duly sold by said Local Government Commission, to execute said
Bonds and to turn said Bonds over to the registrar and transfer agent of the Issuer for delivery to the purchaser or purchasers to whom they may be sold by said Local Government Commission.

14. The Chairman, the County Manager and the Finance Officer of the Issuer are hereby authorized to assist in the preparation and circulation of the Official Statement dated April 30, 1999 in connection with the offering of the Bonds. Said officials of the Issuer are authorized to execute said Official Statement and any other documents necessary in the judgment of said officials to carry out the purposes of this Resolution.

15. This Resolution may be amended or supplemented, from time to time, if in the opinion of nationally recognized bond counsel, such amendment or supplement would not adversely affect the interests of the Bondholders or would not cause the interest on the Bonds to be included in the gross income of a recipient thereof for federal tax purposes.

EXHIBIT A

INVESTMENT INSTRUCTIONS

June 8, 1999

$2,060,000

COUNTY OF SURRY, NORTH CAROLINA
GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 1999

Ladies and Gentlemen:

This letter sets forth instructions regarding the investment and disposition of moneys deposited in various funds and accounts under the Resolution adopted on May 3, 1999 (the "Resolution") by the Board of Commissioners of the County of Surry, North Carolina (the "Issuer"). The Resolution provides for the issuance by the Issuer of its $2,060,000 County of Surry, North Carolina General Obligation Community College Bonds, Series 1999 (the "Bonds") to provide funds to finance a project in Surry County, North Carolina, said improvements being referred to in the Resolution and herein as the "Project."

The purpose of these instructions is to assure that the investment of the moneys in the funds and accounts described herein will comply with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The instructions implement the No Arbitrage Certificate executed by the Issuer on the date of issuance of the Bonds. The Finance Officer need not invest any Bond proceeds without further written instructions to the Issuer from nationally recognized bond counsel.


(a) For purposes of these instructions, the term "yield" shall have the meaning set forth in the Income Section 103 and related Sections of the Code. Section 1.103-13(c)(1)(ii) of the Regulations provides that the term "yield" means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield of the Bonds and the yield of obligations
acquired with moneys described in these instructions shall be computed by using the same frequency of interest compounding. In the case of the Bonds, the purchase price shall be the price at which they were initially offered to the public (excluding bonds houses, brokers and other intermediaries).

(b) For purposes of calculating the amount of the Rebate Deposit required by Section 4 of this letter, the yield of the Bonds shall be the actual yield of the Bonds between the date of issue and the date the computation is made. The actual yield of the Bonds is determined by assuming that the outstanding principal balance of the Bonds is repaid (together with accrued interest) on the date the computation is made.

2. Construction Fund.

(a) The $2,060,000 of original proceeds from the sale of the Bonds deposited in the Construction Fund for the purpose of constructing the Project may be invested in obligations that bear a yield in excess of the yield of the Bonds. The period of unrestricted investment of the original proceeds on deposit in the Construction Fund shall end on the earlier of completion of construction of the Project or June 8, 2002.

After such date, any original proceeds on deposit in the Construction Fund must be invested in obligations that bear a yield equal to or less than the yield of the Bonds.

(b) Any interest earnings or investment gains realized from the investment of moneys on deposit in the Construction Fund may be reinvested pending disbursement in obligations that bear a yield in excess of the yield of the Bonds. The period of unrestricted investment of such earnings shall not exceed the longer of (i) a one-year period beginning on the date of receipt of each amount of investment income, or (ii) the earlier of completion of construction of the Project or June 8, 2002.

After such date, such earnings must be invested in obligations that bear a yield equal to or less than the yield of the Bonds.

3. Rebate Fund.

Moneys deposited in the Rebate Account may be invested in obligations that bear a yield greater than the yield on the Bonds.

4. Rebate Requirement.

(a) On each and every anniversary date of the issuance of the Bonds (each June 8) and upon the final maturity date of the Bonds (June 1, 2015) (the "Computation Date"), you must determine the amount, if any, to be deposited to the Rebate Principal Account of the Rebate Fund (the "Rebate Deposit") pursuant to Section 10 of the Resolution. The Rebate Deposit is defined as:

The excess of (A) the aggregate amount earned for the period from the date of issue of the Bonds to the Computation Date on all obligations in which any moneys in the funds and accounts described in these instructions are invested (the "Nonpurpose Obligations"), over (ii) the amount that
would have been earned for such period if the yield on the Nonpurpose Obligations had been equal to the yield of the Bonds.

(b) The definition of Rebate Deposit shall be applied to all Nonpurpose Obligations except those Nonpurpose Obligations (i) for which no income has been realized as described below for the period of the computation, (ii) that are obligations described in Section 103(a) of the Code, or (iii) which are held as part of the Rebate Fund.

(c) The definition of Rebate Deposit requires you to determine on each Computation Date:

(1) the yield of each Nonpurpose Obligation subject to the Rebate Deposit (the "Nonpurpose Obligation Yield");

(2) the yield of the Bonds computed as described in Section 1 of these instructions;

(3) the amount of Rebate Deposit attributable to each Nonpurpose Obligation; and

(4) the total Rebate Deposit.

(d) The Nonpurpose Obligation Yield is the discount rate which equates the purchase price of the Nonpurpose Obligation with the present value of all receipts of principal and interest on the Nonpurpose Obligation. The purchase price of a Nonpurpose Obligation shall be the fair market value of the Nonpurpose Obligation at the time such obligation or security is acquired as a Nonpurpose Obligation. (See Section 6 below on "Prohibited Payments and Fair Market Value"). The receipts of principal and interest on a Nonpurpose Obligation include all such receipts over the life of the Nonpurpose Obligation regardless of whether its life corresponds with the computation period. In computing the Nonpurpose Obligation Yield all present value factors shall be computed from the date of any receipt to the date of purchase of the Nonpurpose Obligation assuming the same frequency of interest compounding as used in computing the yield of the Bonds.

(e) All receipts of interest on a Nonpurpose Obligation shall include all income realized under Federal income tax accounting principles with respect to such Nonpurpose Obligation and with respect to the reinvestment of investment receipts from such obligations without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Obligations (the "Nonpurpose Obligation Income"). Such income shall include any income under Section 1272 of the Code and any gain or loss realized on disposition of a Nonpurpose Obligation (without regard to when such gains are taken into account under Section 453 of the Code). For purposes of determining such gain or loss on the disposition of a Nonpurpose Obligation, its adjusted basis shall be computed with reference to its purchase price described above. In addition, if a Nonpurpose Obligation is retained after the final maturity date of the Bonds, any unrealized gain or loss as of such final maturity date must be taken into account as income earned or loss incurred on the Nonpurpose Obligation. All receipts of principal on a Nonpurpose Obligation shall be determined with respect to the Federal income tax accounting principles discussed above.
(f) For purposes of a variable rate Nonpurpose Obligation, the rate of interest for periods later than the Computation Date must be projected at the weighted average rate of interest on the Nonpurpose Obligation during the preceding one (1) year period (or portion thereof in which it was outstanding). The initial rate of interest on a variable rate Nonpurpose Obligation shall be determined as the greater of either (i) that rate fixed by the prescribed formula for the Nonpurpose Obligation or (ii) any fixed rate initially applicable to such Nonpurpose Obligation.

(g) The amount of the Rebate Deposit attributable to each Nonpurpose Obligation shall be determined by the following formula:

\[
\frac{\text{Bond Yield}}{1-\text{Nonpurpose Obligation}} \times \text{Nonpurpose Obligation Income}
\]

Such amount may be positive or negative.

The total Rebate Deposit for any Computation Date is the sum of the Rebate Deposits attributable to each Nonpurpose Obligation, less (i) the current balance in the Rebate Principal Account, (ii) amounts previously rebated to the United States of America from the Rebate Principal Account pursuant to Section 10 of the Resolution, and (iii) any credit balance (as provided below) in the Rebate Principal Account. If the total Rebate Deposit as of any Computation Date is positive, such amount shall be deposited in the Rebate Principal Account pursuant to Section 10 of the Resolution. If the total Rebate Deposit as of any Computation Date is negative, you may, pursuant to Section 10 of the Resolution, withdraw that amount from the Rebate Principal Account for the benefit of the Issuer to the extent moneys are available in the Rebate Principal Account for that purpose. To the extent that the negative amount of Rebate Deposit as of any Computation Date exceeds the available moneys in the Rebate Principal Account, such excess shall be established as the Credit Balance of the Rebate Principal Account and used to offset Rebate Deposits determined on future Computation Dates as provided herein.

(h) The Rebate Principal Account and the Rebate Income Account may not be invested in obligations that bear a yield in excess of the yield of the Bonds.

5. Prohibited Payments and Market Price.

(a) Market Price. If the yield of an obligation is restricted, you are limited to the acquisition of obligations at a market price established from a published market which produces a yield no greater than the yield on the Bonds. This means that you cannot pay a premium to adjust the yield and that you cannot accept a lower rate than is usually paid for such obligation. If you cannot purchase such an obligation on an established market, you must purchase United States Treasury Certificates of Indebtedness, Notes and Certificates--State and Local Government Series ("SLGS") which yield no more than the yield of the Bonds. These United States Treasury obligations are available at the Federal Reserve Bank. For purposes of these Investment Instructions, the market price of an obligation may be established by the borrowing practices of the issuer of the obligation, as, for example, by determining the market price based
on the interest ordinarily paid by such issuer to persons other than governmental units with respect to obligations of comparable maturities. The market price of a time or demand deposit shall be determined under the preceding sentence by taking into account the yield that would be paid by the obligor if the deposit were held as an interest bearing deposit for the expected period of the deposit, except that if the yield actually paid is higher than such yield the market price shall be the amount of the deposit. If the price paid for an obligation is lower than the mean market price, such lower price shall be the market price for purposes of this paragraph. If the price paid for an obligation is higher than the mean market price, such higher price may be used as the market price only if the obligation is acquired in an arm's length transaction without regard to any amount paid to reduce the yield on the obligation.

(b) Prohibited Payments. You may not enter into an investment which will result in a prohibited payment. A prohibited payment is the payment, or agreement to pay, to a party other than the United States an amount that is required to be paid to the United States by entering into a transaction that reduces the amount to be rebated or results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm’s length and had the yield on the issuer not been relevant to either party. For example, if any nonpurpose obligation is purchased by an ultimate obligor (or a related person), by the issuer, or by a governmental unit of which the issuer is a part, for an amount in excess of the fair market value of such obligation, the excess shall be treated as a prohibited payment. The purchase of a United States Treasury obligation directly from the United States Treasury shall be treated as acquired for an amount not in excess of its fair market value. The purchase or sale of a certificate of deposit issued by a commercial bank will not result in a prohibited payment if the price at which it is purchased or sold is the bona fide bid price quoted by a dealer who maintains an active secondary market in such certificates of deposit. If there is no active secondary market in such certificates of deposit, the purchase or sale of a certificate of deposit will not result in a prohibited payment if the certificate of deposit has a yield: (A) as high or higher than the yield on comparable obligations traded on an active secondary market, and (B) as high or higher than the yield available on comparable obligations offered by the United States Treasury. The certification described in the preceding sentence must be executed by a dealer who maintains an active secondary market in comparable certificates of deposit and must be based on actual trades adjusted to reflect the size and term of that certificate of deposit and the stability and reputation of the person issuing the certificate of deposit.

Nonpurpose obligations purchased or sold pursuant to an investment contract (e.g., an agreement to deposit gross proceeds with a particular bank, with the deposits to bear interest at an agreed rate) will not result in a prohibited payment if (A) at least 3 bids on the investment contract from persons other than those with an interest in the issue (e.g., underwriters) are received, (B) a certification is provided by the person whose bid is accepted stating that, based on that person’s reasonable exceptions on the date that the contract is entered into, nonpurpose obligations will not be purchased pursuant to the investment contract at a price in excess of their fair market value or sold pursuant to the investment contract at a price less than their fair market value, (C) the yield on the invest-
ment contract is at least equal to the yield offered under the highest bid received from a noninterested party, and (D) the yield on the investment contract is at least equal to the yield offered on similar obligations under similar investment contracts (e.g., the yield on investment contracts entered into by issuers of qualified mortgage bonds).

Very truly yours,

WOMBLE CARLYLE SANDRIDGE & RICE, PLLC

Following discussion of the Resolution set forth above, Commissioner Fred O'Neal moved that the Resolution be adopted by the Board, which motion was seconded by Commissioner Jim Miller. The resolution was adopted by the following vote:

AYES: Jim Harrell, Gary York, Jim Miller, Fred O'Neal, Paul Johnson
NAYS: None

Betty Taylor informed the Board that since the Mount Airy Middle School is serving as collateral for the County's BB&T loan, it is necessary to amend the original lease, extending the term until the loan is completely paid. Upon motion of Gary York, seconded by Fred O'Neal, the Board voted unanimously to approve the amended lease agreement, which was adopted by the Mount Airy Board of Education on April 19, 1997 and the Surry County Board of Commissioners on December 1, 1997, as presented. A copy of the amended lease is on file in the office of the County Manager until its expiration and as directed by the County record disposition schedule.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve a request made by memo from Dr. Walter Linz, Health Director, to transfer funds from account 10-55110-51010, Salaries & Wages, to account 10-55112-5600, Other Improvements, to purchase a 2-ton Carrier air conditioner to replace one which is defective in the immunization area.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve a request from the Health Director to transfer funds from account 10-55110-53020, Equipment Maintenance, to account 10-55110-56010, Capital Outlay, for the purchase of an AS400 upgrade.

It was the consensus of the Board to accept an invitation from Carol Burke, Chairman of the Mount Airy Board of Education, to be co-sponsors for the dedication of the Mount Airy High School grand piano.

Upon motion of Jim Harrell, seconded by Gary York, the Board voted unanimously to approve a request from Jack Moore that the County match a grant request for Juvenile Crime Prevention funds for FY 1999-2000 in the amount of $2,620.
Dennis Thompson, County Manager, presented information to the Board that the General Assembly is considering eliminating some or all of the reimbursements which municipalities and counties receive as a result of certain local taxes being repealed in prior years. Following discussion, the Board instructed the County Manager to prepare a letter to the General Assembly delegates for the Chairman's signature, requesting that all tax reimbursements remain at no less than the current level. The Board also asked the County Manager to contact the school superintendents, requesting that a letter be sent to the delegates from them as well.

It was the consensus of the Board to authorize the County Manager to work on an emerging issues forum and to invite the school superintendents to join the Board as a sponsor.

The County Manager presented the Board with various information to assist them in budget deliberations and asked their instruction as to when the proposed budget may be presented for the Board's review.

Following discussion, the Board instructed the County Manager to present the budget at the May 17 meeting, so they may have more time for review.

The County Manager informed the Board that three engineering firms would be present at the May 17 meeting to make proposals regarding landfill issues. Mr. Thompson also informed the Board that Jerry Snow, Public Works Director, prefers to work with the current engineering firm, Municipal Engineering, to close portions of the two landfills as required. Following discussion, Fred O'Neal made a motion to allow Municipal Engineering to assist Mr. Snow in the closings as requested. Paul Johnson made a second to the motion, and the vote was as follows:

**AYES:** Fred O'Neal, Jim Miller, Paul Johnson
**NAYS:** Jim Harrell, Gary York

The ayes carried, therefore, the motion passed.

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to approve a request made by memo from Dr. Walter Linz, Health Director, to accept a cardiovascular health grant from CDC and to establish with the funds a new position of Health Educator II, Grade 69 for the duration of the grant only.

Upon motion of Fred O'Neal, seconded by Paul Johnson, the Board voted unanimously to go into closed session to discuss industrial development with Bob Comer and Crystal Morphis, with the Economic Development Partnership, and to discuss personnel items with the County Manager.

The Board came out of closed session, and Chairman Harrell called the regular meeting back to order.
Ron Norman, Tax Administrator, gave the Board an update on the CCS project.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to authorize Dr. Walter Linz to promote Charles Gillespie, Animal Control Officer II, to Animal Control Supervisor. Mr. Gillespie’s grade and step was approved at Grade 63, Step 9.

There being no further business, the Board recessed the meeting until 4:00 p.m. on May 17, 1999.

________________________________________
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners reconvened the meeting of May 3, 1999 on May 17, 1999 at 4:30 p.m. at the Agricultural Building, Main Street, Dobson, North Carolina. The Board met with officials of Martin Boal Anthony & Johnson, Architects, for the purpose of receiving a presentation on a new Judicial Center which is being proposed to be constructed upon land behind the Agricultural Building and adjacent to the existing Sheriff’s Office.

Board members present were Vice-Chairman Gary York and Commissioners Fred O’Neal and Jim Miller. Chairman Jim Harrell and Commissioner Paul Johnson joined the meeting shortly after the call to order.

Others present for the meeting were:

Dennis Thompson, County Manager
Chief District Court Judge Otis M. “Bud” Oliver
Sheriff Connie Watson
Chief Jailer Bobby Galyean
Chief Deputy Jim McHone
Deputy Danny Griffith
Rob Johnson, Martin Boal Anthony & Johnson
Jeff Parker, Martin Boal Anthony & Johnson
Jon Long, Martin Boal Anthony & Johnson
Darrell Crisp, Farm Service Agency
Brenda Rose, NC Cooperative Extension Service
Angela Leonard, Mount Airy News
Todd Merriman, Elkin Tribune

Vice-Chairman York called the meeting to order and delivered the invocation after which he led those present in the Pledge of Allegiance. Chairman Harrell joined the meeting at this time. Commissioner Johnson joined the meeting at 5:15 p.m.

The representatives from Martin Boal Anthony & Johnson gave those present a presentation on the proposed new Judicial Center including proposed jail renovations. Following the presentation those present took a tour of the grounds behind the Agricultural Building upon which the building is to be constructed. Following the tour the Board recessed at 5:30 p.m. until 6:00 p.m. at which time the regular meeting was convened at the Government Center.

Dennis Thompson, County Manager, took this portion of these minutes.

The Board reconvened the meeting in the Commissioners’ Meeting Room in the Surry County Government Center, 118 Hamby Road, Dobson, North Carolina at 6:00 p.m.

Board members present were Chairman Jim Harrell, Vice-Chairman Gary York and Commissioners Fred O’Neal, Jim Miller and Paul Johnson.

Others present for the meeting were:

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Fred Folger, County Attorney, entered the meeting
at 6:06 p.m.
Teresa Kinney, Planning Director
Betty Taylor, Asst. County Mgr. for Budget & Finance
Lynn Shore, Assistant Planning Director
Jerry Gant, Tax Assessor
Ron Norman, Tax Administrator
Phyllis Vass, Asst. Tax Administrator for Collections
Brenda Rose, County Extension Director
Sheriff Connie Watson
Denise Brown, Cooperative Extension
April Morgan, Cooperative Extension
Charles Gillespie, Animal Control Supervisor
Michael Holt, Animal Control Officer
Wayne Cooper, Environmental Health Supervisor
Dick Everhart, District Conservationist
Goldie Sparger, Extension Homemaker, and other
   Extension Homemakers
Ann Gillespie, Citizen
Butch Joyce, Joyce Engineering
Jan McHargue, Joyce Engineering
Daniel R. Moore, Joyce Engineering
Greg Richardson, G. N. Richardson & Associates
Angela Leonard, Mount Airy News
Todd Merriman, The Tribune
Stephen Martin, Winston-Salem Journal
Grover Mayes, Citizen
Francis Jones, Citizen
Betty Whitaker, Citizen
Gerald Hunter, Citizen
C. R. Gilley, Citizen
John Pekarsky, Citizen
Kim Creed, Citizen
Mr. Bowman, Citizen
Wes Stafford, N.C. Department of Transportation
Amy Jarvis, Citizen
Elaine Whitaker, Cooperative Extension
Joey Floyd, Sheriff’s Office
Bob Brummel, Citizen
George Davis, SBA, Inc.
Paul Beuford, SBA, Inc.
Rueben and Betty Griggs, Citizens
Jim Hazel, Humane Society, and other members of the
   Surry County Humane Society
Jim Woodie, Municipal Engineering
Bob Hetrick, Northern Hospital
Approximately 70 citizens, Teachers and Volunteers of the
   Year award recipients from the Surry County School System
Several other Surry County School System personnel
Chairman Harrell called the meeting to order. Paul Johnson delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to approve the May 3, 1999 minutes as written.

Chairman Harrell declared the meeting an open forum, asking those present for any comments they wish to make on any subject. Fred Folger, County Attorney, entered the meeting at this time.

The following citizens spoke to the Board regarding property tax valuations for 1999 and several budgetary items: Grover Mayes, Francis W. Jones, Betty Whitaker, Mr. Bowman, Billie Slate, Gerald Hunter, C. R. Gilley, John Pekarsky, Tim Creed. Several other citizens in the audience, who did not identify themselves, made brief comments also expressing their concerns on new property appraisals they had received. Chairman Harrell closed the public forum and proceeded to the consent agenda items.

Upon motion of Fred O'Neal, seconded by Paul Johnson, the Board voted unanimously to approve the following consent agenda items:

1. Approved a request from Lynn Shore, Assistant Planning Director, to transfer sick leave accrued while in the employment of Richmond County. The number of hours approved for transfer is 200.

2. Approved a request from Mountain Park Fire and Rescue for a fireworks permit for the Fourth of July celebration to be held at Mountain Park School, contingent upon all the necessary permits and insurance documents being in place.

3. Accepted Budget Transfer #36 as approved by the Budget Officer and approved Budget Amendments #37 and #38 to the FY 1998-99 Budget Ordinance as follows:

CHANGE #37

GENERAL FUND

Expenditures

County Facilities-Shared
Increase line item 1054191-51030 (Salaries & Wages Part-Time) by $1,832.00 to $9,542.00.
Decrease line item 1054191-51050 (Personnel Expansion) by $2,432.00 to -0-.
Decrease departmental total by $600.00 to $113,464.00.

Court Facilities-Shared
Increase line item 1054192-51030 (Salaries & Wages Part-Time) by $432.00 to $8,142.00.
Decrease line item 1054192-51050 (Personnel Expansion) by $2,432.00 to -0-.
Decrease departmental total by $2,000.00 to $107,714.00.

Admin/Social Services Bldg.
Increase line item 1054196-51010 (Salaries & Wages) by $14,060.00 to $61,719.00.
Increase line item 1054196-51020 (Longevity Pay) by $45.00 to $570.00.
Decrease line item 1054196-51030 (Salaries & Wages Part-Time) by $11,505.00 to $7,327.00.
Increase departmental total by $2,600.00 to $163,586.00.

**Transfers**
Increase line item 1059810-59210 (Trans to Bond-Cafe/Lib Loan) by $19,766.00 to $19,766.00.
Increase departmental total by $19,766.00 to $7,782,345.00.

**Revenue**
Decrease line item 1044000-49100 (Proceeds of Sale of Bonds) by $1,064,000.00 to -0-.
Create and increase line item 1049810-49865 (Trans Bond Proc-GF Reimb.) by $1,063,110.00 to $1,063,110.00.
Increase line item 1044000-49900 (Unencumbered Balance) by $20,656.00 to $4,636,268.00.
Increase fund totals by $19,766.00 to $45,585,279.00.

**Bond Proceeds Fund**

**Expenditures**
Increase line item 6355919-59225 (Trans to College-Cafe/Lib) by $1,064,000.00 to $19,766.00.
Decrease line item 6355919-59147 (Trans to GF-Reimburse SCC) by $1,064,000.00 to -0-.
Decrease line item 6355919-59232 (Trans to College-Elect/Sci) by $950,000.00 to -0-.
Decrease line item 6355919-59500 (Contingency) by $46,000.00 to -0-.

**Revenue**
Increase line item 6345919-49805 (Trans from GF-Cafe/Lib Loan) by $19,766.00 to $19,766.00.
Decrease line item 6345919-49101 (Proceeds of Sale of Bonds-SCC) by $2,060,000.00 to -0-.
Decrease fund totals by $2,040,234.00 to $19,766.00.

**College Construction Fund**

**Expenditures**

**SCC Elect/Science Proj**
Increase line item 6555924-59500 (Contingency) by $50,000.00 to $100,000.00.
Increase departmental total by $50,000.00 to $1,000,000.00.

**SCC CAFE/Lib/Training Proj**
Increase line item 6555925-51500 (Professional Services) by $2,400.00 to $2,400.00.
Increase line item 6555925-51640 (Project Construction) by $17,366.00 to $17,366.00.
Increase departmental total by $19,766.00 to $19,766.00.

**Revenue**
Increase line item 6545924-49875 (Trans Bond Proc-Elec/Sci) by $50,000.00 to $1,000,000.00.
Increase line item 6545925-49873 (Trans Bond Proc-Cafe/Lib) by $19,766.00 to $19,766.00.

Increase fund totals by $69,766.00 to $1,019,766.00

**SCC Bond Proceeds Fund**

**Expenditures**

Create department 5930 (SCC Bond Proceeds).

Create and increase line item 6655930-55580 (Administrative Costs) by $53,266.00 to $53,266.00.

Create and increase line item 6655930-59147 (Trans to GF-Reimburse SCC) by $1,063,110.00 to $1,063,110.00.

Create and increase line item 6655930-59331 (Trans to SCC CP-Electronics) by $1,000,000.00 to $1,000,000.00.

**Revenue**

Create and increase line item 6645930-44965 (Interest Earned on Bonds) by $10,000.00 to $10,000.00.

Create and increase line item 6645930-44966 (Accrued Bond Interest) by $10,000.00 to $10,000.00.

Create and increase line item 6645930-49101 (Proceeds of Sale of Bonds-SCC) by $2,060,000.00 to $2,060,000.00.

Create and increase line item 6645930-49900 (Unencumbered Balance) by $36,376.00 to $36,376.00.

Increase fund totals by $2,116,376.00 to $2,116,376.00.

**GENERAL FUND**

**Expenditures**

**Register of Deeds**

Create and increase line item 1054180-56600 (Other Improvements) by $7,195.00 to $7,195.00.

Decrease line item 1054180-53020 (Equipment Maintenance) by $7,195.00 to $26,805.00.

The above action does not change departmental total.

**Rabies Control**

Increase line item 1054380-51010 (Salaries & Wages) by $10,477.00 to $101,904.00.

Increase line item 1054380-51020 (Longevity Pay) by $173.00 to $1,332.00.

Increase line item 1054380-51300 (Social Security) by $651.00 to $6,002.00.

Increase line item 1054380-51310 (Medicare) by $165.00 to $1,416.00.

Increase line item 1054380-51330 (Retirement) by $300.00 to $4,865.00.

Increase line item 1054380-52010 (Supplies & Materials) by $154.00 to $4,354.00.

Increase line item 1054380-53010 (Buildings & Grounds Maint) by $500.00 to $1,500.00.

Increase line item 1054380-54300 (Utilities) by $300.00 to $2,800.00.

Decrease line item 1054380-51050 (Personnel Expansion) by $3,180.00 to 0.

Decrease line item 1054380-52200 (Food & Provisions)
Decrease line item 1054380-53040 (Vehicle Maintenance) by $1,000.00 to $600.00.
Decrease line item 1054380-54010 (Travel) by $300.00 to $600.00.
Decrease line item 1054380-54350 (Printing) by $286.00 to $1,014.00.
Decrease line item 1054380-54400 (Advertising) by $400.00 to $350.00.
Increase departmental total by $6,554.00 to $185,354.00.

Health Dept. Administration
Decrease line item 1055110-51500 (Professional Services) by $1,000.00 to $16,500.00.
Decrease line item 1055110-51530 (Prof Services-Laboratory) by $2,200.00 to $39,800.00.
Decrease departmental total by $3,200.00 to $1,057,979.00.

Health Dept. Building
Increase line item 1055112-56600 (Other Improvements) by $3,200.00 to $6,000.00.
Increase departmental total by $3,200.00 to $15,250.00.

Access II-Health
Increase line item 1055117-51010 (Salaries & Wages) by $3,000.00 to $49,903.00.
Increase line item 1055117-51330 (Retirement) by $200.00 to $2,552.00.
Increase line item 1055117-51350 (Group Insurance) by $2,000.00 to $4,154.00.
Increase line item 1055117-54010 (Travel) by $2,000.00 to $4,656.00.
Increase line item 1055117-52010 (Supplies & Materials) by $18,626.00 to $20,870.00.
Increase line item 1055117-56010 (Equipment) by $3,500.00 to $8,744.00.
Increase departmental total by $29,326.00 to $103,275.00.

Environmental Health
Create line item 1055181-51030 (Salaries & Wages-Part Time).
Increase line item 1055181-51010 (Salaries & Wages) by $6,100.00 to $213,708.00.
Increase line item 1055181-51020 (Longevity Pay) by $170.00 to $4,351.00.
Increase line item 1055181-51330 (Retirement) by $120.00 to $10,710.00.
Increase line item 1055181-51350 (Group Insurance) by $3,955.00 to $13,065.00.
Increase line item 1055181-54040 (Per Diem Registration) by $250.00 to $1,150.00.
Decrease line item 1055181-51040 (Salary Reserve) by $9,544.00 to $0.
Increase departmental total by $1,051.00 to $301,693.00.

Infant Mortality Reduction
Create and increase 1055171-54400 (Advertising) by $545.00 to $545.00.
Decrease line item 1055171-52010 (Supplies & Materials) by $400.00 to $61.00.
Decrease line item 1055171-54350 (Printing) by $145.00 to $0.
The above action does not change departmental total.
Revenue
Increase line item 1044380-44112 (Animal Control Fees) by $6,024.00 to $6,024.00.
Increase line item 1044380-44115 (Animal Control Citations) by $200.00 to $200.00.
Increase line item 1044380-48151 (Sale of Dogs) by $330.00 to $930.00.
Increase line item 1045117-43324 (Access II-Health) by $29,326.00 to $103,275.00.
Increase line item 1045181-44162 (Environmental Health Fees) by $1,051.00 to $51,701.00.
Increase fund totals by $36,931.00 to $45,622,210.00.

Sheriff’s Narcotics Fund

Expenditures
Create and increase line item 1854311-55450 (Purchase of Information) by $5,000.00 to $5,000.00.
Decrease line item 1854311-52500 (Supplies-Narcotics) by $3,000.00 to $1,000.00.
Decrease line item 1854311-56020 (Equipment-Narcotics) by $2,000.00 to $63,747.00.
The above action does not change fund totals.

4. Approved a request from the Sheriff’s Office for permission to purchase a transmitter with antenna from drug forfeiture funds in the amount of $2,800.

5. Approved tax releases for the month ending April 30, 1999 in the amount of $9,916.16. The releases are incorporated into the minutes by reference only and are on file in the office of the Tax Administrator.

6. Approved tax adjustments for the month ending April 30, 1999 in the amount of $116.10. The adjustments are incorporated into the minutes by reference only and are on file in the office of the Tax Administrator.

7. Authorized the Tax Administrator to collect taxes on motor vehicle renewals for the month of December, 1998 totaling $418,711.53. The renewals are incorporated into the minutes by reference only and are on file in the office of the Tax Administrator.

8. Approved tax discoveries for the month ending April 30, 1999 in the amount of $210.72. The tax discoveries are incorporated into the minutes by reference only and are on file in the office of the Tax Administrator.

9. Authorized the Tax Administrator to collect taxes for public service companies totaling $772,683.66. The charge is incorporated into the minutes by reference only and is on file in the office of the Tax Administrator.

10. Approved the following Planning Department matters, contingent upon on permits being in place as required:
    - Stephen V. Sprinkle Subdivision (Final)
    - Horne Creek Subdivision, Section 3 (Final)
    - Springbranch Acres Subdivision (Final)
MEETING OF MAY 17, 1999 CONTINUED

- Hamlin Ford Development-Phase I-Resubmitted (Final)
- Scenic Acres Subdivision Resubmitted (Final)

11. Approved a request from Dr. Walter Linz to downgrade an OS-SOG IV position, #511022, to an OSSOG III position.

12. Approved a request from Dr. Walter Linz to downgrade a Health Educator II position, funded by the Cardiovascular Health Grant, to a Health Education Specialist, Grade 67.

13. Approved a refund request from Emergency Services to refund $142.00 to Elizabeth Sidden, 152 Carolina Drive, Thurmond, due to double payment by the patient and the insurance and Medicare.

Wes Stafford with the Department of Transportation presented and reviewed with the Board a proposed thoroughfare plan for Surry County. Mr. Stafford asked the Board to review the plan and to make any comments, suggestions or revisions. He informed the Board that following their review, he would hold a drop-in session for public comment and report back to the Board, at which time a request would be made to hold a public hearing on the proposed plan. The Board took the plan for study.

Commissioner Gary York paid tribute to Jimmie Hutchens, Executive Director of YVEDDI, who recently passed away.

Commissioner Gary York continued, recognizing Volunteers and Teachers of the Year in the Surry County School System, and presenting them with certificates of recognition and County pins.

Brenda Rose, County Extension Director, reviewed briefly with the Board the proposed budget for the Service. Goldie Sparger also spoke to the Board briefly, asking for their favorable consideration of the proposed budget.

Teresa Kinney, Planning Director, spoke briefly with the Board regarding variance requests to the Wireless Communications Tower Ordinance made by SBA, Inc. and BellSouth PCS to increase the height of three cellular towers in the County. Ms. Kinney introduced George Davis and Paul Beauford with SBA, who further reviewed the application for the height variance with the Board. Following the presentation, Gary York made a motion to approve the variance as requested and as recommended by the Planning Board, contingent upon specific lighting control and emergency receiver use placement for the County being provided, as indicated by the company. Fred O'Neal made a second to the motion, and the vote to approve was unanimous.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the following subdivision plats, contingent upon all permits being in place as required:

- Knollwood Subdivision, Section II, New Addition (Final)
- Rustic Village (Final)
- Summer Hills, Section II (Final)
Ms. Kinney then reviewed a request from Elisha and Patricia Martin for a revision to an initial automobile salvage yard application, which had been registered with the Planning Department before the original automobile salvage yard ordinance was adopted in 1992. Mr. Martin’s request is to convert his automobile storage yard to storing old machinery that he would later take to a recycling facility. Following discussion as to whether Mr. Martin’s request would meet the requirements of the automobile salvage yard ordinance or the initial grandfathered application, which allows for storage of old machinery. Gary York made a motion to postpone action on the request and asked Ms. Kinney to bring forth more information for the Board’s consideration. Paul Johnson made a second to the motion, and the vote was unanimous.

Butch Joyce, Daniel Moore and Jan McHargue with Joyce Engineering, Inc. came before the Board to present their Statement of Qualifications for Services in Landfill Planning, Design and Management. Following Joyce Engineering’s presentation, Greg Richardson gave a presentation on G. N. Richardson & Associates’ credentials regarding landfill planning. The Board took the information for study.

Jim Hazel with the Surry Humane Society spoke on behalf of the organization, requesting the Board’s consideration to appoint an Animal Control Investigator for Surry County. The Board took Mr. Hazel’s information under advisement to be considered during budget deliberations.

Jim Woodie with Municipal Engineering made a presentation to the Board on his firm’s qualification for landfill planning and design. The Board took Mr. Woodie’s information for further study.

Dick Everhart gave the Board a program update and requested the Board’s support of a Clean Water Management Trust Fund Grant in the amount of $800,000. Mr. Everhart indicated that if the grant were approved for Surry County, another District Technician position would be needed and indicated that funds to pay for the position would be on a cost share basis between the County and the Federal government. Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to authorize Mr. Everhart to move ahead with the grant application and to provide a memorandum to the County Manager regarding a proposal for the total salary, showing the dollar amount the County would be responsible for paying. The Board will take the matter up during budget deliberations.

Bob Hetrick, Chief Financial Officer for Northern Hospital of Surry County, came before the Board to ask their approval of a Series Resolution authorizing and securing up to $19 million in Health Care Facilities Revenue Bonds. Commissioner Jim Harrell introduced the following resolution to the Board:

SERIES RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF UP TO $19,000,000
MEETING OF MAY 17, 1999 CONTINUED


WHEREAS, Northern Hospital District of Surry County, North Carolina (the "District"), a municipal corporation organized and validly existing under Chapter 131E of the North Carolina General Statutes, as amended ("Chapter 131E"), owns certain general acute-care hospital facilities in Surry County, North Carolina collectively, (the "Existing Facilities") which Existing Facilities include without limitation Northern Hospital of Surry County (the "Hospital"); and

WHEREAS, on December 20, 1985, the District issued its Northern Hospital District of Surry County, North Carolina Hospital Revenue Refunding Bonds, Series 1985 (the "Prior Bonds") dated November 1, 1985 and initially issued in the aggregate principal amount of $14,125,000 pursuant to a Bond Order adopted by the Board of Commissioners for the County of Surry, North Carolina (the "County"), the governing body of the District, on November 29, 1985 (the "Prior Bond Order") and a Series Resolution adopted by the Board of Commissioners for the County (the "Prior Series Resolution"), for the purposes of refinancing certain improvements to the Existing Facilities more fully described in the Prior Bond Order; and

WHEREAS, on June 17, 1991 the District adopted a Bond Order (the "Bond Order") and a Series Resolution (the "1991 Series Resolution") pursuant to which the District issued its Northern Hospital District of Surry County, North Carolina Health Care Facilities Revenue Refunding Bonds, Series 1991 (the "Series 1991 Bonds"), in the aggregate principal amount of $16,945,000, the proceeds of which were used to refund the Prior Bonds and to acquire certain equipment and other tangible personal property more specifically described in Exhibit A attached to the Bond Order (the "1991 Project") and the installation thereof in the Existing Facilities;
WHEREAS, the District has determined that certain capital improvements need to be made to the Existing Facilities as more specifically described in Exhibit A attached hereto and incorporated herein by reference (the "Improvements"); and

WHEREAS, the District desires to finance the Improvements through the issuance by the District of revenue bonds under and pursuant to the provisions of Chapter 131E and The State and Local Government Revenue Bond Act, Article 5, of Chapter 159 of the North Carolina General Statutes, as amended (herein called the "Act"); and

WHEREAS, the Bond Order provides for the issuance from time to time of additional Indebtedness (as defined in the Bond Order) under the terms and conditions hereinafter set forth;

NOW, THEREFORE, BE IT ORDERED by the Board of Commissioners for the County of Surry, North Carolina, acting as the governing body of the District, as follows:

[Form of Bonds]

No. _________ $___________________

United States Of America
State of North Carolina
County of Surry

NORTHERN HOSPITAL DISTRICT OF SURRY COUNTY, NORTH CAROLINA
HEALTH CARE FACILITIES REVENUE BOND, SERIES 1999

INTEREST RATE  MATURITY DATE  DATED

%  October 1, 2029  June 15, 1999

Northern Hospital District of Surry County, North Carolina (the "District"), a body corporate and politic of the State of North Carolina, for value received, hereby promises to pay, solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal corporate trust office of The Bank of New York, New York, New York, (the "Trustee"), the principal sum of ______________________ DOLLARS ($____________). The District also promises to pay, solely from said sources, interest thereon from the interest payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or it is authenticated prior to October 1, 1999, in which event it shall bear interest from June 15, 1999, payable on October 1, 1999 and semiannually thereafter on April 1 and October 1 of each year at the rate per annum set forth above until the principal sum hereof is paid. The interest so payable and punctually paid or duly provided for, on any interest payment date, will be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered holder on such
Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date (as defined in the hereinafter mentioned Bond Order) for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the holders not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds of this series may be listed and upon such notice as may be required by such exchange, or as more fully provided in the Bond Order hereinafter mentioned. Such payment of interest shall be made by check mailed by the Trustee to the registered owner at his address as it appears on the bond registration books maintained by the Bond Registrar. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

This Bond is a limited obligation of the District. This Bond and all other bonds heretofore issued and outstanding under the Bond Order are secured on a parity basis by (i) a pledge of the Net Revenues (as defined in the Bond Order), and (ii) a security interest in Pledged Assets (as defined in the Bond Order) and the income from the temporary investment thereof. This Bond is also secured by the money and securities in the funds and accounts held by the Trustee under the Bond Order and the Series Resolution (herein defined). The principal of, the premium, if any, and interest on this Bond are payable solely from the Net Revenues. This Bond does not constitute a debt of the County of Surry, North Carolina (the "County") for which the faith and credit and taxing power of the County are pledged, and the issuance of this Bond will not directly or indirectly or contingent-ly obligate the County to levy any tax or pledge any form of taxation for the payment hereof.

This Bond is one of a duly authorized series of revenue bonds of the District, designated "Health Care Facilities Revenue Bonds, Series 1999" (the "Bonds"), issued pursuant to Chapter 131E of the General Statutes of North Carolina, Article 5 of Chapter 159 of the General Statutes of North Carolina, a Bond Order duly adopted by the Board of Commissioners for the County of Surry, North Carolina, as the governing body of the District (the "Board") on June 17, 1991 (the "Bond Order"), and a Series Resolution duly adopted by the Board on May 17, 1999 (the "Series Resolution") for the purpose of providing funds, together with other available funds, to (i) renovate, upgrade and expand certain areas of Northern Hospital of Surry County (the "Hospital") operated by the District, (ii) construct a new 5-story tower containing approximately 5,800 square feet of space at the south end of the Hospital to house new electrical and mechanical equipment, (iii) fund the Debt Service Reserve Fund established under Section 501(b) of the Series Resolution, (iv) pay interest accruing on the Bonds from June 15, 1999, and (v) pay certain costs of issuance incurred in connection with the issuance of the Bonds.

Reference is made to the Bond Order and the Series Resolution for a more complete statement of the provisions thereof and of the rights of the District, the Trustee and the registered owners of the Bonds. Copies of the Bond Order and the Series Resolution are on file and may be inspected at the principal corporate trust office of the Trustee. By the purchase and acceptance of this Bond the registered owner hereof signifies as-
sent to all of the provisions of the Bond Order and the Series Resolution.

This Bond is issued and the Bond Order and the Series Resolution were adopted under and pursuant to the Constitution and laws of the State of North Carolina, including, particularly, Chapter 131E and Article 5 of Chapter 159 of the North Carolina General Statutes, as amended.

The Bond Order provides for the issuance from time to time under the conditions, limitations and restrictions therein set forth of additional Indebtedness (as defined in the Bond Order), including Indebtedness secured pari passu with the Bonds and all other bonds heretofore issued and outstanding under the Bond Order as to the pledge of Net Revenues.

The Series Resolution provides for the creation of a special fund designated "Northern Hospital District of Surry County 1999 Health Care Facilities Revenue Bond Fund" (the "Bond Fund"). Pursuant to the Series Resolution, special accounts have been created in the Bond Fund with respect to the Bonds, which accounts are pledged and charged with the payment of the principal of and the interest on the Bonds. The Series Resolution also provides for the deposit to the credit of the Bond Fund of the Net Revenues, to the extent and in the manner provided therein.

The Bonds are issuable as fully registered Bonds in denominations of $5,000 or any whole multiple thereof. The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations and conditions provided in the Bond Order and the Series Resolution and upon surrender and cancellation of this Bond. Upon any registration of transfer, the District shall execute and the Trustee shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bonds maturing on October 1, 20__ are subject to redemption, at the option of the District, on and after October 1, 2009, in whole at any time or in part (by lot within a maturity) on any interest payment date. Any such redemption will be at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<table>
<thead>
<tr>
<th>Redemption Date (inclusive)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2009 to September 30, 2010</td>
<td>102%</td>
</tr>
<tr>
<td>October 1, 2010 to September 30, 2011</td>
<td>101%</td>
</tr>
<tr>
<td>October 1, 2011 and thereafter</td>
<td>100%</td>
</tr>
</tbody>
</table>

The Bonds maturing on October 1, 20__ are required to be redeemed in part by lot on October 1, 20__ and on each October 1 thereafter to and including October 1, 20__ from money deposited with the Trustee for such purpose. The Bonds maturing on October 1, 20__ are required to be redeemed in part by lot on October 1, 20__ and on each October 1 thereafter from money deposit-
ed with the Trustee for such purpose. Such redemptions shall be at par plus accrued interest to the redemption date.

The Bonds are subject to redemption in whole or in part at any time, upon instructions from the District, from funds deposited in the Redemption Fund created under the Series Resolution, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, if all or any part of the Operating Assets (as defined in the Bond Order) is damaged, destroyed or condemned, or title to any part of the Operating Assets shall have been lost. The Bonds are also subject to redemption in whole at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, if as a result of legislative or administrative action or any judicial decision, either the Bond Order or the Series Resolution becomes unenforceable or impossible to perform without unreasonable delay or unreasonable burdens or excessive liabilities are imposed on the District.

Not less than thirty (30) days but not more than sixty (60) days before the redemption date of any Bonds, whether such redemption is in whole or in part, the Trustee shall cause a notice of any such redemption to be mailed, postage prepaid, to all registered owners of Bonds to be redeemed in whole or in part, but failure so to mail any such notice to any registered owner or any defect therein shall not affect the validity of the proceedings for the redemption of the Bonds of any other registered owners. On the date designated for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or such portions thereof on such date. If there has been delivered to the Trustee, and the Trustee is then holding in trust, money or Defeasance Obligations (as defined in the Bond Order), or a combination of both, sufficient to pay the redemption price of the Bonds to be redeemed plus accrued interest to the date of redemption, interest on the Bonds called for redemption shall cease to accrue; such Bonds or portions thereof shall cease to be entitled to any benefits or security under the Bond Order or the Series Resolution or to be deemed Outstanding (as defined in the Bond Order); and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

The registered owner of this Bond shall have no right to enforce the provisions of the Bond Order or the Series Resolution, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Order or the Series Resolution, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Order or the Series Resolution; provided, however, that any registered owner may institute action to enforce the payment of the principal of or the interest on his Bond.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Bond Order, the principal of all Bonds then Outstanding under the Bond Order may become or may be declared due and payable before the respective stated maturities thereof, together with the interest accrued thereon.
Modifications or alterations of the Bond Order or any bond order supplemental thereto, or the Series Resolution or any series resolution supplemental thereto, may be made only to the extent and in the circumstances permitted by the Bond Order and the Series Resolution.

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Bond Order and the Series Resolution, at all times shall be and shall be understood to be an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This Bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Bond Order and the Series Resolution have happened, exist and have been performed as so required.

Neither the members or officers of the District nor any person executing this Bond is liable personally hereon or subject to any personal liability or accountability by reason of the issuance thereof.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order or the Series Resolution until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Board of Commissioners for the County of Surry, North Carolina, acting as the governing body of the District, has caused this Bond to be executed by the facsimile signatures of the Chairman of the Board of Commissioners and the Clerk to said Board, and a facsimile of its official seal to be printed hereon all as of the 15th day of June, 1999.

NORTHERN HOSPITAL DISTRICT OF SURRY COUNTY, NORTH CAROLINA
By: [FACSIMILE SIGNATURE ON PRINTED BONDS]
Chairman, Board of Commissioners for County of Surry, North Carolina

ATTEST:

By: [FACSIMILE SIGNATURE ON PRINTED BONDS]
Clerk to Board of Commissioners for County of Surry, North Carolina

[FACSIMILE OF OFFICIAL SEAL ON PRINTED BONDS]
CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is a Bond of the Series designated in and issued under the provisions of the within-mentioned Bond Order and Series Resolution.
THE BANK OF NEW YORK, as Trustee

By___________________________
Authorized Agent

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within-mentioned Bond has been approved under the provisions of The State and Local Government Revenue Bond Act of North Carolina, as amended.

LOCAL GOVERNMENT COMMISSION OF
NORTH CAROLINA
By: [FACSIMILE SIGNATURE
ON PRINTED BONDS]
Secretary

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers

________________________________________________________________
_  [Please Print or Typewrite Name and Address of Transferee]
the within-mentioned Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ____________ attorney to register the transfer of the within-mentioned Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:___________________

NOTICE: The signature on the Assignment must correspond with the name as it appears upon the face of the within-mentioned Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

______________

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

WHEREAS, under the Constitution and laws of the State of North Carolina, including the Act, the District is authorized to adopt this Series Resolution, to issue the Bonds as hereinafter provided for the purposes hereinbefore stated, and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted;

NOW, THEREFORE, BE IT RESOLVED by the District:

ARTICLE I.DEFINITIONS

Section 101. Meaning of Words and Terms . Unless otherwise required by the context, words and terms used herein which are defined in the Bond Order shall have the
meanings assigned to them therein, except as hereinafter set forth:

"Acquisition Fund" means the Northern Hospital District of Surry County 1999 Acquisition Fund created and so designated by Section 401 of this Series Resolution.

"Board" means the Board of Commissioners for the County of Surry, North Carolina, or any successor board or body in which the power to govern the District shall be vested.

"Bond Fund" means the Northern Hospital District of Surry County 1991 Health Care Facilities Revenue Bond Fund created and so designated by Section 501 of the 1991 Series Resolution and referred to in Section 501 of this Series Resolution.

"Bond Order" means the bond order adopted by the District on June 17, 1991.

"Bonds" means the Northern Hospital District of Surry County, North Carolina Health Care Facilities Revenue Bonds, Series 1999 issued pursuant to the Bond Order and this Series Resolution.

"Bond Year" means the period commencing on October 1 of any year and ending on September 30 of the following year.

"Chief Executive Officer" means the person then serving as the Chief Executive Officer of the District.

"Chief Financial Officer" means the person then serving as the Chief Financial Officer of the District.

"Clerk" means the person designated to act as Clerk to the Board.

"Cost of the Improvements" or "Cost" shall have the meaning set forth in Section 403 of this Series Resolution.

"Co-Trustee" means Central Carolina Bank and Trust Company, a state banking corporation organized and existing under the laws of the State of North Carolina.

"Debt Service Reserve Fund" means the Northern Hospital District of Surry County 1999 Health Care Facilities Revenue Bond Debt Service Reserve Fund created and so designated by Section 501 of this Series Resolution.

"Determination of Taxability" means and shall occur when, (i) the Trustee receives written notice from the District, supported by an opinion of Bond Counsel, that interest on the Bonds is includable in the gross income of the owners of the Bonds for federal income tax purposes or (ii) the Internal Revenue Service shall claim in writing that interest on the Bonds is includable in the gross income of the owners of the Bonds for federal income tax purposes; provided, that such a claim shall not be deemed a Determination of Taxability unless the District is afforded reasonable opportunity (at the District's sole expense and for a period not to exceed two years) to pursue any judicial or
administrative remedy available to the District with respect to such claim.

"Government Obligations" means direct obligations of, or obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

"Improvements" means the capital improvements more fully described in Exhibit A attached to this Series Resolution.

"Interest Account" means the account in the Bond Fund created and so designated by Section 501 of this Series Resolution.

"Interest Payment Date" means April 1 or October 1, as the case may be.

"Interest Requirements" for any Bond Year means the amount that is required to pay interest on all Outstanding Bonds on April 1 in such Bond Year and on October 1 of the following Bond Year.

"Investment Obligations" means Government Obligations and any other investment permitted from time to time by Section 159-30(c) of the North Carolina General Statutes, as amended, or any successor statute.

"Maximum Annual Debt Service on the Bonds" means, at any given time of determination, the maximum Principal and Interest Requirements for the Bonds for the then current or any succeeding Bond Year. For purposes of this definition, Principal and Interest Requirements for any Bond Year shall not include any principal, Sinking Fund Requirement or interest due in such Bond Year by reason of the failure of the District to pay the same when due in any prior Bond Year.

"1991 Series Resolution" means the Series Resolution adopted by the Board of Commissioners for the County of Surry, North Carolina on June 17, 1991 with respect to the Series 1991 Bonds.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Principal" or "principal" means as such term references the principal amount of any Bonds, the principal amount due at maturity of such Bond.

"Principal Account" means the account in the Bond Fund created and so designated by Section 501 of this Series Resolution.

"Principal and Interest Requirements" for any Bond Year means the sum of the Principal Requirements and Interest Requirements for such Bond Year.

"Principal Requirements" for any Bond Year means the sum of (i) the amount required to pay the principal of all
Outstanding Serial Bonds on October 1 of the following Bond Year and (ii) the Sinking Fund Requirement for Term Bonds on October 1 of the following Bond Year.

"Qualified Reserve Fund Substitute" means (i) an irrevocable letter of credit, naming the Trustee as beneficiary, issued by any domestic or foreign bank, or any branch or agency thereof, whose long-term debt obligations are rated in the highest rating category by Moody’s and S&P without regard to gradation within category or (ii) a surety bond issued by an insurance company rated in the highest category by Moody’s and S&P and, if rated by A.M. Best & Company, must also be rated in the highest category by A. M. Best & Company or (iii) a policy of reserve fund insurance issued by an insurance company whose claims-paying ability is rated in the highest rating category by Moody’s and S&P without regard to gradation within category.

"Redemption Fund" means the Northern Hospital District of Surry County 1991 Health Care Facilities Revenue Bond Redemption Fund created and so designated by Section 501 of the 1991 Series Resolution and referred to in Section 501 of this Series Resolution.

"Redemption Price" means, with respect to Bonds or a portion thereof, the principal amount of such Bonds or portion thereof plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms, the terms of this Series Resolution and the terms of the Bond Order.

"Regular Record Date" means the fifteenth (15th) day (whether or not a business day) of the month preceding each Interest Payment Date.

"Securities Depository" means The Depository Trust Company, New York, New York or other recognized securities depository selected by the District, which maintains a book-entry system in respect of the Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

"Securities Depository Nominee" means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Trustee as Bond Registrar the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

"Serial Bonds" means the Bonds which are stated to mature on October 1 in the years 20__ through 20__ and 20__ through 20__, inclusive.


"Series Resolution" means this Series Resolution, including any amendments or supplements hereto.
"Sinking Fund Account" means the account in the Bond Fund created and so designated by Section 501 of this Series Resolution.

"Sinking Fund Requirement" means, with respect to the Term Bonds for any Bond Year, the principal amount fixed or computed as hereinafter provided for the retirement of such Term Bonds by purchase or redemption on October 1 of the following Bond Year.

The Sinking Fund Requirement for the Term Bonds for each Bond Year shall be initially the respective principal amounts of such Term Bonds to be redeemed, or otherwise retired, on October 1 of the following Bond Year.

The Term Bonds maturing on October 1, 20__ are subject to mandatory sinking fund redemption in part by lot on October 1, 20__ and on each October 1 thereafter in the amounts set forth below at 100% of the principal amount of the Term Bonds being redeemed plus accrued interest to the date of redemption:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>20__</td>
<td>$______</td>
</tr>
<tr>
<td>20__</td>
<td>_______</td>
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<tr>
<td>20__</td>
<td>_______</td>
</tr>
</tbody>
</table>

* Maturity

The Term Bonds maturing on October 1, 20__ are subject to mandatory redemption in part by lot on October 1, 20__ and on each October 1 thereafter in the amounts set forth below at 100% of the principal amount of the Term Bonds being redeemed plus accrued interest to the date of redemption:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
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<td>20__</td>
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<tr>
<td>20__</td>
<td></td>
<td>20__</td>
<td></td>
</tr>
</tbody>
</table>

* Maturity

The Sinking Fund Requirement for the Term Bonds for each Bond Year shall be met by providing for the retirement of such Term Bonds by purchase or redemption on October 1 of the following Bond Year. The aggregate amount of such Sinking Fund Requirements for the Term Bonds shall be equal to the aggregate principal amount of the Term Bonds. The Sinking Fund Requirements for the Term Bonds shall begin in the Bond Year determined as provided above and shall end with the Bond Year immediately preceding the maturity of such Term Bonds (such final installment being payable at
maturity and not redeemed). Any principal amount of Term Bonds retired by operation of the Sinking Fund Account by purchase in excess of the total amount of the Sinking Fund Requirement for such Term Bonds to and including such October 1, shall be credited against and reduce the future Sinking Fund Requirements for such Term Bonds in such manner as shall be specified in a certificate of the District Representative filed with the Trustee pursuant to Section 505 of this Series Resolution.

On or before the 45th day next preceding any October 1 on which Term Bonds are to be retired pursuant to the Sinking Fund Requirement, the District may deliver to the Trustee for cancellation Term Bonds required to be redeemed on such October 1 in any aggregate principal amount desired and receive a credit against amounts required to be transferred from the Sinking Fund Account on account of such Term Bonds in the amount of 100% of the principal amount of any such Term Bonds so purchased. Any principal amount of Term Bonds delivered to the Trustee for cancellation and cancelled in excess of the principal amount required to be redeemed on such October 1 shall be credited against and reduce the principal amount of future Sinking Fund Requirements in such manner as shall be specified in a certificate of the District Representative in substantially the form of the certificate filed with the Trustee pursuant to Section 505 of this Series Resolution.

It shall be the duty of the Trustee, on or before the 15th day of October in each Bond Year, to confirm, if necessary, the Sinking Fund Requirement for such Bond Year and all subsequent Bond Years for the Term Bonds Outstanding. The Sinking Fund Requirement for such Bond Year as so reconfirmed shall continue to be applicable during the balance of such Bond Year and no adjustment shall be made therein by reason of Term Bonds purchased or redeemed or called for redemption during such Bond Year.

If any Term Bonds of the same maturity are paid or redeemed by operation of the Redemption Fund, the Trustee shall reduce future Sinking Fund Requirements therefor in such manner as shall be specified in a certificate of the District Representative in substantially the form of the certificate filed with Trustee pursuant to Section 505 of this Series Resolution.

"Term Bonds" means the Bonds stated to mature on October 1, 20__ or on October 1, 20__.

"Trustee" means The Bank of New York, a state banking corporation organized and existing under the laws of the State of New York.


Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond", "owner", "Holder"
and "Person" shall include the plural as well as the singular number.

ARTICLE II. AUTHORIZATION, FORM, ISSUANCE AND DELIVERY OF BONDS

Section 201. Authorization of Bonds. For the purpose of providing funds, together with other available funds, to: (i) pay the costs of the renovation, upgrade and expansion of certain areas of the Hospital as more fully described in Exhibit A to this Series Resolution, (ii) construction of a new 5-story tower containing approximately 5,800 square feet of space at the south end of the Hospital, (iii) fund the Debt Service Reserve Fund, (iv) pay accrued interest on the Bonds from June 15, 1999 and (v) pay the costs of issuance incurred in connection with the issuance of the Bonds, there shall be issued, under and pursuant to the Constitution, the laws of the State, including the Act, the Bond Order and this Series Resolution, the Bonds in the amounts and subject to the conditions herein provided.

Section 202. Form of Bonds Generally. The definitive Bonds are issuable in fully registered form in denominations of $5,000 or any whole multiple thereof. The definitive Bonds issued under the provisions of Section 204 hereof shall be substantially in the form hereinabove set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Series Resolution.

Section 203. Details of Bonds. The Bonds shall be dated as of June 15, 1999, shall bear interest until their payment, such interest to the maturity thereof being payable on October 1, 1999 and semiannually thereafter on April 1 and October 1 in each year, and shall be stated to mature (subject to the right of prior redemption), all as hereinafter provided.

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon any Interest Payment Date in which event it shall bear interest from such Interest Payment Date or (b) authenticated prior to the first Interest Payment Date in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Section 204. Authorization of Bonds. The Bonds shall be issued in the aggregate principal amount of up to Nineteen Million Dollars ($19,000,000) and shall be designated "Northern Hospital District of Surry County, North Carolina Health Care Facilities Revenue Bonds, Series 1999".
The Bonds shall be stated to mature, subject to the right of prior redemption as hereinafter set forth, on October 1, in the following years and amounts, and shall bear interest (based on a 360-day year consisting of twelve 30-day months) at the following rates:

<table>
<thead>
<tr>
<th>Year of Maturity</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>20__</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>20__</td>
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<tr>
<td>20__</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

and ____ % Term Bonds due October 1, 20__ in the aggregate principal amount of $__________ and _____ % Term Bonds due October 1, 20__ in the aggregate principal amount of $__________.

The Bonds shall be executed substantially in the form and in the manner hereinabove set forth and shall be deposited with the Trustee for authentication, but before the Bonds shall be delivered by the Trustee, there shall be filed with the Trustee the documents required by Section 208 of the Bond Order together with the following:

(a) a copy, duly certified by the Clerk to the Board, of this Series Resolution;

(b) an opinion of counsel to the District to the effect that (1) the Bond Order and this Series Resolution have been duly adopted by the District and constitute valid and binding agreements of the District, (2) no provision of the Bond Order or this Series Resolution violates any provision of the Act or results in or constitutes a default under any agreement, indenture or other instrument to which the District is a party or by which the District may be bound, and of which such counsel has knowledge, (3) the District's adoption of the Bond Order and this Series Resolution and execution and issuance of the Bonds are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, (4) there is no materially adverse litigation pending or threatened against the District, except for litigation the existence of which is disclosed in the Official Statement pertaining to the Bonds, and (5) all permits, approvals, franchises, privileges and legal clearances under federal, State or local entities or officers necessary for the acquisition and construction of the Improvements have been obtained.

When the documents mentioned in Section 208 of the Bond Order and paragraphs (a) to (b), inclusive, of this Section shall have been filed with the Trustee and when the Bonds shall have been executed and authenticated as required by this Series Resolution and the Bond Order, the Trustee shall deliver the Bonds at one time to the State Treasurer for delivery to the Underwriter or to its designee, but only upon payment to the Trustee of the purchase price of the Bonds and the accrued interest, if any, thereon.
The proceeds (including accrued interest) of the Bonds shall be applied by the Trustee, simultaneously with the delivery of the Bonds, as follows:

1. The Trustee shall deposit to the credit of the Interest Account the sum of $__________, including all monies received as accrued interest on the Bonds;

2. The Trustee shall deposit to the credit of the Debt Service Reserve Fund the sum of $_____________; and

3. The Trustee shall deposit to the credit of the Acquisition Fund the balance of said proceeds.

ARTICLE III. REDEMPTION OF BOND

Section 301. Terms of Redemption. (a) The Bonds shall not be subject to prior redemption except as provided in this Article III and in Article III of the Bond Order.

(b) The Bonds maturing on October 1, 20__ are subject to redemption, at the option of the District, on and after October 1, 20__, in whole or in part (by lot within a maturity) on any date, upon payment of the following Redemption Prices (expressed as a percentage of the principal amount of Bonds to be redeemed), plus interest accrued to the redemption date:

<table>
<thead>
<tr>
<th>Redemption Dates (Inclusive)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 20__ to September 30, 20__</td>
<td>%</td>
</tr>
<tr>
<td>October 1, 20__ to September 30, 20__</td>
<td></td>
</tr>
<tr>
<td>October 1, 20__ and thereafter</td>
<td></td>
</tr>
</tbody>
</table>

(c) The Bonds are required to be redeemed to the extent of any Sinking Fund Requirement therefor on the October 1 immediately following each Bond Year in which there is a Sinking Fund Requirement, upon payment of 100% of the principal amount thereof plus accrued interest to the redemption date.

(d) The Bonds are subject to redemption in whole or in part at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, at any time upon instructions from the District from Net Proceeds in excess of $100,000 resulting from insurance carried or maintained with respect to the Operating Assets by the District, or Net Proceeds resulting in excess of $100,000 from Eminent Domain proceedings. The District may not contribute moneys other than Net Proceeds to a redemption of Bonds under this subsection in an amount in excess of one-third of the Net Proceeds used to fund such redemption.

(e) The Bonds are also subject to redemption in whole from money deposited by the District in the Redemption Fund at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, in the event that, by reason of any change in any federal or State law or of any legislative, administrative or judicial action or administrative failure of action, (a) either the Bond Order or this Series Resolution becomes unenforceable or impossible to perform without unreasonable delay or (b) unreasonable burdens or excessive liabilities are imposed on the District, including, without limitation, the imposition of federal, State
or other ad valorem property, income or other taxes not being imposed on the date of adoption of this Series Resolution.

(f) The Bonds are subject to mandatory redemption in whole as soon as practicable following the occurrence of a Determination of Taxability at a redemption price equal to 103% of the amount of each Bond or portion thereof to be redeemed, plus interest accrued thereon to the redemption date.

(g) The Bonds are subject to redemption in whole at any time or in part on any Interest Payment Date, at the option of the District, at a redemption price equal to 102% of the principal amount of each Bond or portion thereof to be redeemed plus interest accrued thereon to the redemption date, in the event that the District sells, leases or otherwise disposes of all or substantially all of the assets of the District and the District determines in good faith that the tax-exempt status of the Bonds will be adversely affected unless the Bonds are redeemed.

Section 302. Selection of Bonds to Be Redeemed. The Bonds shall be redeemed only in whole multiples of $5,000. Not later than the forty-fifth (45th) day prior to the redemption date, the District shall select the maturity or maturities of the Bonds to be redeemed in accordance with the terms and provisions of this Series Resolution and shall advise the Trustee in writing of its election to redeem. With respect to redemptions described under paragraphs (b), (d) and (e) of Section 301 hereof, an amount of cash or Defeasance Obligations which, together with the interest to be earned thereon, shall be sufficient to effect such redemption shall be transferred to the Trustee for deposit to the Redemption Fund not later than forty-five (45) days prior to the redemption date.

If less than all of the Bonds of any maturity are to be called for redemption, the Trustee shall select by lot, in such manner as the Trustee in its discretion may determine, the Bonds to be redeemed within each maturity, including each Sinking Fund Requirement, each $5,000 portion of principal being counted as one Bond for this purpose; provided, however, for so long as the Holder of the Bonds is a Securities Depository nominee, such selection shall be made by the Securities Depository.

Section 303. Redemption Notice. Not less than thirty (30) days but not more than sixty (60) days before the redemption date of any Bonds, whether such redemption be in whole or in part, the Trustee shall cause a notice of any redemption signed by the Trustee to be mailed, postage prepaid, to all Holders owning Bonds to be redeemed in whole or in part. Such notice shall also be sent by the Trustee by certified or registered mail at least thirty-five (35) days prior to redemption to the Local Government Commission and to registered securities depositories and two or more nationally recognized municipal bond services. Failure to mail any such notice to any Holder, to the Local Government Commission, or to the aforementioned depositories and municipal bond services, or any defect in any notice so mailed shall not affect the validity of the proceedings for the redemption of the Bonds of any other Holders. Each such notice shall set forth: the CUSIP numbers and bond certificate numbers of the Bonds to be redeemed, the interest rate of the Bonds to be redeemed, the date of issuance of the Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the maturities of the Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the
principal amount thereof to be redeemed, the address and phone number of the Trustee, the date of the redemption notice, the date of publication of the notice referred to in subparagraph (c) hereof and that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Trustee, that from that date interest will cease to accrue and be payable and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice of redemption, except a notice of redemption with respect to a Sinking Fund Requirement, may state that the redemption to be effected is conditioned on receipt by the Trustee on or before the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed. If such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds are not received by the Trustee on or before the redemption date, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Trustee shall also take the following actions with respect to such notice of redemption:

(a) At least two (2) Business Days before the date of publication required by paragraph (c) of this Section 303, such notice shall be given by (i) registered mail or certified mail, postage prepaid, (ii) telephonically registered confirmed facsimile transmission or (iii) overnight delivery service to each of the following securities depositaries at the addresses and transmission numbers given, or such other address or transmission number as may have been delivered in writing to the Trustee for such purpose not later than the close of business on the day before such notice is given:

(1) The Depository Trust Company
    711 Stewart Avenue
    Garden City, New York 11530
    Facsimile transmission:
    (516) 227-4039
    (516) 227-4190

(2) Philadelphia Depository Trust Company
    Reorganization Division
    1900 Market Street
    Philadelphia, Pennsylvania 19103
    Facsimile transmission:
    (215) 496-5058

(b) At least two (2) Business Days before the date of publication required by paragraph (c) of this Section 303, such notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service to at least two of the following services selected by the Trustee:
(1) Financial Information, Inc.'s Called Bond Service;
(2) Kenny Information Service's Called Bond Service;
(3) Moody's Municipal and Government Manual; or
(4) Standard & Poor's Called Bond Record.

(c) Notice of redemption of Bonds shall be given by the Trustee, at the expense of the District, for and on behalf of the District.

Failure by the Trustee to give notice pursuant to subsection (a) or (b) of this Section 303 to any one or more of the securities depositories or information services named therein shall not affect the sufficiency of the proceedings for redemption. Failure of the Trustee to give notice to a Holder or any defect in such notice shall not affect the validity of the proceedings for redemption of the Bonds of any Holder to whom such notice shall have been given.

Section 304. Effect of Call for Redemption. On or before the date on which the Bonds or portions thereof are to be redeemed, the District will deposit with the Trustee money or Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of and interest accruing on the Bonds to be redeemed on such redemption date.

If notice is properly given, the Bonds or portions thereof so called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date, and if moneys sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee or the Bond Registrar in trust for the Holders of Bonds to be redeemed, (i) interest on such Bonds or portions thereof shall cease to accrue from and after such date, (ii) such Bonds or portions thereof shall cease to be entitled to any benefits or security under the Bond Order or to be deemed Outstanding and (iii) Holders of such Bonds or portions thereof shall have no right in respect thereof except to receipt of payment of the Redemption Price thereof, plus accrued interest to the date fixed for redemption.

ARTICLE IV. ACQUISITION FUND

Section 401. Acquisition Fund. A special fund is hereby established with the Trustee and designated "Northern Hospital District of Surry County 1999 Acquisition Fund" (herein sometimes called the "Acquisition Fund"). Any money received by the Trustee or the District from any source for the Improvements shall be deposited as soon as practicable upon its receipt to the credit of the Acquisition Fund.

The money in the Acquisition Fund shall be held by the Trustee in trust and, subject to the provisions of Section 406 of this Series Resolution, shall be applied to the payment of the Cost of the Improvements, and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds and shall be held for the security of such Holders.
Section 402. Payments from Acquisition Fund. Payment of the Cost of the Improvements shall be made from the Acquisition Fund. All payments from the Acquisition Fund shall be subject to the provisions and restrictions set forth in this Article, and the District covenants that it will not cause or permit to be paid from the Acquisition Fund any sums except in accordance with such provisions and restrictions.

Section 403. Cost of Improvements. For the purpose of this Series Resolution, the Cost of the Improvements shall embrace such costs as are eligible costs within the purview of the Act and, without intending thereby to limit or restrict any proper definition of such Cost, shall include the following:

(a) the cost of all labor, materials and services, the cost of all lands, property, rights, rights of way, easements, franchises and other interests as may be deemed necessary or convenient for such acquisition, construction and equipping, the cost of all machinery and equipment, financing charges, engineering and legal expenses, costs of plans, specifications, surveys, other expenses necessary or incident to determining the feasibility or practicability of such acquisition, construction and equipping, administrative expenses, and such other expenses as may be necessary or incident to the acquisition and financing of the Improvements and the placing of the Improvements in operation;

(b) the costs of issuance of the Bonds;

(c) the cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of acquiring the Improvements and fees and expenses of engineers, architects, management consultants and hospital consultants for making studies, surveys and estimates of expenses of engineers and architects for preparing plans and specifications and supervising acquisition of the Improvements as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition of the Improvements;

(d) all other items of expense not elsewhere in this Section specified incident to the acquisition of the Improvements and the financing thereof, including operating reserves, moving expenses, the acquisition of lands, property rights, rights of way, easements, franchises and interests in or relating to lands, including title insurance, costs of surveys and other expenses in connection with such acquisition, and expenses of administration, all properly chargeable to the acquisition of the Improvements;

(e) interest on the Bonds during the period of acquisition of the Improvements and for a period not exceeding six months thereafter; and

(f) any obligation or expense heretofore or hereafter incurred or paid by the District for any of the foregoing purposes.

Section 404. Requisitions from Acquisition Fund. Payments from the Acquisition Fund shall be made in accordance with the
provisions of this Section. Before any such payment shall be made, the District shall file with the Trustee a requisition, signed by the District Representative, in the form attached hereto as Exhibit B, stating:

(i) the item number of each such payment,

(ii) the name of the person, firm or corporation to whom each such payment is due,

(iii) the respective amounts to be paid,

(iv) the purpose by general classification for which each obligation to be paid was incurred,

(v) that obligations in the stated amounts have been incurred and are currently due and payable and that each item thereof is a proper charge against the Acquisition Fund and has not been paid,

(vi) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such persons, firms or corporations to receive payment of the respective amounts stated in such requisition, has been filed or attached or, if any of the foregoing have been filed or attached, that the same will be satisfied or discharged or that provisions have been made (which shall be specified) to adequately protect the Trustee and the Holders from incurring any loss as a result of the same, and

(vii) that such requisition contains no item representing payment on account of any retainage to which the District is entitled at the date of such requisition; and

Upon receipt of each requisition and accompanying certificate, the Trustee shall pay the obligations set forth in such requisition out of money in the Acquisition Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee. In making such payments, the Trustee may rely upon such requisitions. If for any reason the District should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

Section 405. Reliance Upon Requisitions. The Trustee may rely upon all requisitions and opinions received by it as conditions of payment from the Acquisition Fund. Such requisitions and opinions shall be retained by the Trustee for a period of five years and shall be subject at all reasonable times to examination by the District and the Holders.

Section 406. Completion of the Improvements and Disposition of Acquisition Fund Balance. When the acquisition of the Improvements shall have been completed, which fact shall be evidenced to the Trustee by a certificate signed by the District Representative to the effect that there are no mechanics' workmen's, repairmen's, architects', engineers', surveyors', carriers', laborers', contractors' or materialmen's liens on any property constituting a part of the Improvements on file in any public office where the same should be filed to be perfected and
that the time within which such liens can be filed has expired, the balance in the Acquisition Fund, shall be transferred by the Trustee to the credit of the Principal Account or the Redemption Fund, as the District shall direct.

ARTICLE V. FUNDS AND ACCOUNTS

Section 501. Establishment of Funds and Accounts. In addition to the Acquisition Fund established by Article IV hereof, there are hereby established the following funds:

(a) The Bond Fund in which there are established three special accounts to be known as the Interest Account, the Principal Account and the Sinking Fund Account;

(b) Northern Hospital District of Surry County 1999 Health Care Facilities Revenue Bond Debt Service Reserve Fund; and

(c) The Bond Redemption Fund.

All funds and accounts shall be established with and held by the Trustee.

The money in each of said funds and accounts shall be held in trust and applied as hereinafter provided, and, pending such application, shall be subject to a lien and charge in favor of the Holders and held for the further security of the Holders, all as provided herein.

Section 502. Deposits. The District covenants that (i) on the twenty-fifth day of each of the months specified in connection with paragraphs (a), (b) and (c) below and (ii) at such time or times as shall be specified in connection with paragraph (d) below, it shall deposit with the Trustee an amount equal to the amounts payable under each of said paragraphs. It shall be the duty of the Trustee to deposit the amounts so received to the credit of the appropriate accounts in the order set forth below as such payments are received by the Trustee. Such deposits shall continue until there shall have been deposited with the Trustee sufficient moneys for the payment in full of all the amounts due and payable under this Series Resolution as follows:

(a) into the Interest Account, on September 25, 1999, 100% of the interest payable on the Bonds on October 1, 1999, less the amount attributable to accrued interest received upon delivery of the Bonds and earnings on the good faith check delivered by the Underwriter upon the sale of the Bonds, and thereafter, on the 25th day of each December, March, June and September, commencing on December 25, 1999, one-half (½) of the interest payable on the Bonds on the next ensuing Interest Payment Date;

(b) into the Principal Account, on the 25th day of each December, March, June and September, commencing on December 25, 1999, one-quarter (1/4) of the principal of all Serial Bonds due on the next ensuing October 1;

(c) into the Sinking Fund Account, on the 25th day of each December, March, June and September, one-quarter (1/4) of the amount required to retire the Term Bonds to be called by mandatory redemption or to be paid at maturity on the next ensuing October 1, in accordance with the Sinking Fund Requirement therefor; and
(d) (i) on the twenty-fifth (25th) day of the month following any month in which money is transferred from the Debt Service Reserve Fund to the Interest Account, the Principal Account or the Sinking Fund Account to cure a deficiency therein pursuant to Section 507 hereof, and on the twenty-fifth (25th) day of each of the eleven (11) succeeding months, into the Debt Service Reserve Fund, one-twelfth (1/12) of the amounts so transferred until the amount then on deposit in the Debt Service Reserve Fund is equal to Maximum Annual Debt Service on the Bonds, and (ii) on the twenty-fifth (25th) day of the month following a valuation made in accordance with Section 603 hereof in which a loss resulting from a decline in the value of Investment Obligations held for the credit of the Debt Service Reserve Fund is computed and on the twenty-fifth (25th) day of each of the three (3) succeeding months, into the Debt Service Reserve Fund, one-quarter (1/4) of the amount of such loss until the amount of such loss is reimbursed; provided, however, if the loss referenced in clause (ii) above is due solely to a change in valuation of the Investment Obligations, the District shall not be required to cure such loss unless (4) the amount of such loss equals or exceeds ten percent (10%) of the Maximum Annual Debt Service on the Bonds.

If, after giving effect to the credits specified below, any payment should be required above, the Trustee shall so notify the District and request that each future deposit be increased as may be necessary to make up any previous deficiency in any of the required payments and to make up any deficiency or loss in any of the above-mentioned accounts and funds.

In lieu of the deposit to the Reserve Fund as described above, a Qualified Reserve Fund Substitute may be filed with the Trustee. The Trustee will, not less than ten (10) days before the need therefor, cause appropriate notice to be given to the provider of such Qualified Reserve Fund Substitute of the need for funds to make up any deficiency in the Bond Fund. The amount of any such funds so used (other than a transfer on final maturity of the Bonds) shall be restored to the provider of the Qualified Reserve Fund Substitute, in accordance with Section 502(d) above.

To the extent that investment earnings are credited to the Interest Account, the Principal Account, the Sinking Fund Account or the Debt Service Reserve Fund in accordance with Section 602 hereof or amounts are credited thereto as a result of the application of Bond proceeds or a transfer of investment earnings on any other fund or account held by the Trustee, or otherwise, future deposits to such accounts shall be reduced by the amount so credited, and the deposits following the date upon which such amounts are credited shall be reduced by the amounts so credited.

Section 503. Application of Money in the Interest Account. Not later than the close of business on the Business Day preceding each Interest Payment Date or date for the payment of Defaulted Interest or date upon which Bonds are to be redeemed, the Trustee shall withdraw from the Interest Account and remit by mail to each Holder the amount required for paying interest on the Bonds when due and payable.
In the event the balance in the Interest Account on the second Business Day next preceding an Interest Payment Date or date upon which Bonds are to be redeemed is insufficient for the payment of interest becoming due on the Bonds on the next ensuing Interest Payment Date or date upon which Bonds are to be redeemed, the Trustee will withdraw from the Debt Service Reserve Fund the amount required to cure such deficiency, and, to the extent the amount, if any, then on deposit in the Debt Service Reserve Fund is insufficient therefor, the Trustee shall notify the District of the amount of the deficiency. Upon notification, the District shall immediately deliver to the Trustee an amount sufficient to cure the same.

Section 504. Application of Money in the Principal Account. Not later than the close of business on the Business Day immediately preceding each October 1, commencing October 1, 1999, the Trustee shall withdraw from the Principal Account and, not later than 10:00 A.M., New York City time, set aside in a special account in its corporate trust department the amount necessary to pay the principal of all Serial Bonds due on such October 1.

If at any date there shall be money in the Principal Account and no Serial Bonds are then Outstanding or if on any principal payment date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall deposit the same in the Sinking Fund Account and credit the same against future transfers to such Account by the District.

In the event the balance in the Principal Account on the second Business Day next preceding a principal payment date is insufficient to pay principal becoming due on such principal payment date, the Trustee will withdraw from the Debt Service Reserve Fund the amount required to cure such deficiency, and, to the extent the amount, if any, then on deposit in the Debt Service Reserve Fund is insufficient therefor, the Trustee shall notify the District of the amount of the deficiency. Upon notification, the District shall immediately deliver to the Trustee an amount sufficient to cure the same.

Section 505. Application of Money in the Sinking Fund Account. Money held for the credit of the Sinking Fund Account shall be applied during each Bond Year to the purchase or retirement of the Term Bonds then Outstanding as follows:

(a) The Trustee shall, at the direction of the District, endeavor to purchase and cancel Term Bonds or portions thereof then subject to redemption, by operation of the Sinking Fund Account or maturing on the next ensuing October 1 at the most advantageous price obtainable with reasonable diligence. The purchase price of each such Term Bond shall not exceed the Redemption Price provided in Section 301(c) of this Series Resolution which would be payable on the next October 1 to the Holders of such Bonds under the provisions of Article III of this Series Resolution if such Bonds or portions thereof were called for redemption on such date, plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement therefor from the Interest Account or from funds made available by the District therefor and the purchase price from the Sinking Fund Account, but no such purchase shall be made by the Trustee.
from money in the Sinking Fund Account within the period of forty-five (45) days immediately preceding any October 1 on which such Term Bonds are subject to redemption. The aggregate purchase price of Term Bonds during such Bond Year shall not exceed the amount deposited in the Sinking Fund Account on account of the Sinking Fund Requirement for the Term Bonds for such Bond Year. If in any Bond Year the sum of the amount on deposit in the Sinking Fund Account for the payment of any Term Bonds plus the principal amount of the Term Bonds that were purchased during such Bond Year pursuant to the provisions of this paragraph (a) exceeds the Sinking Fund Requirement for the Outstanding Term Bonds for such Bond Year, the Trustee shall endeavor to purchase Outstanding Term Bonds, upon written direction from the District, with such excess money; and

(b) The Trustee shall call for redemption, on October 1 in each Bond Year, Term Bonds then subject to redemption in a principal amount equal to the aggregate Sinking Fund Requirement for the Term Bonds for such Bond Year, less the principal amount of any such Term Bonds retired during such Bond Year by purchase pursuant to clause (a) of this Section. Such redemption shall be made pursuant to the provisions of Article III of this Series Resolution. On each such redemption date the Trustee shall withdraw from the Sinking Fund Account the amount required to pay the Redemption Price of the Term Bonds so called for redemption. The amount of interest on the Term Bonds so called for redemption shall be paid from the Interest Account. If such date is the stated maturity date of any such Term Bonds, the Trustee shall not call such Term Bonds for redemption but, on such maturity, shall withdraw from the Sinking Fund Account and not later than 10:00 A.M., New York City time, on such date set aside in a special account in its corporate trust department the amount required for paying the principal of such Term Bonds when due and payable.

If at any date there shall be money in the Sinking Fund Account and no Term Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of Term Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money therefrom and deliver the same to the District.

In the event the balance in the Sinking Fund Account on the second Business Day next preceding a date upon which Term Bonds are to mature or to be redeemed in accordance with any Sinking Fund Requirement therefor is insufficient to satisfy such Sinking Fund Requirement, the Trustee will withdraw from the Debt Service Reserve Fund the amount required to cure such deficiency, and, to the extent the amount, if any, then on deposit in the Debt Service Reserve Fund is insufficient therefor, the Trustee shall notify the District of the amount of the deficiency. Upon notification, the District shall immediately deliver to the Trustee an amount sufficient to cure the same.

If, in any Bond Year, by the application of money in the Sinking Fund Account, the Trustee should purchase and cancel Term Bonds in excess of the aggregate Sinking Fund Requirement for such Bond Year, the Trustee shall file with the District not later than the twentieth (20th) day prior to the next October 1 on which Term Bonds are to be redeemed a statement identifying
the Term Bonds purchased during such Bond Year and the amount of such excess. The District shall thereafter cause an Officer's Certificate to be filed with the Trustee not later than the tenth (10th) day prior to such October 1, setting forth with respect to the amount of such excess the Bond Years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the District a statement identifying such Term Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Term Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds shall be paid by the District.

Section 506. Application of Money in the Redemption Fund. Money held for the credit of the Redemption Fund shall be applied to the purchase or redemption of Bonds, as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall, at the direction of the District, endeavor to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, such price not to exceed the Redemption Price that would be payable on the next redemption date to the Holder of such Bonds under the provisions of this Series Resolution if such Bonds or portions thereof should be called for redemption on such date from the money in the Redemption Fund. The Trustee shall pay any interest accrued on such Bonds or portions thereof to the date of settlement therefor from the Interest Account and the Redemption Fund, but no such purchase shall be made by the Trustee from money in the Redemption Fund within the period of forty-five (45) days immediately preceding any Interest Payment Date or date on which Bonds are subject to redemption.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on each Interest Payment Date such amount of Bonds or portions thereof as, with the redemption premium, if any, will exhaust the money then held for the credit of the Redemption Fund as nearly as may be practicable; provided, however, that not less than Fifty Thousand Dollars ($50,000) principal amount of Bonds shall be called for redemption at any one time. Such redemption shall be made pursuant to the provisions of Article III of this Series Resolution. On the Business Day preceding the redemption date, the Trustee shall withdraw from the Interest Account and the Redemption Fund the respective amounts required for paying the interest on and the Redemption Price of the Bonds or portions thereof so called for redemption; and

(c) Money in the Redemption Fund shall be applied by the Trustee in each Bond Year to the purchase or the redemption of the Bonds then Outstanding in accordance with the latest Officer's Certificate filed by the District with the Trustee designating the Bonds to be purchased or re-
deemed. In the event no such Officer's Certificate is filed, the Trustee shall apply such money to the purchase or redemption of such Bonds as it shall determine.

Upon the retirement of any Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the District a statement identifying such Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Bonds and the amount paid as interest thereon. The expenses in connection with the purchase or redemption of any such Bonds are required to be paid by the District.

Section 507. Application of Money in the Debt Service Reserve Fund. No amounts shall be required to be deposited to the credit of the Debt Service Reserve Fund except as provided in this Section and Section 502 hereof.

The Trustee shall use amounts, if any, in the Debt Service Reserve Fund to make transfers to the Interest Account, the Principal Account and the Sinking Fund Account to the extent necessary to pay interest on and principal of (whether at maturity, by acceleration or in satisfaction of the Sinking Fund Requirement therefor) the Bonds, whenever and to the extent that the money on deposit in the Interest Account, the Principal Account or the Sinking Fund Account is insufficient for such purposes.

If on any date of valuation the money, if any, held in the Debt Service Reserve Fund exceeds the Maximum Annual Debt Service on the Bonds, including any excess created in whole or in part by the interest earnings on such Fund, an amount equal to such excess shall be transferred by the Trustee, as the District shall direct, to the Interest Account, the Principal Account or the Sinking Fund Account. Any such excess transferred to either the Interest Account, the Principal Account or the Sinking Fund Account shall be credited against future transfers to such accounts, unless transferred to cure deficiencies therein, and shall be credited by the Trustee against future payments to be made by the District.

Section 508. Disposition of Fund Balances. After provision shall be made for the payment of all Outstanding Bonds, including the redemption premium, if any, and interest thereon, and for the payment of all other obligations, expenses and charges required to be paid under or in connection with this Series Resolution, and assuming the existence of no other indentures or other agreements imposing a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any fund, account or subaccount then held by it under this Series Resolution to the District; provided, however, that if a continuing lien has been imposed on any such balance by another bond order, series resolution, indenture or agreement as to which the Trustee has actual notice, the Trustee shall pay such balance to such person as such bond order, indenture, series resolution or agreement shall provide.

Section 509. Security for the Bonds. In addition to the security for the Bonds granted by the District pursuant to Section 408 of the Bond Order, the District hereby grants to the Holders and to the Trustee, on behalf of such Holders, a pledge of the money and Investment Obligations in any and all of the funds and accounts established under this Series Resolution.
Section 510. Arbitrage. The District agrees that money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other sources, and whether or not the Bonds are Outstanding hereunder, will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations thereunder. The District shall observe and not violate the requirements of Section 148 of said Code and any such applicable regulations. In the event the District is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Trustee pursuant to this Series Resolution, or to use such money in certain manners, in order to avoid the Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Bonds at such time, the District may issue to the Trustee a written certificate to such effect and appropriate instructions, in which event the Trustee shall take such action as is necessary to restrict or limit the yield on such investment or to use such money in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion.

Section 511. Exclusion From Gross Income Covenant. The District covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bonds. The District agrees to perform, or cause to be performed, the covenants set forth in Exhibit B to this Series Resolution, which covenants are incorporated herein by reference.

ARTICLE VI. DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS, INVESTMENT OF FUNDS

Section 601. Security for Deposits. Any and all money received by the District under the provisions of this Series Resolution shall be deposited by the District with the Trustee (or one or more other Depositaries as provided in the Bond Order) and, except for the amounts in the Operating Fund to be used to pay Operating Expenses, shall be trust funds under the terms hereof and shall not be subject to any lien or attachment by any creditor of the District. Such money shall be held in trust and applied in accordance with the provisions of this Series Resolution and the Bond Order.

Until money deposited with the Trustee or any other Depositary hereunder is invested in Investment Obligations, the amount of money in excess of the amount fully guaranteed by any federal agency shall be continuously secured, for the benefit of the District and the Holders, either (a) by lodging with a bank or trust company chosen by the Trustee or custodian or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in
clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Trustee to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds, or for the Trustee or any Depository to give security for any money that shall be represented by obligations purchased under the provisions of this Article as an investment of such money.

All money deposited with the Trustee or any Depository shall be credited to the particular fund or account to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all funds and accounts created under this Series Resolution or the Bond Order, with the exception of the Operating Fund, shall be continuously invested and reinvested by the Trustee in Investment Obligations to the extent practicable. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such funds or accounts will be required for the purposes intended; provided, however, that in no event shall any Investment Obligation held for the credit of the Debt Service Reserve Fund mature more than ten (10) years from the date of its deposit therein. Notwithstanding the foregoing, no Investment Obligations in any fund or account may mature beyond the latest maturity date of any Bonds Outstanding at the time such Investment Obligations are deposited. For the purposes of this section, the maturity date of repurchase agreements is the maturity date of such repurchase agreements and not the maturity date of the underlying obligations.

The District may at any time give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Trustee shall then invest such money under this Section as so directed by the District. The Trustee may request, in writing, direction or authorization of the District with respect to the proposed investment of money under the provisions of this Series Resolution. Upon receipt of such request, accompanied by a memorandum setting forth the details of any proposed investment, the District will either approve such proposed investment or will give written directions to the Trustee respecting the investment of such money and, in the case of such directions, the Trustee shall then, subject to the provisions of this Article, invest such money in accordance with such directions.

Investment Obligations acquired with money and credited to any fund or account established under this Series Resolution or the Bond Order shall be held by or under the control of the Trustee and while so held shall be deemed at all times to be part of such fund or account in which such money was originally held, and the interest accruing thereon and any profit or loss realized upon the disposition or maturity of such investment shall be credited to or charged against such fund or account; provided, however, that prior to the completion of the Improvements, all income accruing on, and any profit or loss realized upon the disposition or maturity of any investment in any fund or account shall be credited to or charged against the Acquisi-
tion Fund. The Trustee shall reduce to cash a sufficient amount of such Investment Obligations whenever it shall be necessary so to do in order to provide moneys to make any payment or transfer of moneys from any such fund or account. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a payment or transfer of money between two or more of the funds or accounts established pursuant to this Series Resolution or the Bond Order is permitted or required, such payment or transfer may be made in whole or in part by transfer of one or more Investment Obligations at a value determined in accordance with this Article VI, provided that the Investment Obligations transferred are those in which moneys of the receiving fund or account could be invested at the date of such transfer.

Section 603. Valuation. For the purpose of determining the amount on deposit to the credit of any such fund or account, Investment Obligations in which money in any fund or account is invested shall be valued (a) at cost if such Investment Obligations mature within six months from the date of valuation thereof, and (b) if such Investment Obligations mature more than six months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder at his option if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Investment Obligations.

All Investment Obligations in all of the funds and accounts established under this Series Resolution or the Bond Order, except the Operating Fund, shall be valued two (2) Business Days prior to any Interest Payment Date. In addition, the Investment Obligations in such funds and accounts shall be valued at any time requested by the District Representative on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee); provided, however, that the Trustee shall not be required to value the Investment Obligations more than once in any calendar month.

If upon valuation of the Debt Service Reserve Fund, the balance in such Fund, including accrued interest to the date of valuation, is less than the Maximum Annual Debt Service on the Bonds, the Trustee shall compute the amount by which the Maximum Annual Debt Service on the Bonds exceeds such balance and shall immediately give the District and the Local Government Commission notice of such deficiency and the amount necessary to cure the same; provided, however, if such deficiency is due solely to a change in valuation of the Investment Obligations, the District shall not be required to cure such deficiency unless the amount of such deficiency equals or exceeds ten percent (10%) of the Maximum Annual Debt Service on the Bonds.

ARTICLE VII. RESERVED

ARTICLE VIII. THE TRUSTEE AND CO-TRUSTEE

Section 801. Acceptance of Duties by Trustee and Co-Trustee. The Trustee shall signify its acceptance of the duties and obligations and the trusts imposed upon it by this Series Resolution and the Bond Order by execution of the certificate of authentication on the Bonds. The Co-Trustee shall signify its
acceptance of the duties and obligations and the trusts imposed upon it by this Series Resolution and the Bond Order by execution of an acceptance letter.

ARTICLE IX. SUPPLEMENTAL SERIES RESOLUTIONS

Section 901. Procedure for Adoption of Supplemental Series Resolutions. The District may, from time to time and at any time, adopt such resolutions amending and supplementing the provisions of this Series Resolution in the same manner as is provided in Sections 1001 and 1002 of the Bond Order for the adoption of supplemental bond orders and the provisions of said Sections 1001 and 1002 are hereby incorporated herein and made applicable hereto in the same manner as if herein set forth.

Section 902. Exclusion of Bonds. Bonds owned or held by or for the account of the District or any controlled affiliate shall not be deemed Outstanding Bonds for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article, or Articles VII, VIII, X or XI of the Bond Order, and neither of such parties as Holders of such Bonds shall be entitled to consent or take any other action provided for in this Article, or Articles VII, VIII, X or XI of the Bond Order. At the time of any consent or other action taken under this Article, or Articles VII, VIII, X or XI of the Bond Order, the District shall furnish the Trustee a certificate signed by a District Representative, upon which the Trustee may rely, describing all Bonds so to be excluded.

ARTICLE X. DEFEASANCE

Section 1001. Cessation of Interest of Holders and Repeal of Series Resolution. If, when (a) the Bonds shall have become due and payable in accordance with their terms or shall have been duly called for redemption, or (b) irrevocable instructions to pay such Bonds at their respective maturities or to call such Bonds for redemption, shall have been given by the District to the Trustee, the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds shall be paid or if the Trustee shall hold sufficient money or non-callable Defeasance Obligations the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof, and (c) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the District, in connection with an advance refunding as shown by a verification report of an Accountant as to the adequacy of the escrow, then and in that case the right, title and interest of the Trustee hereunder and the obligations of the District hereunder shall thereupon cease, and the District shall repeal this Series Resolution and the Trustee, on demand of the District, shall distribute any surplus in any, and all balances remaining in all, funds and accounts, other than money held for the redemption or payment of Bonds, as provided in Section 508 hereof. Otherwise, this Series Resolution shall be, continue and remain in full force and effect; provided that, in the event Defeasance Obligations shall be deposited with and held by the Trustee as hereinabove provided, (i) in addition to the requirements set forth in Article III of this Series Resolution, the Trustee, within thirty (30) days after such Defeasance Obligations shall have been deposited with it, shall cause a no-
tice signed by the Trustee to be mailed, postage prepaid, to all Holders setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (b) a description of the Defeasance Obligations so held by it, and (c) that this Series Resolution has been repealed in accordance with the provisions of this Section, but failure to mail any such notice to any Holder shall not affect the validity of the defeasance of the Bonds pursuant to this Section and there shall be delivered to the Trustee an opinion of counsel recognized for expertise in matters pertaining to state and local governmental finance to the effect that the Bonds have been defeased and (ii) (a) the Trustee shall nevertheless retain such rights, powers and privileges under this Series Resolution and the Bond Order as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium for which such Defeasance Obligations have been deposited and (b) the Trustee shall retain such rights, powers and privileges under this Series Resolution and the Bond Order as may be necessary and convenient for the registration, transfer and exchange of Bonds.

All money and Defeasance Obligations held by the Trustee pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

ARTICLE XI. MISCELLANEOUS PROVISIONS

Section 1101. Manner of Giving Notice All notices, demands and requests to be given to or made hereunder by the District and the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the District --

Northern Hospital District of Surry County
830 Rockford Street
P.O. Box 1101
Mount Airy, North Carolina 27030-1101
Attention: Chief Executive Officer

(b) As to the Trustee --

The Bank of New York
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department

(c) As to the Local Government Commission --

Local Government Commission
325 N. Salisbury Street
Raleigh, North Carolina 27603-1388
Attention: Secretary

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram, telecopy or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.
Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Trustee under the provisions of this Series Resolution, or photographic copies thereof, shall be retained in its possession until this Series Resolution shall be repealed under the provisions of Section 1001 hereof, subject at all reasonable times to the inspection of the District and any Holder and the agents and representatives thereof.

Section 1102. Trustee, District and Holders Alone Have Rights under Series Resolution. Except as herein otherwise expressly provided, nothing in this Series Resolution, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, the District and the Holders, any right, remedy or claim, legal or equitable, under or by reason of this Series Resolution or any provision hereof, this Series Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Trustee, the District and the Holders.

Section 1103. Effect of Partial Invalidity. In case any one or more of the provisions of this Series Resolution or the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series Resolution or the Bonds, but this Series Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or this Series Resolution shall for any reason be held to be in violation of any law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the District to the full extent permitted by law.

Section 1104. Effect of Covenants. All covenants, stipulations, obligations and agreements of the District contained in this Series Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent permitted by the Constitution and laws of the State. This Series Resolution is adopted with the intent that the laws of the State shall govern its construction.

Section 1105. Dealing in Bonds. The Trustee and any bank or trust company acting as Depositary under this Series Resolution and its directors, officers, employees or agents, and any officer, employee or agent of the District, may in good faith, buy, sell, own, hold and deal in any Bonds issued under the provisions of this Series Resolution and may join in any action which any Holder may be entitled to take with like effects as if such Trustee were not a trustee and such bank or trust company were not a Depositary under this Series Resolution or as if such officer, employee or agent of the District did not serve in such capacity.

Section 1106. Headings. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series Resolution, nor shall they affect its meaning, construction or effect.
Section 1107. Further Authority. The officers of the District, attorneys, engineers and other agents or employees of the District are hereby authorized to do all acts and things required of them by this Series Resolution for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Series Resolution.

Section 1108. Application to Local Government Commission. The District hereby requests the Local Government Commission to sell the Bonds at private sale and without advertisement in accordance with the provisions of Section 159-123 of the North Carolina General Statutes.

Section 1109. Execution of Purchase Contract. The District hereby approves the action of the Local Government Commission in awarding the Bonds to the Underwriter in the amounts and at the interest rates set forth in Section 204 of this Series Resolution at a price of $__________ (representing the principal amount of the Bonds less an underwriting discount of $__________ and an original issue discount of $__________) plus accrued interest on the Bonds from June 15, 1999. The form, terms and provisions of the Purchase Contract are hereby approved in all respects, and the Chief Executive Officer or the Chief Financial Officer of the District is hereby authorized and directed to signify such approval by the execution of the Purchase Contract; such execution shall be conclusive evidence of the approval thereof by the District.

Section 1110. Approval of Preliminary Official Statement and Official Statement. The Chief Executive Officer or the Chief Financial Officer of the District is hereby authorized and directed to execute and deliver the Official Statement, dated July __, 1999, relating to the Bonds, in the form presented at this meeting together with such changes, modifications, and deletions as he, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization in all respects by the District of the form and content thereof. The District hereby ratifies and approves the distribution of the Preliminary Official Statement, dated June 4, 1999, relating to the Bonds, and approves and consents to the use and distribution of copies of the Official Statement, the Bond Order and this Series Resolution by the Underwriter in connection with the public offering of the Bonds.

Section 1111. Appointment of District Representative and Authorization for Other Acts. (a) The Chief Executive Officer and Chief Financial Officer of the District are hereby appointed District Representatives with full power to carry out the duties set forth in the Bond Order and this Series Resolution.

(b) The members of the District and the agents and employees of the District and the officers and agents of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Bonds, the Bond Order and the Purchase Contract for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same and also to do all acts and things required of them by the provisions of this Series Resolution.

(c) The Chairman, Vice Chairman and Clerk of the Board, and the Chief Executive Officer and the Chief Financial Officer
of the District, or any of them, are further authorized and di-
rected (without limitation except as may be expressly set forth
herein) to take such action and to execute and deliver any such
documents, deeds, certificates, undertakings, agreements or oth-
er instruments as they, with the advice of counsel, may deem
necessary or appropriate to effect the transactions contemplated
by the Bond Order, this Series Resolution and the Purchase Con-
tract.

Section 1112. No Recourse Against Members, Officers or Em-
ployees of the District or Local Government Commission. No re-
course, under or upon any statement, obligation, covenant or
agreement contained in this Series Resolution, in any Bond here-
by secured or in any document or certification whatsoever, or
under any judgment obtained against the District, or by the en-
forcement of any assessment, or by any legal or equitable pro-
ceeding by virtue of any constitution or statute or otherwise,
or under any circumstances, shall be had against any member, of-
ficer or employee, as such, of the District or the Local Govern-
ment Commission, either directly or through the District or the
Local Government Commission or otherwise, for the payment, for
or to the District or the Local Government Commission or any re-
ceiver of the District or the Local Government Commission, or
for or to any Holder, or otherwise, of any sum that may be due
and unpaid upon any such Bond. Any and all personal liability
of every nature, whether at common law or in equity or by stat-
ute or by constitution or otherwise, of any such member, officer
or employee, as such, to respond, by reason of any act or omis-
sion on his or her part or otherwise, for the payment, for or to
the District or any receiver of the District, or for or to any
Holder, or otherwise, of any sum that may remain due and unpaid
upon the Bonds hereby secured or any of them, is hereby express-
ly waived and released as an express condition of, and in con-
consideration for, the adoption of this Series Resolution and the
issuance of the Bonds.

Section 1113. Series Resolution Effective. This Series
Resolution shall take effect immediately upon its adoption.

Section 1114. Delegation of Authority   To the extent that
certain terms and provisions of the Bonds have not been estab-
lished on the date this Series Resolution is adopted and takes
effect, the Chairman, or in his absence the Vice Chairman, of
the Board of Commissioners for the County of Surry, North Caro-
lina is hereby authorized to approve and ratify such terms and
provisions; provided, however, in no event shall (i) the aggre-
gate principal amount of the Bonds exceed $19,000,000 plus any
adjustment for original issue discount, if any, (ii) the net in-
terest cost for the Bonds exceed 8.75%, and (iii) the maturity
of the Bonds exceed thirty (30) years. The approval and ratifi-
cation by the Chairman, or in his absence the Vice Chairman, of
such terms and provisions shall be conclusively evidenced by the
execution of the Bonds.

EXHIBIT A

Description of the Improvements

The term "Improvements", as used in the attached Series
Resolution, means and includes the following capital improve-
ments to Northern Hospital of Surry County (the "Hospital"):
(1) the renovation, upgrading and expansion of approximately 54,945 square feet of space located on five floors of the Hospital in order to upgrade certain mechanical, electrical, plumbing and fire protection systems, to renovate and relocate inpatient care areas, to add 20 nursing home beds to the existing 13 bed skilled nursing unit, and to expand and relocate certain outpatient service areas and support departments;

(2) the construction of a new 5-story tower building containing approximately 5,800 square feet of space to be located at the south end of the Hospital to provide space for new electrical and mechanical equipment, a new chiller and an electrical room;

(3) the acquisition and installation of certain new machinery and equipment, including without limitation, 3 new chillers, air handling and distribution equipment, HVAC equipment, electrical switch gear, emergency power distribution equipment, fire sprinklers, alarm equipment, electrical, mechanical and fire protection equipment, 2 new elevators, and other miscellaneous machinery and equipment

EXHIBIT B
Special Tax Covenants

In addition to the duties and obligations undertaken by the District under the Bond Order and the Series Resolution attached, the undersigned make the following covenants and certifications on behalf of the District in connection with the issuance of the Bonds:

1. Ownership of the Improvements. The net proceeds of the Bonds is an amount equal to the principal amount of the Bonds reduced by any original issue discount (the "Net Proceeds). All property financed by the Net Proceeds of the Bonds will be owned (as such term is defined for federal income tax purposes) by the District in accordance with Section 145(a)(1) of the Code.

2. Nonqualifying Use. The District shall not use or permit the use of any portion of the proceeds of the Bonds or portion of the Improvements financed with the proceeds of the Bonds in an amount in excess of ten percent of the Net Proceeds of the Bonds by any person that is not an Exempt Person, or any Exempt Person with respect to activities that constitute unrelated trades or businesses under Section 513(a) of the Code. For purposes hereof, an Exempt Person is (a) a state or local governmental unit or (b) an organization that is exempt from federal income tax under Section 501(c)(3) of the Code that is not using the Improvements in a manner that constitutes unrelated trades or businesses under Section 513(a) of the Code. The District has provided to Bond Counsel copies of all contracts between the District and any person for the use or management of its existing facilities and the Improvements. The District will not enter into any contract with any person for the use or management of any facility provided with the Net Proceeds of the Bonds unless such contract conforms with the guidelines set forth in Revenue Procedure 82-14, 1982-1 C.B. 459 or Revenue Procedure
3. Prohibited Facilities. No portion of the proceeds of the Bonds is being used to provide any airplane, skybox or other private luxury box, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

4. Federal Guarantee. The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code. Neither the District nor any user of the Improvements has entered into any leases or sales or service contracts with any federal agency.

EXHIBIT C

Form of Requisition

Requisition No. ______

________________________________________,

The Bank of New York, as Trustee
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Ladies and Gentlemen:

Referring to Section 404 of the Series Resolution adopted by Northern Hospital District of Surry County, North Carolina (the "District") relating to the issuance of its Health Care Facilities Revenue Bonds, Series 1999 (the "Series Resolution"), it is hereby certified as follows:

1. That there is now due and owing to ____________________________________________, the sum of $________________ for ___________________________

in connection with the Improvements referred to in the Series Resolution;

2. That obligations in the stated amount set forth above have been incurred by the District and are presently due and payable and that each item thereof is a proper charge against the Acquisition Fund (as defined in the Series Resolution) and has not been paid;

3. That there has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, or claim affecting the right of any such persons, firms or corporations to receive payment of, the respective amounts stated in such requisition which has not been released or will not be released simultaneously with the payment of such obligation; and

4. That such requisition contains no item representing payment on account of any retainage which the District is at the date of such requisition entitled to retain.

You are hereby authorized and directed to disburse the aforesaid sum to the party named in Paragraph 1 hereof from mon-
eys now on deposit in the Acquisition Fund now held by you under
the terms and provisions of said Series Resolution.

NORTHERN HOSPITAL DISTRICT OF SURRY
COUNTY, NORTH CAROLINA

By __________________________
District Representative

Following discussion of the Resolution set forth above,
Commissioner Gary York moved that the Resolution be adopted by
the Board, which motion was seconded by Commissioner Fred
O’Neal. The resolution was adopted by the following vote:

AYES: Gary York, Fred O’Neal, Jim Miller, Paul Johnson,
Jim Harrell, Jr.

NAYES: None

Upon motion of Fred O’Neal, seconded by Gary York, the
Board voted unanimously to approve Budget Amendment #39 to the
FY 1998-99 Budget Ordinance as follows:

CHANGE #39

Schools’ Capital Projects Fund

Expenditures

Copeland School Project
Increase line item 6155941-51600 (Architect Fees)
by $108.00 to $108.00.
Increase line item 6155941-51640 (Project Construction)
by $9,381.00 to $9,381.00.

Dixon Re-Roofing Project
Increase line item 6155971-51640 (Project Construction)
by $28,172.00 to $28,172.00.

Revenue
Increase line item 6145941-49835 (Trans from CR-Copeland)
by $9,489.00 to $9,489.00.
Increase line item 6145971-43342 (State Bonds-Dixon Roof)
by $28,172.00 to $28,172.00.

Increase fund totals by $37,661.00 to $15,872,897.00.

Schools Capital Reserve Fund

Expenditures
Increase line item 3755918-59172 (Trans to CP-Copeland)
by $9,489.00 to $9,489.00.
Decrease line item 3755918-59500 (Contingency)
by $9,489.00 to $1,490,511.00.

The above action does not change fund totals.

Upon motion of Jim Miller, seconded by Fred O’Neal, the
Board voted unanimously to approve Amendment No. 1 to the Capit-
tal Project Ordinance for the Copeland Elementary School and
Amendment No. 1 to the Capital Project Ordinance for the North Middle School as follows:

Amendment #1
CAPITAL PROJECT ORDINANCE
COPELAND ELEMENTARY SCHOOL

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 capital project ordinance is hereby adopted:

Section 1: The project authorized by this ordinance is the construction, renovating, and equipping of the Copeland Elementary School.

Section 2: The officers of this governmental unit are hereby directed to proceed with this capital 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.

| CAPITAL RESERVE FUND | $3,371,943.00 |
| TOTAL REVENUES       | $3,371,943.00 |

(By separate action, the Board of Commissioners has previously appropriated $112,500 for architect fees and professional services related to the project).

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Preparation</td>
<td>$89,000.00</td>
</tr>
<tr>
<td>Construction</td>
<td>3,223,395.00</td>
</tr>
<tr>
<td>Asbestos Removal</td>
<td>9,000.00</td>
</tr>
<tr>
<td>Contingency</td>
<td>-0-</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>50,548.00</td>
</tr>
<tr>
<td>TOTAL APPROPRIATION</td>
<td>$3,371,943.00</td>
</tr>
</tbody>
</table>

Section 5: The Finance Officer is directed to report quarterly to the Board of Commissioners on the financial status of the 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 balance of appropriated funds which are unexpended at the conclusion of this project shall be reserved by the Board of County Commissioners for future school buildings projects.

Section 8: Copies of this capital 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 17th day of May 1999.

Amendment #1
CAPITAL PROJECT ORDINANCE
NORTH MIDDLE SCHOOL

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 capital project ordinance is hereby adopted.

Section 1: The project authorized by this ordinance is the construction and equipping of the North Middle School.

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

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

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Carolina Public School Building Bond Act of 1996</td>
<td>$9,771,998</td>
</tr>
<tr>
<td>Schools Capital Res</td>
<td>$93,726</td>
</tr>
<tr>
<td>(Trans. from Copeland)</td>
<td></td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$9,865,724</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Costs and Fees</td>
<td>$400,000</td>
</tr>
<tr>
<td>Land Cost</td>
<td>$150,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$9,221,998</td>
</tr>
<tr>
<td>Contingency</td>
<td>$93,726</td>
</tr>
<tr>
<td>Total Appropriation</td>
<td>$9,865,724</td>
</tr>
</tbody>
</table>

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 from the Public School Building Bond Act of 1996 shall be reserved by the Board of Education for use as provided by applicable law or regulation. Any balance of appropriated County funds which are unexpended at the conclusion of this project shall be reserved by the Board of County Commissioners for future schools buildings projects.
Section 8: Copies of this capital 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 17th day of May, 1999.

Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to authorize funds in the amount of $1,500 for participation in the NACO 2000 conference to be held in Charlotte, North Carolina.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to appoint Lisa Mitchell to the Nursing/Domiciliary Home Community Advisory Committee for a one year term and Anthony Morris to the Board of Equalization & Review.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to authorize payment from the Community Centers budget to reimburse the Lowgap Community Center $550 for roofing repairs as requested by the Community Center.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve a request made by Dr. Walter Linz, Health Director, by memo for donation of 145 hours of annual leave from Health Department employees to another Health Department employee to be used as sick leave.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve a request made by Dr. Walter Linz, Health Director, to allocate funds from the County budget in the amount of $3,000 for replacement of an air conditioning system at the Health & Nutrition Center.

Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to approve a request from Dr. Marsha Bledsoe, Superintendent of the Surry County Schools System, to appropriate $197,812 for roof repair and repair of the HVAC system at the Pilot Mountain Middle Schools. Funds will be transferred from schools emergency reserve account.

The County Manager presented a request from Dr. Walter Linz to employ a full-time dentist in the Health Department, up to Grade 82, Step 15. Following discussion, Jim Harrell made a motion to approve the request made by Dr. Linz. Paul Johnson made a second to the motion, and the vote was as follows:

AYES: Jim Harrell, Paul Johnson, Gary York, Jim Miller

NAYS: Fred O’Neal

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve a request made by Betty Tay-
lor to promote Sandra Harris to Assistant Finance Director. The Board approved Mrs. Harris’ salary at Grade 70, Step 9.

The County Manager presented for the Board’s review and consideration the proposed annual recommended budget for FY 1999-2000. It was the consensus of the Board to set a public hearing on the proposed budget for 6:00 p.m. on June 7, 1999.

There being no further business, the Board recessed the meeting until May 24, 1999 at 6:00 p.m.

Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners reconvened the meeting of May 17, 1999 at 6:00 p.m. on May 24, 1999. The meeting was held in the Commissioners’ meeting room, Surry County Government Center, 118 Hamby Road, Dobson, North Carolina.

Board members present were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Paul Johnson and Fred O’Neal.

Others present for the Public Hearing on a proposed appropriation and expenditure by the County for economic development activities were County Manager, Dennis Thompson; Clerk to the Board, Linda Wilkins; Assistant County Manager for Budget and Finance, Betty Taylor; Harold Brownfield with Andrew Pearson Company; Bob Comer, President, and Crystal Morphis, incoming President, of the Economic Development Partnership; Dean Bray Jr. and Dean Bray, III; Angela Leonard, Mount Airy News; and Todd Merriman, The Tribune.

Chairman Harrell declared the meeting a public hearing to receive comments from the public on the following requests presented by Bob Comer and recommended for approval by the Economic Development Partnership:

1) consideration of public investment of approximately $20,200 to be paid at $4,040 over a period of five (5) years to Dean Bray, Jr. to defray the cost of extending water service to a distribution center in the Holly Springs area in Mount Airy which will be leased by Cross Creek Apparel. The proposed five (5) year annual incentive payment would be contingent upon generating at least $5,300 in County tax revenue for each of the five (5) years the incentive is paid.

2) consideration of public investment of approximately $20,200 to be paid at $4,040 over a period of five (5) years to the City of Mount Airy for one-half the presumptive value of the land deeded to Andrew Pearson Design located in Westwood Industrial Park in Mount Airy, North Carolina. The proposed five (5) year annual incentive payment would be contingent upon generating at least $5,300 in County tax revenue for each of the five (5) years the incentive is paid. The development of this center will add $1,000,000 to the County’s tax base and create 10 new jobs in the County.

Mr. Comer informed the Board that the City of Mount Airy had approved the Andrew Pearson incentive as recommended, subject to participation by the County, and delayed their decision on the Bray/Cross Creek project until passage of special legislation permitting Mount Airy to increase the allowed acreage of satellite annexation which would include the Bray property at Holly Springs. Mr. Comer indicated that the Partnership recommends that the County Commissioners approve the Andrew Pearson incentive and postpone granting the Bray/Cross Creek incentive until Mount Airy has annexed the Bray property and formally agreed to share in the water line extension.

Following Mr. Comer’s presentation, Chairman Harrell asked for comments from the audience. There were no comments; therefore,
the public hearing was closed. Gary York made a motion to approve the incentive proposal as recommended by the Economic Development Partnership. Commissioner Fred O’Neal made a second to the motion, and the vote was unanimous.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to accept Budget Transfer #40 as approved by the Budget Officer and approved Budget Amendment #41 to the FY 1998-99 Budget Ordinance as follows:

### CHANGE #41

**GENERAL FUND**

**Expenditures**

**County Facilities-Shared**
Create and increase line item 1054191-56550 (Buildings) by $1,175.00 to $1,175.00.
Decrease line item 1054191-56010 (Equipment) by $1,175.00 to $2,225.00.
The above action does not change departmental total.

**Court Facilities-Shared**
Create and increase line item 1054192-56550 (Buildings) by $1,175.00 to $1,175.00.
Decrease line item 1054192-56010 (Equipment) by $1,175.00 to $2,225.00.
The above action does not change departmental total.

**Non-Departmental**
Decrease line item 1054199-59520 (Salary Contingency) by $43,131.00 to $100,957.00.
Decrease line item 1054199-59610 (Jail Reserve) by $22,931.00 to -0-.
Decrease departmental total by $66,062.00 to $632,293.00.

**County Jail**
Increase line item 1054320-51030 (Salaries & Wages Part-Time) by $19,200.00 to $61,285.00.
Increase line item 1054320-52200 (Food & Provisions) by $18,000.00 to $102,000.00.
Increase line item 1054320-52350 (Automotive Supplies) by $200.00 to $3,200.00.
Increase line item 1054320-54200 (Telephone) by $1,400.00 to $4,600.00.
Increase line item 1054320-55480 (Prisoner Safekeeping) by $3,331.00 to $5,331.00.
Increase departmental total by $42,131.00 to $810,294.00.

**Communications Center**
Increase line item 1054325-52010 (Supplies & Materials) by $783.00 to $7,283.00.
Increase line item 1054325-56010 (Equipment) by $1,717.00 to $20,898.00.
Increase departmental total by $2,500.00 to $627,656.00.

**Fire Marshal**
Decrease line item 1054340-51040 (Salary Reserve) by $3,069.00 to -0-.
Decrease departmental total by $3,069.00 to $217,862.00.
Emergency Medical Services
Increase line item 1054370-51030 (Salaries & Wages Part-Time) by $27,000.00 to $130,774.00.
Increase departmental total by $27,000.00 to $2,601,983.00.

Save Our Students Grant
Increase line item 1054954-51030 (Salaries & Wages Part-Time) by $4,000.00 to $4,000.00.
Increase line item 1054954-51300 (Social Security) by $248.00 to $248.00.
Increase line item 1054954-51310 (Medicare) by $58.00 to $58.00.
Increase line item 1054954-52010 (Supplies & Materials) by $443.00 to $443.00.
Increase line item 1054954-54010 (Travel) by $1,015.00 to $1,015.00.
Increase departmental total by $5,764.00 to $5,764.00.

Smart Start-Health
Decrease line item 1055113-51010 (Salaries & Wages) by $4,982.00 to $42,500.00.
Decrease line item 1055113-51040 (Salary Reserve) by $1,070.00 to 0.
Increase line item 1055113-54010 (Travel) by $525.00 to $5,025.00.
Decrease line item 1055113-54200 (Telephone) by $73.00 to $825.00.
Decrease line item 1055113-54250 (Postage) by $400.00 to 0.
Decrease departmental total by $6,000.00 to $69,370.00.

Maternal Health Program
Increase line item 1055162-52010 (Supplies & Materials) by $527.00 to $5,430.00.
Increase departmental total by $527.00 to $254,203.00.

Cardiovascular Disease Prog.
Create and increase line item 1055159-54350 (Printing) by $1,200.00 to $1,200.00.
Decrease line item 1055159-52010 (Supplies & Materials) by $1,200.00 to $4,250.00.
The above action does not change departmental total.

Child Service
Create and increase line item 1055178-54350 (Printing) by $4,500.00 to $4,500.00.
Decrease line item 1055178-52010 (Supplies & Materials) by $4,500.00 to $1,469.00.
The above action does not change departmental total.

Smart Start Dental Grant
Decrease line item 1055193-51010 (Salaries & Wages) by $18,000.00 to $10,556.00.
Decrease line item 1055193-51040 (Salary Reserve) by $572.00 to 0.
Decrease line item 1055193-51300 (Social Security) by $1,200.00 to $571.00.
Decrease line item 1055193-51350 (Group Insurance) by $3,090.00 to $2,194.00.
Decrease departmental total by $22,862.00 to $23,967.00.

Services Programs
Increase line item 1055313-57855 (NC DOT Grant)
by $378.00 to $8,247.00.
Increase departmental total by $378.00 to $3,125,105.00.

Revenue
Increase line item 1044000-48500 (Insurance Refunds) by $2,500.00 to $200,300.00.
Increase line item 1044954-43362 (Save Our Students Grant) by $5,764.00 to $5,764.00.
Increase line item 1045162-42353 (Maternal Health Care) by $527.00 to $46,570.00.
Increase line item 1045313-43382 (NC DOT Grant) by $378.00 to $8,247.00.
Decrease line item 1045113-43163 (Smart Start-Health) by $52,829.00 to $69,370.00.
Increase line item 1045193-43329 (Smart Start-Dental) by 23,967.00 to $23,967.00.
Decrease fund totals by $19,693.00 to $45,602,517.00.

Sheriff’s Narcotics Fund

Revenue
Create line item 1844130-48200 (Surplus Property).

Landfill Fund

Expenditures

Waste Collection/Recycling
Increase line item 6757415-51755 (Waste Mgmt. Contract-Trans) by $334,121.00 to $334,121.00.
Increase line item 6757415-51758 (Household H. Waste Collect) by $51,101.00 to $51,101.00.
Decrease line item 6757415-53010 (Buildings & Grounds Maint) by $15,000.00 to $50,000.00.
Increase departmental total by $370,222.00 to $1,349,238.00.

Landfill Operations

Decrease line item 6757420-51050 (Personnel Expansion) by $15,125.00 to -0-.
Decrease line item 6757420-52350 (Automotive Supplies) by $5,000.00 to $50,000.00.
Decrease line item 6757420-53010 (Buildings & Ground Maint) by $5,000.00 to $24,500.00.
Decrease line item 6757420-54250 (Postage) by $1,000.00 to $1,000.00.
Decrease line item 6757420-54350 (Printing) by $500.00 to $1,500.00.
Decrease line item 6757420-55650 (Miscellaneous) by $40,000.00 to $10,000.00.
Decrease line item 6757420-56600 (Other Improvements) by $100,000.00 to $35,000.00.
Decrease departmental total by $166,625.00 to $1,689,417.00.

Landfill Debt Service
Decrease line item 6759130-58200 (Lease/Purchase Principal) by $201,397.00 to -0-.
Decrease departmental total by $201,397.00 to $113,750.00.

Revenue
Increase line item 6747415-45102 (Sale of Recyclables) by $2,200.00 to $27,200.00.
Increase fund totals by $2,200.00 to $6,549,200.00.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve a request presented by Betty Taylor in behalf of the Health Director to use funds not budgeted for capital equipment in the amount of $1452 to purchase a copier, an audiometer, and a hemoglobin analyzer.

Upon motion of Jim Harrell, seconded by Paul Johnson, the Board voted unanimously to approve a request made by Betty Taylor in behalf of the Tax Administrator to use excess capital funds in the amount of $791 to purchase a fax machine, and approved a request to transfer excess funds in supplies and materials into capital outlay to purchase two (2) laser jet printers and a Dell PC and printer.

The County Manager presented a letter from the City of Mount Airy requesting that the County participate in paying one-half the cost of professionally promoting the possible extension of water service to Surry County residents in the White Plains and Toast communities. The cost quoted in the letter was approximately $5,000, or $2,500 each for the City and County.

Following discussion the Board instructed Dennis Thompson to contact Mount Airy City officials to set up a meeting of the Committee members to go over details of the proposed promotional activities and report back to the Board.

Gary York made a motion to permit the connection of the small diameter force main from the private sewer lift station under construction at the Cross Creek facility located at the US Highway 52 interchange. Paul Johnson made a second to the motion. Fred O'Neal amended the motion to include that approval is contingent upon coordinating the project with the landfill so as not to interfere with the completion date of the project. Following discussion, the vote on the motion and amendment was unanimous.

Upon motion of Jim Miller, seconded by Fred O'Neal, the Board voted unanimously to approve a request made by the County Manager in behalf of the Register of Deeds to purchase unscheduled capital equipment from his existing budget in the amount of $8,678.

Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to approve a request recommended by the County Manager to purchase equipment in the amount of $3,206.65 from the Non-Departmental budget which would allow the Health and Nutrition Center to be part of the County Network System.

The Board instructed the County Manager to make decisions on the requested use of conference rooms, meeting rooms, and other facilities located in County buildings.
The County Manager reminded the Board that the Governor’s Volunteer Awards nominations were needed by the first meeting in June.

The Clerk to the Board left the meeting after the above-recorded business, and the County Manager took the minutes of the next items of business.

Chairman Harrell called a public hearing to meet with members of the Board of Transportation and representatives of the Department of Transportation who were present for the purpose of reviewing the Secondary Roads Improvement Program for FY 1999-2000. Wade Hoke and Wayne Atkins with the Department of Transportation presented the Program. After discussion, Chairman Harrell asked for comments from the audience. Following a question and answer period, the public hearing was closed. Wade Hoke asked the Board to consider supporting the construction program recommended by the Department of Transportation. Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to adopt the following resolution in support of the program:

RESOLUTION

WHEREAS, the North Carolina Department of Transportation has made funds available for improvements to secondary roads in Surry County; and

WHEREAS, the North Carolina Department of Transportation has proposed the following road improvements during FY 1999-2000:

SURRY COUNTY

1999-2000 SECONDARY ROAD CONSTRUCTION PROGRAM

1999-2000 ANTICIPATED ALLOCATION – HIGHWAY FUND $1,719,600.00
1999-2000 ANTICIPATED ALLOCATION – TRUST FUND $1,404,825.00
1999-2000 ANTICIPATED ALLOCATION – BOND FUND $1,570,270.00
COMPLETE FUNDING FOR 1998-1999 PROGRAM $ (450,000.00)
TOTAL ANTICIPATED AVAILABLE $4,244,695.00

PAVING UNPAVED ROADS (70.6%)

RURAL UNPAVED ROADS (70.6%):

SR 1340  Hodge Mill Road-Grade, Drain, Base and Pave from SR 1341 to SR 1338 - 2.00 miles. Priority #36 $ 330,000.00
SR 1824  Taylor Road - Grade, Drain, Base and Pave from SR 1822 to SR 1823 - 0.50 miles. Priority #37 $ 100,000.00
SR 1460  Branch Road - Grade, Drain, Base and Pave from SR 1345 to EOM - 0.60 miles. Priority #38 $ 100,000.00
SR 2042  Cox Ford Road - Grade, Drain, Base and Pave from SR 2041 to EOM - 0.70 miles. Priority #39 $ 125,000.00
<table>
<thead>
<tr>
<th>Road Number</th>
<th>Description</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>SR 1823</td>
<td>Gilley Road – Grade, Drain, Base and Pave from SR 1815 to EOM – 1.00 miles. Priority #40</td>
<td>$175,000.00</td>
</tr>
<tr>
<td>SR 2079</td>
<td>John Scott Road – Grade, Drain, Base and Pave from SR 2080 to SR 2069 – 1.60 miles. Priority #41</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>SR 1342</td>
<td>Tobe Hudson Road – Grade, Drain, Base and Pave from SR 1001 to SR 1341 – 2.60 miles. Priority #42</td>
<td>$400,000.00</td>
</tr>
<tr>
<td>SR 1820</td>
<td>Russell Road – Grade, Drain, Base and Pave from SR 1774 to SR 1774 – 0.46 miles. Priority #43</td>
<td>$90,000.00</td>
</tr>
<tr>
<td>SR 1796</td>
<td>Bob Jessup Road – Grade, Drain, Base and Pave from SR 1794 to Stokes Co. – 0.90 miles. Priority #44</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>SR 1802</td>
<td>Hollingsworth Road – Grade, Drain, Base and Pave from NC 89 to SR 1798 – 0.60 miles. Priority #45</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>SR 2077</td>
<td>Nunn Road – Grade, Drain, Base and Pave from SR 2078 to SR 2075 – 0.75 miles. Priority #47</td>
<td>$130,000.00</td>
</tr>
<tr>
<td>SR 1352</td>
<td>Fish River Church Road – Grade, Drain, Base and Pave from SR 1350 to EOM – 1.20 miles. Priority #48</td>
<td>$180,000.00</td>
</tr>
<tr>
<td>SR 2072A</td>
<td>Oliver Hauser Road – Grade, Drain, Base and Pave from End Pvmnt to SR 2069 – 1.10 miles. Priority #49</td>
<td>$200,000.00</td>
</tr>
<tr>
<td>SR 1162</td>
<td>Everett Road – Grade, Drain, Base and Pave from SR 1161 to Wilkes Co. – 0.70 miles. Priority #50</td>
<td>$125,000.00</td>
</tr>
<tr>
<td>SR 2033</td>
<td>Nurse Road – Grade, Drain, Base and Pave from End Pvmnt to SR 2019 – 2.00 miles. Priority #51</td>
<td>$340,000.00</td>
</tr>
<tr>
<td>SR 1827</td>
<td>Simmons Road – Grade, Drain, Base and Pave from SR 1826 to SR 1815 – 1.20 miles. Priority #52 (Partially funded)</td>
<td>$100,000.00</td>
</tr>
</tbody>
</table>

**UNPAVED ROAD IMPROVEMENTS (10.5%)**

<table>
<thead>
<tr>
<th>Spot Stabilization</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>SR1116 SR1118 SR1126 SR1128 SR1133 SR1140 SR1170 SR1177</td>
<td>$445,000.00</td>
</tr>
<tr>
<td>SR1184 SR1187 SR1188 SR1209 SR1300 SR1301 SR1305 SR1310</td>
<td></td>
</tr>
<tr>
<td>SR1312 SR1313 SR1317 SR1318 SR1319 SR1320 SR1323 SR1328</td>
<td></td>
</tr>
<tr>
<td>SR1329 SR1330 SR1333 SR1336 SR1345 SR1346 SR1347 SR1348</td>
<td></td>
</tr>
<tr>
<td>SR1349 SR1351 SR1401 SR1403 SR1409 SR1410 SR1411 SR1417</td>
<td></td>
</tr>
<tr>
<td>SR1423 SR1472 SR1604 SR1608 SR1610 SR1613 SR1616 SR1626</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL PAVING (17.91 miles)** $2,995,000.00
SR1649  SR1663  SR1791  SR1792  SR1795  SR1801  SR1804  SR1812  
SR1816  SR1822  SR1828  SR1830  SR2025  SR2031  SR2034  SR2041  
SR2043  SR2046  SR2054  SR2062  SR2068  SR2071  SR2073  SR2075  
SR2078  SR2083  SR2086  SR2087  SR2092  SR2094  SR2101  SR2105  
SR2200  SR2206  SR2207  SR2220  SR2227  SR2260  SR2278  SR2279  

**PAVED ROAD IMPROVEMENTS (14.1%)**

**WIDENING SECONDARY ROADS**

- **SR 2048 (Perch Road) from SR 2065 to Stokes**
  - $50,000.00
  - County 0.40 miles – widen pavement from 18’ to 22’

- **SR 2065 (Perch Road) from SR 2048 to Stokes**
  - $150,000.00
  - County 1.20 miles – widen pavement from 18’ to 22’

- **SR 1110 (Twin Oaks Road) from SR 1001 to SR 1107**
  - $400,000.00
  - 4.0 miles – widen pavement from 16’ to 20’

**TOTAL WIDENING (5.6 MILES)** $ 600,000.00

**CONTINGENCIES (4.8%)** $ 204,695.00

RESERVED FOR STAKING, RIGHT OF WAY ACQUISITION, ROAD ADDITIONS, EMERGENCIES, OVERDRAFTS AND PAVING ENTRANCES TO CERTIFIED RESCUE SQUADS AND FIRE DEPARTMENTS.

NOTE:

PROGRAM SUBJECT TO AVAILABILITY OF FUNDING, RIGHT-OF-WAY, AND ENVIRONMENTAL REVIEW. IF WE ARE UNABLE TO OBTAIN RIGHT-OF-WAY ON ANY PAVING PROJECT, WE WILL GO TO THE NEXT PAVING PRIORITY.

NOW, THEREFORE, BE IT RESOLVED that the Surry County Board of Commissioners endorses the Department of Transportation’s plan for secondary road improvements as set forth above.

ADOPTED this the 24th day of May, 1999.

_________________ ________________ ________________

Following the public hearing the Board continued with review of the annual budget recommendation as made by the County Manager.

_________________ ________________ ________________

There being no further business, the Board recessed the meeting until June 1, 1998 at 6:30 p.m.

SURRY COUNTY BOARD OF COMMISSIONERS

_________________ ________________ ________________

Linda H. Wilkins, Clerk to the Board
Dennis Thompson, County Manager
The Surry County Board of Commissioners reconvened the meeting of May 24, 1999 at 6:30 p.m., June 1, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Betty Taylor, Assistant County Manager for Budget & Finance
Barbara Anderson, Director, Department of Social Services
David Adkisson, Consultant, Department of Social Services
Sheila Creed, Internal Auditor, Finance Office
Mike Sawyer, Northwestern Regional Library
John Hedrick, Northwestern Regional Library
Dr. Walter Linz, Health Director
John Shelton, Director, Emergency Services
Teresa Kinney, Planning Director
Fonda Younger, Recreation Director
Todd Merriman, The Tribune
Angela Leonard, Mount Airy News
Garnett Steele, Social Services Board
Nannie Lou Kidd, Social Services Board

Chairman Harrell called the meeting to order. Vice-Chairman Gary York delivered the invocation.

The following department heads presented proposed budgets for their departments for FY 1999-2000: Barbara Anderson, Dr. Walter Linz, John Shelton, Fonda Younger, Teresa Kinney.

Mike Sawyer requested an additional $14,000 for the Northwestern Regional Library.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to create a permanent full time position of Clerical Level III, Grade 57, in the EMS Department and to authorize Peggy Wagoner who is currently in the position as temporary part time to hold the new position, effective July 1, 1999.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to declare as surplus, and authorized the sale of, a 1990 Chevrolet Suburban, Serial # 1GNEV16K01F172057, and a 1994 E-350 Type II 4x4 ambulance, Serial # 1FTPJ534M7RHB63901; and authorized the purchase of a Ford 3/4 ton 4-wheel drive truck from state contract to replace the 1990 Chevrolet in the Emergency Services Department.
Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to create the position of Clerk to the Board in the Classification Pay Plan at Grade 64; to create the position as full time in the budget of Governing Body and to authorize recruitment of the position; and to authorize Linda Wilkins, who recently gave notice of retirement, to continue on a part-time basis from September 1, 1999 until December 31, 1999 to assist in training of a new Clerk and other duties as assigned.

_________________ ________________ ________________

There being no further business, the Board recessed the meeting until 6:30 p.m., June 2, 1999.

______________________________
Dennis Thompson
County Manager
The Surry County Board of Commissioners reconvened the meeting of June 1, 1999 at 6:30 p.m., June 2, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

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

- Dennis Thompson, County Manager
- Betty Taylor, Assistant County Manager for Budget & Finance
- Sheila Creed, Internal Auditor
- Jerry Snow, Public Works Director
- Glenn East, Public Works Department
- Angela Leonard, Mount Airy News
- Owen Good, The Tribune

Chairman Harrell reconvened the meeting.

Jerry Snow presented the proposed budget for the Public Works Department for Board discussion.

Following Mr. Snow’s presentation, the Board continued to review various changes to the County Manager’s recommended budget.

At the request of Gaynell Dancy, Community Service Coordinator, the Commissioners considered establishing a part-time position of Litter Clean-up Coordinator to supervise community service workers on roadside clean-up. The Board tentatively approved an allocation of $2,500 for the proposed position.

There being no further business, the Board adjourned the meeting.

______________________________
Dennis Thompson
County Manager
The Surry County Board of Commissioners met in regular session at 6:00 p.m. on June 7, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Linda H. Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney
Betty W. Taylor, Assistant County Manager for
  Budget & Finance
Jim McHone, Chief Deputy Sheriff
Jimmy Combs, Sheriff’s Office
Bill Marion, Public Works Department
Donald Belle, Veterans Service Officer
Angela Leonard, Mount Airy News
Wilson Smith & Several Members of the
  Pilot Auditorium Restoration Committee
Bill James, Administrator, Northern Hospital of Surry County
Bob Quick, Womble Carlyle Sandridge & Rice
Dr. Stephen Laws, Superintendent, Elkin City Schools
Several School Officials from the Mount Airy City,
  Elkin City, and Surry County School Systems
Grover Mabe, Citizen C. R. Gilley, Citizen
Hoke Willis, Citizen John Pekarsky, Citizen
Rebecca Manard, Citizen Don Thompson, Citizen
Rob Gibson, Citizen Haywood Morris, Citizen
Grady Nichols, Citizen Craig Hunter, Citizen
Clyde Hiatt, Citizen Paul Key, Citizen
Fred Sidden, Citizen Faye Needham, Citizen
Don Minor, Citizen Norma Jean Douglas, Citizen
JoAnn Snow, YVEDDI
Debbie Cheek, YVEDDI
Anna Lisa Davis, YVEDDI
Harold Hooker, Franklin Volunteer Fire Department

Chairman Jim Harrell, Jr. called the meeting to order. Commissioner Fred O’Neal delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the minutes of the May 17, May 24, June 1, and June 2, 1999 meetings as written.

Bill James, Administrator, Northern Hospital, and Bob Quick, Bond Counsel, came before the Board to request adoption of a resolution amending and restating the series resolution adopted by the Board on May 17, 1999, relating to the proposed Northern Hospital District of Surry County Health Care Facilities Revenue Bonds, Series 1999.
Commissioner Jim Harrell, Jr. introduced the following resolution, copies of which were made available to the Board:

SERIES RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF UP TO $19,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF NORTHERN HOSPITAL DISTRICT OF SURRY COUNTY (THE "DISTRICT") HEALTH CARE FACILITIES REVENUE BONDS, SERIES 1999 (THE "BONDS") TO PROVIDE FUNDS TO (1) RENOVATE, UPGRADE AND EXPAND CERTAIN AREAS OF NORTHERN HOSPITAL OF SURRY COUNTY (THE "HOSPITAL") OPERATED BY THE DISTRICT, (2) CONSTRUCT A NEW 5-STORY TOWER CONTAINING APPROXIMATELY 5,800 SQUARE FEET OF SPACE AT THE SOUTH END OF THE HOSPITAL TO HOUSE NEW ELECTRICAL AND MECHANICAL EQUIPMENT, (3) FUND THE DEBT SERVICE RESERVE FUND ESTABLISHED UNDER SECTION 501(b) HEREOF, (4) PAY ACCRUED INTEREST ON THE BONDS FROM JUNE 15, 1999, AND (5) PAY CERTAIN COSTS OF ISSUANCE INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AUTHORIZING AND APPROVING THE FORMS, TERMS, EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT AND THE PURCHASE CONTRACT; AUTHORIZING THE DISTRIBUTION AND USE OF THE PRELIMINARY OFFICIAL STATEMENT, THE OFFICIAL STATEMENT AND THE BOND ORDER IN CONNECTION WITH THE PUBLIC OFFERING OF THE BONDS BY THE LOCAL GOVERNMENT COMMISSION; AND DIRECTING THE AUTHENTICATION AND DELIVERY OF THE BONDS TO THE UNDERWRITER.

WHEREAS, Northern Hospital District of Surry County (the "District"), a municipal corporation organized and validly existing under Chapter 131E of the North Carolina General Statutes, as amended ("Chapter 131E"), owns certain general acute-care hospital facilities in Surry County, North Carolina collectively, (the "Existing Facilities") which Existing Facilities include without limitation Northern Hospital of Surry County (the "Hospital"); and

WHEREAS, on December 20, 1985, the District issued its Hospital Revenue Refunding Bonds, Series 1985 (the "Prior Bonds") dated November 1, 1985 and initially issued in the aggregate principal amount of $14,125,000 pursuant to a Bond Order adopted by the Board of Commissioners for the County of Surry, North Carolina (the "County"), the governing body of the District, on November 29, 1985 (the "Prior Bond Order") and a Series Resolution adopted by the Board of Commissioners for the County (the "Prior Series Resolution"), for the purposes of refinancing certain improvements to the Existing Facilities more fully described in the Prior Bond Order; and

WHEREAS, on June 17, 1991 the District adopted a Bond Order (the "Bond Order") and a Series Resolution (the "1991 Series Resolution") pursuant to which the District issued its Health Care Facilities Revenue Refunding Bonds, Series 1991 (the "Series 1991 Bonds"), in the aggregate principal amount of $16,945,000, the proceeds of which were used to refund the Prior Bonds and to acquire certain equipment and other tangible personal property more specifically described in Exhibit A attached
to the Bond Order (the "1991 Project") and the installation thereof in the Existing Facilities; and

WHEREAS, the District has determined that certain capital improvements need to be made to the Existing Facilities as more specifically described in Exhibit A attached hereto and incorporated herein by reference (the "Improvements"); and

WHEREAS, the District desires to finance the Improvements through the issuance by the District of revenue bonds under and pursuant to the provisions of Chapter 131E and The State and Local Government Revenue Bond Act, Article 5, of Chapter 159 of the North Carolina General Statutes, as amended (herein called the "Act"); and

WHEREAS, the Bond Order provides for the issuance from time to time of additional Indebtedness (as defined in the Bond Order) under the terms and conditions hereinafter set forth;

NOW, THEREFORE, BE IT ORDERED by the Board of Commissioners for the County of Surry, North Carolina, acting as the governing body of the District, as follows:

[Form of Bonds]

Asset Guaranty Insurance Company ("AGIC"), a New York corporation, has issued its Policy (the "Policy") insuring the payment of principal of and interest on this Bond on the "due date," as defined in the Policy. Reference is made to the Policy for the complete provisions thereof. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation and transfer rights of AGIC as more fully set forth in the Policy.

No. __________  $________________

United States Of America
State of North Carolina
County of Surry

NORTHERN HOSPITAL DISTRICT OF SURRY COUNTY
HEALTH CARE FACILITIES REVENUE BOND, SERIES 1999

INTEREST RATE MATURITY DATE DATED
% October 1, 2029 June 15, 1999 CUSIP

Northern Hospital District of Surry County (the "District"), a body corporate and politic of the State of North Carolina, for value received, hereby promises to pay, solely from the sources and in the manner hereinafter provided, to CEDE & CO. or registered assigns, on the maturity date set forth above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the principal corporate trust office of The Bank of New York, New York, New York, (the "Trustee"), the principal sum of ___________________________ DOLLARS ($________________). The District also promises to pay, solely from said sources, interest thereon from the interest payment date next preceding the date on which it is authenticated unless it is authenticated on an interest payment date, in which event it shall bear interest from such date, or it is authenticated prior
to October 1, 1999, in which event it shall bear interest from
June 15, 1999, payable on October 1, 1999 and semiannually
thereafter on April 1 and October 1 of each year at the rate per
annum set forth above until the principal sum hereof is paid.
The interest so payable and punctually paid or duly provided
for, on any interest payment date, will be paid to the person in
whose name this Bond is registered at the close of business on
the Regular Record Date for such interest, which shall be the
15th day (whether or not a business day) of the calendar month
next preceding such interest payment date. Any such interest
not so punctually paid or duly provided for shall forthwith
cease to be payable to the registered holder on such Regular
Record Date, and may be paid to the person in whose name this
Bond is registered at the close of business on a Special Record
Date (as defined in the hereinafter mentioned Bond Order) for
the payment of such defaulted interest to be fixed by the Trus-
tee, notice whereof being given to the holders not less than 10
days prior to such Special Record Date, or may be paid at any
time in any other lawful manner not inconsistent with the re-
quirements of any securities exchange on which the Bonds of this
series may be listed and upon such notice as may be required by
such exchange or as more fully provided in the Bond Order here-
inafter mentioned. Such payment of interest shall be made by
check mailed by the Trustee to the registered owner at his ad-
dress as it appears on the bond registration books maintained by
the Bond Registrar. All such payments shall be made in such
coin or currency of the United States of America as at the time
of payment is legal tender for payment of public and private
debts.

This Bond is a limited obligation of the District. This
Bond and all other bonds heretofore issued and outstanding under
the Bond Order are secured on a parity basis by (i) a pledge of
the Net Revenues (as defined in the Bond Order), and (ii) a se-
curity interest in Pledged Assets (as defined in the Bond Order)
and the income from the temporary investment thereof. This Bond
is also secured by the money and securities in the funds and ac-
counts held by the Trustee under the Bond Order and the Series
Resolution (herein defined). The principal of, the premium, if
any, and interest on this Bond are payable solely from the Net
Revenues. This Bond does not constitute a debt of the County of
Surry, North Carolina (the "County") for which the faith and
credit and taxing power of the County are pledged, and the is-
suance of this Bond will not directly or indirectly or contin-
gently obligate the County to levy any tax or pledge any form of
taxation for the payment hereof.

This Bond is one of a duly authorized series of revenue
bonds of the District, designated "Health Care Facilities Reve-
nue Bonds, Series 1999" (the "Bonds"), issued pursuant to Chap-
ter 131E of the General Statutes of North Carolina, Article 5 of
Chapter 159 of the General Statutes of North Carolina, a Bond
Order duly adopted by the Board of Commissioners for the County
of Surry, North Carolina, as the governing body of the District
(the "Board") on June 17, 1991 (the "Bond Order"), and a Series
Resolution duly adopted by the Board on May 17, 1999 as amended
and restated by an Amended and Restated Series Resolution adopt-
ed on June 7, 1999 (collectively, the "Series Resolution") for
the purpose of providing funds, together with other available
funds, to (i) renovate, upgrade and expand certain areas of
Northern Hospital of Surry County (the "Hospital") operated by
the District, (ii) construct a new 5-story tower containing ap-
proximately 5,800 square feet of space at the south end of the
Hospital to house new electrical and mechanical equipment, (iii) fund the Debt Service Reserve Fund established under Section 501(b) of the Series Resolution, (iv) pay interest accruing on the Bonds from June 15, 1999, and (v) pay certain costs of issuance incurred in connection with the issuance of the Bonds.

Reference is made to the Bond Order and the Series Resolution for a more complete statement of the provisions thereof and of the rights of the District, the Trustee and the registered owners of the Bonds. Copies of the Bond Order and the Series Resolution are on file and may be inspected at the principal corporate trust office of the Trustee. By the purchase and acceptance of this Bond the registered owner hereof signifies assent to all of the provisions of the Bond Order and the Series Resolution.

This Bond is issued and the Bond Order and the Series Resolution were adopted under and pursuant to the Constitution and laws of the State of North Carolina, including, particularly, Chapter 131E and Article 5 of Chapter 159 of the North Carolina General Statutes, as amended.

The Bond Order provides for the issuance from time to time under the conditions, limitations and restrictions therein set forth of additional Indebtedness (as defined in the Bond Order), including Indebtedness secured pari passu with the Bonds and all other bonds heretofore issued and outstanding under the Bond Order as to the pledge of Net Revenues.

The Series Resolution provides for the creation of a special fund designated "Northern Hospital District of Surry County 1999 Health Care Facilities Revenue Bond Fund" (the "Bond Fund"). Pursuant to the Series Resolution, special accounts have been created in the Bond Fund with respect to the Bonds, which accounts are pledged and charged with the payment of the principal of and the interest on the Bonds. The Series Resolution also provides for the deposit to the credit of the Bond Fund of the Net Revenues, to the extent and in the manner provided therein.

The Bonds are issuable as fully registered Bonds in denominations of $5,000 or any whole multiple thereof. The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations and conditions provided in the Bond Order and the Series Resolution and upon surrender and cancellation of this Bond. Upon any registration of transfer, the District shall execute and the Trustee shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate.

The Bonds maturing on October 1, 2010 are subject to redemption, at the option of the District, on and after October 1, 2009, in whole at any time or in part (by lot within a maturity) on any interest payment date. Any such redemption will be at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:
<table>
<thead>
<tr>
<th>Redemption Date (inclusive)</th>
<th>Redemption Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2009 to September 30, 2010</td>
<td>102%</td>
</tr>
<tr>
<td>October 1, 2010 to September 30, 2011</td>
<td>101%</td>
</tr>
<tr>
<td>October 1, 2011 and thereafter</td>
<td>100%</td>
</tr>
</tbody>
</table>

The Bonds maturing on October 1, 20__ are required to be redeemed in part by lot on October 1, 20__ and on each October 1 thereafter to and including October 1, 20__ from money deposited with the Trustee for such purpose. The Bonds maturing on October 1, 20__ are required to be redeemed in part by lot on October 1, 20__ and on each October 1 thereafter from money deposited with the Trustee for such purpose. Such redemptions shall be at par plus accrued interest to the redemption date.

The Bonds are subject to redemption in whole or in part at any time, upon instructions from the District, from funds deposited in the Redemption Fund created under the Series Resolution, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, if all or any part of the Operating Assets (as defined in the Bond Order) is damaged, destroyed or condemned, or title to any part of the Operating Assets shall have been lost. The Bonds are also subject to redemption in whole at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, if as a result of legislative or administrative action or any judicial decision, either the Bond Order or the Series Resolution becomes unenforceable or impossible to perform without unreasonable delay or unreasonable burdens or excessive liabilities are imposed on the District.

Not less than thirty (30) days but not more than sixty (60) days before the redemption date of any Bonds, whether such redemption is in whole or in part, the Trustee shall cause a notice of any such redemption to be mailed, postage prepaid, to all registered owners of Bonds to be redeemed in whole or in part, but failure so to mail any such notice to any registered owner or any defect therein shall not affect the validity of the proceedings for the redemption of the Bonds of any other registered owners. On the date designated for redemption, notice having been given as aforesaid, the Bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such Bonds or such portions thereof on such date. If there has been delivered to the Trustee, and the Trustee is then holding in trust, money or Series 1999 Defeasance Obligations (as defined in the Series Resolution), or a combination of both, sufficient to pay the redemption price of the Bonds to be redeemed plus accrued interest to the date of redemption, interest on the Bonds called for redemption shall cease to accrue; such Bonds or portions thereof shall cease to be entitled to any benefits or security under the Bond Order or the Series Resolution or to be deemed Outstanding (as defined in the Bond Order); and the registered owners of such Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

The registered owner of this Bond shall have no right to enforce the provisions of the Bond Order or the Series Resolution, or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Order or the Series Resolution, or to institute, appear
in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Order or the Series Resolution; provided, however, that any registered owner may institute action to enforce the payment of the principal of or the interest on his Bond.

Upon the occurrence of certain events, and on the conditions, in the manner and with the effect set forth in the Bond Order, the principal of all Bonds then Outstanding under the Bond Order may become or may be declared due and payable before the respective stated maturities thereof, together with the interest accrued thereon.

Modifications or alterations of the Bond Order or any bond order supplemental thereto, or the Series Resolution or any series resolution supplemental thereto, may be made only to the extent and in the circumstances permitted by the Bond Order and the Series Resolution.

This Bond, notwithstanding the provisions for registration of transfer stated herein and contained in the Bond Order and the Series Resolution, at all times shall be and shall be understood to be an investment security within the meaning of and for all the purposes of Article 8 of the Uniform Commercial Code of North Carolina. This Bond is issued with the intent that the laws of the State of North Carolina shall govern its construction.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Bond Order and the Series Resolution have happened, exist and have been performed as so required.

Neither the members or officers of the District nor any person executing this Bond is liable personally hereon or subject to any personal liability or accountability by reason of the issuance thereof.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Order or the Series Resolution until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Board of Commissioners for the County of Surry, North Carolina, acting as the governing body of the District, has caused this Bond to be executed by the facsimile signatures of the Chairman of the Board of Commissioners and the Clerk to said Board, and a facsimile of its official seal to be printed hereon all as of the 15th day of June, 1999.

NORTHERN HOSPITAL DISTRICT OF SURRY COUNTY

By: [FACSIMILE SIGNATURE ON PRINTED BONDS]

Chairman, Board of Commissioners for County of Surry, North Carolina

ATTEST:
MEETING OF JUNE 7, 1999 CONTINUED

By: [FACSIMILE SIGNATURE ON PRINTED BONDS]

Clerk to Board of Commissioners for County of Surry, North Carolina

[FACSIMILE OF OFFICIAL SEAL ON PRINTED BONDS]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: __________________________

This Bond is a Bond of the Series designated in and issued under the provisions of the within-mentioned Bond Order and Series Resolution.

THE BANK OF NEW YORK, as Trustee

By: __________________________

_Authorized Agent

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of the within-mentioned Bond has been approved under the provisions of The State and Local Government Revenue Bond Act of North Carolina, as amended.

LOCAL GOVERNMENT COMMISSION OF NORTH CAROLINA

By: [FACSIMILE SIGNATURE ON PRINTED BONDS]

Secretary

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto ______________________________[Please Print or Typewrite Name and Address of Transferee] the within-mentioned Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ____________ attorney to register the transfer of the within-mentioned Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:________________

NOTICE: The signature on the Assignment must correspond with the name as it appears upon the face of the within-mentioned Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

_____________________

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.
WHEREAS, under the Constitution and laws of the State of North Carolina, including the Act, the District is authorized to adopt this Series Resolution, to issue the Bonds as hereinafter provided for the purposes hereinbefore stated, and to do or cause to be done all the acts and things herein provided or required to be done as hereinafter covenanted;

NOW, THEREFORE, BE IT RESOLVED by the District that the terms and provisions contained in this Amended and Restated Series Resolution shall apply to the Bonds as follows:

ARTICLE I.

DEFINITIONS

Section 101. Meaning of Words and Terms. Unless otherwise required by the context, words and terms used herein which are defined in the Bond Order shall have the meanings assigned to them therein, except as hereinafter set forth:

"Acquisition Fund" means the Northern Hospital District of Surry County 1999 Acquisition Fund created and so designated by Section 401 of this Series Resolution.

"Board" means the Board of Commissioners for the County of Surry, North Carolina, or any successor board or body in which the power to govern the District shall be vested.

"Bond Fund" means the Northern Hospital District of Surry County 1991 Health Care Facilities Revenue Bond Fund created and so designated by Section 501 of the 1991 Series Resolution and referred to in Section 501 of this Series Resolution.

"Bond Order" means the bond order adopted by the District on June 17, 1991.

"Bonds" means the Northern Hospital District of Surry County Health Care Facilities Revenue Bonds, Series 1999 issued pursuant to the Bond Order and this Series Resolution.

"Bond Year" means the period commencing on October 1 of any year and ending on September 30 of the following year.

"Chief Executive Officer" means the person then serving as the Chief Executive Officer of the District.

"Chief Financial Officer" means the person then serving as the Chief Financial Officer of the District.

"Clerk" means the person designated to act as Clerk to the Board.

"Cost of the Improvements" or "Cost" shall have the meaning set forth in Section 403 of this Series Resolution.

"Co-Trustee" means Central Carolina Bank and Trust Company, a state banking corporation organized and existing under the laws of the State of North Carolina.
"Debt Service Reserve Fund" means the Northern Hospital District of Surry County 1999 Health Care Facilities Revenue Bond Debt Service Reserve Fund created and so designated by Section 501 of this Series Resolution.

"Determination of Taxability" means and shall occur when, (i) the Trustee receives written notice from the District, supported by an opinion of Bond Counsel, that interest on the Bonds is includable in the gross income of the owners of the Bonds for federal income tax purposes or (ii) the Internal Revenue Service shall claim in writing that interest on the Bonds is includable in the gross income of the owners of the Bonds for federal income tax purposes; provided, that such a claim shall not be deemed a Determination of Taxability unless the District is afforded reasonable opportunity (at the District's sole expense and for a period not to exceed two years) to pursue any judicial or administrative remedy available to the District with respect to such claim.

"Government Obligations" means direct obligations of, or obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

"Improvements" means the capital improvements more fully described in Exhibit A attached to this Series Resolution.

"Insurance Trustee" shall mean the United States Trust Company of New York.

"Insurer" shall mean Asset Guaranty Insurance Company, a corporation organized under the laws of the State of New York or any successor thereto.

"Interest Account" means the account in the Bond Fund created and so designated by Section 501 of this Series Resolution.

"Interest Payment Date" means April 1 or October 1, as the case may be.

"Interest Requirements" for any Bond Year means the amount that is required to pay interest on all Outstanding Bonds on April 1 in such Bond Year and on October 1 of the following Bond Year.

"Investment Obligations" means, to the extent permitted by Section 159-30(c) of the North Carolina General Statutes, as amended, and any other applicable laws, as follows:

(i) Certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(ii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (b) de-
bentures of the Federal Housing Administration, (c) guaranteed mortgage backed bonds of the Government National Mortgage Association, (d) certificates of beneficial interest of the Farmers Home Administration, (e) obligations of the Federal Financing Bank or (f) project notes and local authority bonds of the Department of Housing and Urban Development.

(iii) Investments in (a) senior obligations of the Federal Home Loan Bank System, (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (c) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par and the portion of unpaid principal) of the Federal National Mortgage Association or (d) senior debt obligations of the Student Loan Marketing Association.

(iv) Repurchase agreements with primary dealers and/or banks rated, at all times, AA and A2 or better by S&P and Moody’s, respectively, collateralized with the obligations described in (i) or (ii) above, held by a third party custodian, at the levels set forth below, which repurchase agreements have been approved by the Insurer.

(v) S.E.C. registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Trustee or an affiliate of the Trustee acts as an advisor, and rated in the highest category by S&P and Moody’s.

(vi) Certificates of deposit of any bank (including the Trustee), trust company or savings and loan association whose short term obligations are rated, at all times, A-1 or better by S&P and P-1 by Moody’s provided that such certificates of deposit are fully secured by the obligations described in (i) or (ii) above, at the levels set forth below, the Trustee has a perfected first security interest in the obligations securing the certificates and the Trustee holds (or shall have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates.

(vii) Certificates of deposit of any bank (including the Trustee), trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation.

(viii) Commercial paper rated, at all times, P-1 or better by Moody’s and A-1+ by S&P.

(ix) Obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations, at all times, are rated by S&P and Moody’s in the highest rating categories (without regard to any refinement or graduation of rating category by numerical modifier or otherwise) and without regard to credit enhancement assigned by such rating agencies to obligations of that nature.
Notwithstanding anything to the contrary provided above, no forward delivery agreements, hedge, purchase and resale agreements or par-put agreements may be used respect to the investment of any fund or account with respect to the trust estate pledged to the Bonds without the prior written consent of the Insurer.

"Maximum Annual Debt Service on the Bonds" means, at any given time of determination, the maximum Principal and Interest Requirements for the Bonds for the then current or any succeeding Bond Year. For purposes of this definition, Principal and Interest Requirements for any Bond Year shall not include any principal, Sinking Fund Requirement or interest due in such Bond Year by reason of the failure of the District to pay the same when due in any prior Bond Year.

"1991 Series Resolution" means the Series Resolution adopted by the Board of Commissioners for the County of Surry, North Carolina on June 17, 1991 with respect to the Series 1991 Bonds.

"Owner" means a Person in whose name a Bond is registered in the registration books provided for in Section 206 of the Bond Order.

"Person" means any individual, corporation, limited liability corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Permitted Encumbrances" mean those liens, encumbrances, security interests and other charges on or against the Property of the District or on the Revenues that are contemplated by the Bond Order, the Series 1991 Resolution or this Series Resolution or that are acceptable to the Insurer.

"Policy" shall mean the financial guaranty insurance policy issued by Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein.

"Principal" or "principal" means as such term references the principal amount of any Bonds, the principal amount due at maturity of such Bond.

"Principal Account" means the account in the Bond Fund created and so designated by Section 501 of this Series Resolution.

"Principal and Interest Requirements" for any Bond Year means the sum of the Principal Requirements and Interest Requirements for such Bond Year.

"Principal Requirements" for any Bond Year means the sum of (i) the amount required to pay the principal of all Outstanding Serial Bonds on October 1 of the following Bond Year and (ii) the Sinking Fund Requirement for Term Bonds on October 1 of the following Bond Year.

"Qualified Reserve Fund Substitute" means (i) an irrevocable letter of credit, naming the Trustee as benefici-
ciary, issued by any domestic or foreign bank, or any branch or agency thereof, whose long-term debt obligations are rated in the highest rating category by Moody’s and S&P without regard to gradation within category or (ii) a surety bond issued by an insurance company rated in the highest category by Moody’s and S&P and, if rated by A.M. Best & Company, must also be rated in the highest category by A. M. Best & Company or (iii) a policy of reserve fund insurance issued by an insurance company whose claims-paying ability is rated in the highest rating category by Moody’s and S&P without regard to gradation within category.

"Redemption Fund" means the Northern Hospital District of Surry County 1991 Health Care Facilities Revenue Bond Redemption Fund created and so designated by Section 501 of the 1991 Series Resolution and referred to in Section 501 of this Series Resolution.

"Redemption Price" means, with respect to Bonds or a portion thereof, the principal amount of such Bonds or portion thereof plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms, the terms of this Series Resolution and the terms of the Bond Order.

"Regular Record Date" means the fifteenth (15th) day (whether or not a business day) of the month preceding each Interest Payment Date.

"Securities Depository" means The Depository Trust Company, New York, New York or other recognized securities depository selected by the District, which maintains a book-entry system in respect of the Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

"Securities Depository Nominee" means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Trustee as Bond Registrar the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

"Serial Bonds" means the Bonds which are stated to mature on October 1 in the years 20__ through 20__ and 20__ through 20__, inclusive.


"Series Resolution" means this Amended and Restated Series Resolution, including any amendments or supplements hereto.

"Sinking Fund Account" means the account in the Bond Fund created and so designated by Section 501 of this Series Resolution.
"Sinking Fund Requirement" means, with respect to the Term Bonds for any Bond Year, the principal amount fixed or computed as hereinafter provided for the retirement of such Term Bonds by purchase or redemption on October 1 of the following Bond Year.

The Sinking Fund Requirement for the Term Bonds for each Bond Year shall be initially the respective principal amounts of such Term Bonds to be redeemed, or otherwise retired, on October 1 of the following Bond Year.

The Term Bonds maturing on October 1, 20__ are subject to mandatory sinking fund redemption in part by lot on October 1, 20__ and on each October 1 thereafter in the amounts set forth below at 100% of the principal amount of the Term Bonds being redeemed plus accrued interest to the date of redemption:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>20__</td>
<td>$_______</td>
</tr>
<tr>
<td>20__</td>
<td>_______</td>
</tr>
<tr>
<td>20__*</td>
<td>_______</td>
</tr>
</tbody>
</table>

* Maturity

The Term Bonds maturing on October 1, 20__ are subject to mandatory redemption in part by lot on October 1, 20__ and on each October 1 thereafter in the amounts set forth below at 100% of the principal amount of the Term Bonds being redeemed plus accrued interest to the date of redemption:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>20__</td>
<td>$</td>
</tr>
<tr>
<td>20__</td>
<td>20__</td>
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<td>20__</td>
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<tr>
<td>20__</td>
<td>20__</td>
</tr>
<tr>
<td>20__*</td>
<td>20__</td>
</tr>
</tbody>
</table>

* Maturity

The Sinking Fund Requirement for the Term Bonds for each Bond Year shall be met by providing for the retirement of such Term Bonds by purchase or redemption on October 1 of the following Bond Year. The aggregate amount of such Sinking Fund Requirements for the Term Bonds shall be equal to the aggregate principal amount of the Term Bonds. The Sinking Fund Requirements for the Term Bonds shall begin in the Bond Year determined as provided above and shall end with the Bond Year immediately preceding the maturity of such Term Bonds (such final installment being payable at maturity and not redeemed). Any principal amount of Term Bonds retired by operation of the Sinking Fund Account by purchase in excess of the total amount of the Sinking Fund Requirement for such Term Bonds to and including such October 1, shall be credited against and reduce the future
Sinking Fund Requirements for such Term Bonds in such manner as shall be specified in a certificate of the District Representative filed with the Trustee pursuant to Section 505 of this Series Resolution.

On or before the 45th day next preceding any October 1 on which Term Bonds are to be retired pursuant to the Sinking Fund Requirement, the District may deliver to the Trustee for cancellation Term Bonds required to be redeemed on such October 1 in any aggregate principal amount desired and receive a credit against amounts required to be transferred from the Sinking Fund Account on account of such Term Bonds in the amount of 100% of the principal amount of any such Term Bonds so purchased. Any principal amount of Term Bonds delivered to the Trustee for cancellation and cancelled in excess of the principal amount required to be redeemed on such October 1 shall be credited against and reduce the principal amount of future Sinking Fund Requirements in such manner as shall be specified in a certificate of the District Representative in substantially the form of the certificate filed with the Trustee pursuant to Section 505 of this Series Resolution.

It shall be the duty of the Trustee, on or before the 15th day of October in each Bond Year, to confirm, if necessary, the Sinking Fund Requirement for such Bond Year and all subsequent Bond Years for the Term Bonds Outstanding. The Sinking Fund Requirement for such Bond Year as so reconfirmed shall continue to be applicable during the balance of such Bond Year and no adjustment shall be made therein by reason of Term Bonds purchased or redeemed or called for redemption during such Bond Year.

If any Term Bonds of the same maturity are paid or redeemed by operation of the Redemption Fund, the Trustee shall reduce future Sinking Fund Requirements therefor in such manner as shall be specified in a certificate of the District Representative in substantially the form of the certificate filed with the Trustee pursuant to Section 505 of this Series Resolution.

"Subordinated Debt" means any Indebtedness of the District that is subordinate to the lien contained in the Bond Order in favor of the Bondholders on Net Revenues.

"Term Bonds" means the Bonds stated to mature on October 1, 20__ or on October 1, 20__.

"Trustee" means The Bank of New York, a state banking corporation organized and existing under the laws of the State of New York


Section 102. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words "Bond", "owner", "Holder" and "Person" shall include the plural as well as the singular number.
ARTICLE II.

AUTHORIZATION, FORM, ISSUANCE AND DELIVERY
OF BONDS; BOND INSURANCE

Section 201. Authorization of Bonds. For the purpose of providing funds, together with other available funds, to: (i) pay the costs of the renovation, upgrade and expansion of certain areas of the Hospital as more fully described in Exhibit A to this Series Resolution, (ii) construction of a new 5-story tower containing approximately 5,800 square feet of space at the south end of the Hospital, (iii) fund the Debt Service Reserve Fund, (iv) pay accrued interest on the Bonds from June 15, 1999 and (v) pay the costs of issuance incurred in connection with the issuance of the Bonds, there shall be issued, under and pursuant to the Constitution, the laws of the State, including the Act, the Bond Order and this Series Resolution, the Bonds in the amounts and subject to the conditions herein provided.

Section 202. Form of Bonds Generally. The definitive Bonds are issuable in fully registered form in denominations of $5,000 or any whole multiple thereof. The definitive Bonds issued under the provisions of Section 204 hereof shall be substantially in the form hereinabove set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Series Resolution.

Section 203. Details of Bonds. The Bonds shall be dated as of June 15, 1999, shall bear interest until their payment, such interest to the maturity thereof being payable on October 1, 1999 and semiannually thereafter on April 1 and October 1 in each year, and shall be stated to mature (subject to the right of prior redemption), all as hereinafter provided.

Each Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated upon any Interest Payment Date in which event it shall bear interest from such Interest Payment Date or (b) authenticated prior to the first Interest Payment Date in which event it shall bear interest from its date; provided, however, that if at the time of authentication of any Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

Section 204. Authorization of Bonds. The Bonds shall be issued in the aggregate principal amount of up to Nineteen Million Dollars ($19,000,000) and shall be designated "Northern Hospital District of Surry County Health Care Facilities Revenue Bonds, Series 1999".
The Bonds shall be stated to mature, subject to the right of prior redemption as hereinafter set forth, on October 1, in the following years and amounts, and shall bear interest (based on a 360-day year consisting of twelve 30-day months) at the following rates:

<table>
<thead>
<tr>
<th>Year of Maturity</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>20__</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>20__</td>
<td></td>
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<td>20__</td>
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<td>20__</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20__</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

and ____% Term Bonds due October 1, 20__ in the aggregate principal amount of $__________ and ____% Term Bonds due October 1, 20__ in the aggregate principal amount of $__________.

The Bonds shall be executed substantially in the form and in the manner hereinabove set forth and shall be deposited with the Trustee for authentication, but before the Bonds shall be delivered by the Trustee, there shall be filed with the Trustee the documents required by Section 208 of the Bond Order together with the following:

(a) a copy, duly certified by the Clerk to the Board, of this Series Resolution;

(b) an opinion of counsel to the District to the effect that (1) the Bond Order and this Series Resolution have been duly adopted by the District and constitute valid and binding agreements of the District, (2) no provision of the Bond Order or this Series Resolution violates any provision of the Act or results in or constitutes a default under any agreement, indenture or other instrument to which the District is a party or by which the District may be bound, and of which such counsel has knowledge, (3) the District's adoption of the Bond Order and this Series Resolution and execution and issuance of the Bonds are not subject to any authorization, consent, approval or review of any governmental body, public officer or regulatory authority not theretofore obtained or effected, (4) there is no materially adverse litigation pending or threatened against the District, except for litigation the existence of which is disclosed in the Official Statement pertaining to the Bonds, and (5) all permits, approvals, franchises, privileges and legal clearances under federal, State or local entities or officers necessary for the acquisition and construction of the Improvements have been obtained.

When the documents mentioned in Section 208 of the Bond Order and paragraphs (a) to (b), inclusive, of this Section shall have been filed with the Trustee and when the Bonds shall have been executed and authenticated as required by this Series Resolution and the Bond Order, the Trustee shall deliver the Bonds at one time to the State Treasurer for delivery to the Underwriter or to its designee, but only upon payment to the Trustee of the purchase price of the Bonds and the accrued interest, if any, thereon.
The proceeds (including accrued interest) of the Bonds shall be applied by the Trustee, simultaneously with the delivery of the Bonds, as follows:

1. the Trustee shall deposit to the credit of the Interest Account the sum of $________, including all monies received as accrued interest on the Bonds;

2. the Trustee shall deposit to the credit of the Debt Service Reserve Fund the sum of $________; and

3. the Trustee shall deposit to the credit of the Acquisition Fund the balance of said proceeds.

Section 205. Provisions Relating to Bond Insurance. The Trustee covenants and agrees that it shall not make a claim for payment on the Policy until any and all funds held pursuant to the Bond Order and this Series Resolution held or available for payment of the Bonds have been fully drawn to pay the principal of and accrued interest then due and payable on the Bonds.

As long as the Policy shall be in full force and effect, the District and the Trustee agree to comply with the following provisions:

(a) At least three (3) days prior to all Interest Payment Dates, the Trustee will determine whether there will be sufficient funds to pay the principal of or interest on the Bonds on such Interest Payment Date. If the Trustee determines that there will be insufficient funds, the Trustee shall so notify the Insurance Trustee. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. The Insurer will make payments of principal or interest due on the Bonds on or before the first (1st) day next following the date on which the Insurance Trustee shall have received notice of nonpayment from the Trustee.

(b) The Trustee shall, after giving notice to the Insurance Trustee as provided in (a) above, make available to the Insurer and the Insurance Trustee, the registration books of the District maintained by the Trustee, and all records relating to the funds maintained under this Series Resolution.

(c) The Trustee shall provide the Insurer and the Insurance Trustee with a list of registered owners of Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from the Insurer and (ii) to pay principal upon Bonds surrendered to the Insurance Trustee by the registered owners of Bonds entitled to receive full or partial principal payments from the Insurer.

(d) The Trustee shall at the time it provides notice to the Insurance Trustee pursuant to (a) above, notify registered Owners of Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to
the fact of such entitlement, (ii) that the Insurer will remit to them all or part of the interest payments next coming due upon proof of Owner entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee as determined by the Insurer, of an appropriate assignment of the registered Owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurer to permit ownership of such Bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Trustee, and (iv) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their Bonds for payment thereon first to the Trustee who shall note on such Bonds the portion of the principal paid by Trustee and then, along with an appropriate instrument of assignment in form satisfactory to the Insurer, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Trustee has notice that any payment of principal or interest on a Bond which has become due for payment which is made to a registered Owner by or on behalf of the District has been deemed a preferential transfer and theretofore recovered from its registered Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee shall, at the time the Insurance Trustee is notified pursuant to (a) above, notify all registered Owners that in the event that any registered Owner's payment is so recovered, such registered Owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to the Insurance Trustee and the Insurer its records evidencing the payments of principal of and interest on the Bonds which have been made by the Trustee and subsequently recovered from registered Owners and the dates on which such payments are made.

(f) In addition to those rights granted the Insurer under this Series Resolution, the Insurer shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note the Insurer's rights as subrogee on the registration books of the District maintained by the Trustee upon receipt from the Insurer of proof of the payment of interest thereon to the registered Owners of the Bonds and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Insurer's rights as subrogee on the registration books of the District maintained by the Trustee upon surrender of the Bonds by the registered Owners thereof together with proof of the payment of principal thereof.

ARTICLE III.

REDEMPTION OF BONDS
Section 301. Terms of Redemption. (a) The Bonds shall not be subject to prior redemption except as provided in this Article III and in Article III of the Bond Order.

(b) The Bonds maturing on October 1, 2010 are subject to redemption, at the option of the District, on and after October 1, 2009, in whole or in part (by lot within a maturity) on any date, upon payment of the following Redemption Prices (expressed as a percentage of the principal amount of Bonds to be redeemed), plus interest accrued to the redemption date:

<table>
<thead>
<tr>
<th>Redemption Dates (Inclusive)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2009 to September 30, 2010</td>
<td>102%</td>
</tr>
<tr>
<td>October 1, 2010 to September 30, 2011</td>
<td>101%</td>
</tr>
<tr>
<td>October 1, 2011 and thereafter</td>
<td>100%</td>
</tr>
</tbody>
</table>

(c) The Bonds are required to be redeemed to the extent of any Sinking Fund Requirement therefor on the October 1 immediately following each Bond Year in which there is a Sinking Fund Requirement, upon payment of 100% of the principal amount thereof plus accrued interest to the redemption date.

(d) The Bonds are subject to redemption in whole or in part at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, at any time upon instructions from the District from Net Proceeds in excess of $100,000 resulting from insurance carried or maintained with respect to the Operating Assets by the District, or Net Proceeds resulting in excess of $100,000 from Eminent Domain proceedings. The District may not contribute moneys other than Net Proceeds to a redemption of Bonds under this subsection in an amount in excess of one-third of the Net Proceeds used to fund such redemption.

(e) The Bonds are also subject to redemption in whole from money deposited by the District in the Redemption Fund at a Redemption Price equal to 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, in the event that, by reason of any change in any federal or State law or of any legislative, administrative or judicial action or administrative failure of action, (a) either the Bond Order or this Series Resolution becomes unenforceable or impossible to perform without unreasonable delay or (b) unreasonable burdens or excessive liabilities are imposed on the District, including, without limitation, the imposition of federal, State or other ad valorem property, income or other taxes not being imposed on the date of adoption of this Series Resolution.

(f) The Bonds are subject to redemption in whole at any time or in part on any Interest Payment Date, at the option of the District, at a redemption price equal to 102% of the principal amount of each Bond or portion thereof to be redeemed plus interest accrued thereon to the redemption date, in the event that the District sells, leases or otherwise disposes of all or substantially all of the assets of the District and the District determines in good faith that the tax-exempt status of the Bonds will be adversely affected unless the Bonds are redeemed.

Section 302. Selection of Bonds to Be Redeemed. The Bonds shall be redeemed only in whole multiples of $5,000. Not later than the forty-fifth (45th) day prior to the redemption date,
the District shall select the maturity or maturities of the Bonds to be redeemed in accordance with the terms and provisions of this Series Resolution and shall advise the Trustee in writing of its election to redeem. With respect to redemptions described under paragraphs (b), (d) and (e) of Section 301 hereof, an amount of cash or Defeasance Obligations which, together with the interest to be earned thereon, shall be sufficient to effect such redemption shall be transferred to the Trustee for deposit to the Redemption Fund not later than forty-five (45) days prior to the redemption date.

If less than all of the Bonds of any maturity are to be called for redemption, the Trustee shall select by lot, in such manner as the Trustee in its discretion may determine, the Bonds to be redeemed within each maturity, including each Sinking Fund Requirement, each $5,000 portion of principal being counted as one Bond for this purpose; provided, however, for so long as the Holder of the Bonds is a Securities Depository nominee, such selection shall be made by the Securities Depository.

Section 303. Redemption Notice. Not less than thirty (30) days but not more than sixty (60) days before the redemption date of any Bonds, whether such redemption be in whole or in part, the Trustee shall cause a notice of any redemption signed by the Trustee to be mailed, postage prepaid, to all Holders owning Bonds to be redeemed in whole or in part. Such notice shall also be sent by the Trustee by certified or registered mail at least thirty-five (35) days prior to redemption to the Local Government Commission and to registered securities depositaries and two or more nationally recognized municipal bond services. Failure to mail any such notice to any Holder, to the Local Government Commission, or to the aforementioned depositaries and municipal bond services, or any defect in any notice so mailed shall not affect the validity of the proceedings for the redemption of the Bonds of any other Holders. Each such notice shall set forth: the CUSIP numbers and bond certificate numbers of the Bonds to be redeemed, the interest rate of the Bonds to be redeemed, the date of issuance of the Bonds to be redeemed, the date fixed for redemption, the Redemption Price to be paid, the maturities of the Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, the address and phone number of the Trustee, the date of the redemption notice, the date of publication of the notice referred to in subparagraph (c) hereof and that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Trustee, that from that date interest will cease to accrue and be payable and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein or on the Bonds. If any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

Any notice of redemption, except a notice of redemption with respect to a Sinking Fund Requirement, may state that the redemption to be effected is conditioned on receipt by the Trustee on or before the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed. If such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds are not received by the Trustee on or
before the redemption date, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

The Trustee shall also take the following actions with respect to such notice of redemption:

(a) At least two (2) Business Days before the date of publication required by paragraph (c) of this Section 303, such notice shall be given by (i) registered mail or certified mail, postage prepaid, (ii) telephonically registered confirmed facsimile transmission or (iii) overnight delivery service to each of the following securities depositories at the addresses and transmission numbers given, or such other address or transmission number as may have been delivered in writing to the Trustee for such purpose not later than the close of business on the day before such notice is given:

(1) The Depository Trust Company
    711 Stewart Avenue
    Garden City, New York 11530
    Facsimile transmission:
        (516) 227-4039
        (516) 227-4190

(2) Philadelphia Depository Trust Company
    Reorganization Division
    1900 Market Street
    Philadelphia, Pennsylvania 19103
    Facsimile transmission:
        (215) 496-5058

(b) At least two (2) Business Days before the date of publication required by paragraph (c) of this Section 303, such notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service to at least two of the following services selected by the Trustee:

(1) Financial Information, Inc.'s Called Bond Service;
(2) Kenny Information Service's Called Bond Service;
(3) Moody's Municipal and Government Manual; or
(4) Standard & Poor's Called Bond Record.

(c) Notice of redemption of Bonds shall be given by the Trustee, at the expense of the District, for and on behalf of the District.

Failure by the Trustee to give notice pursuant to subsection (a) or (b) of this Section 303 to any one or more of the securities depositories or information services named therein shall not affect the sufficiency of the proceedings for redemption. Failure of the Trustee to give notice to a Holder or any defect in such notice shall not affect the validity of the proceedings for redemption of the Bonds of any Holder to whom such notice shall have been given.
Section 304. Effect of Call for Redemption. On or before the date on which the Bonds or portions thereof are to be redeemed, the District will deposit with the Trustee money or Defeasance Obligations, or a combination of both, that will be sufficient to pay on the redemption date the Redemption Price of and interest accruing on the Bonds to be redeemed on such redemption date.

If notice is properly given, the Bonds or portions thereof so called for redemption shall be due and payable at the Redemption Price provided therefor, plus accrued interest to such date, and if moneys sufficient to pay the Redemption Price of the Bonds or portions thereof to be redeemed plus accrued interest thereon to the date of redemption are held by the Trustee or the Bond Registrar in trust for the Holders of Bonds to be redeemed, (i) interest on such Bonds or portions thereof shall cease to accrue from and after such date, (ii) such Bonds or portions thereof shall cease to be entitled to any benefits or security under the Bond Order or to be deemed Outstanding and (iii) Holders of such Bonds or portions thereof shall have no right in respect thereof except to receipt of payment of the Redemption Price thereof, plus accrued interest to the date fixed for redemption.

Section 305. Consent of the Insurer. Redemption of the Bonds shall be permitted at any time without the prior written consent of the Insurer so long as funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Bondholders, or in the alternative, the notice expressly states that such redemption is subject to the deposit of funds by the District.

ARTICLE IV.

ACQUISITION FUND

Section 401. Acquisition Fund. A special fund is hereby established with the Trustee and designated "Northern Hospital District of Surry County 1999 Acquisition Fund" (herein sometimes called the "Acquisition Fund"). Any money received by the Trustee or the District from any source for the Improvements shall be deposited as soon as practicable upon its receipt to the credit of the Acquisition Fund.

The money in the Acquisition Fund shall be held by the Trustee in trust and, subject to the provisions of Section 406 of this Series Resolution, shall be applied to the payment of the Cost of the Improvements, and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds and shall be held for the security of such Holders.

Section 402. Payments from Acquisition Fund. Payment of the Cost of the Improvements shall be made from the Acquisition Fund. All payments from the Acquisition Fund shall be subject to the provisions and restrictions set forth in this Article, and the District covenants that it will not cause or permit to be paid from the Acquisition Fund any sums except in accordance with such provisions and restrictions.

Section 403. Cost of Improvements. For the purpose of this Series Resolution, the Cost of the Improvements shall embrace such costs as are eligible costs within the purview of the
Act and, without intending thereby to limit or restrict any proper definition of such Cost, shall include the following:

(a) the cost of all labor, materials and services, the cost of all lands, property, rights, rights of way, easements, franchises and other interests as may be deemed necessary or convenient for such acquisition, construction and equipping, the cost of all machinery and equipment, financing charges, engineering and legal expenses, costs of plans, specifications, surveys, other expenses necessary or incident to determining the feasibility or practicality of such acquisition, construction and equipping, administrative expenses, and such other expenses as may be necessary or incident to the acquisition and financing of the Improvements and the placing of the Improvements in operation;

(b) the costs of issuance of the Bonds;

(c) the cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of acquiring the Improvements and fees and expenses of engineers, architects, management consultants and hospital consultants for making studies, surveys and estimates of expenses of engineers and architects for preparing plans and specifications and supervising acquisition of the Improvements as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition of the Improvements;

(d) all other items of expense not elsewhere in this Section specified incident to the acquisition of the Improvements and the financing thereof, including operating reserves, moving expenses, the acquisition of lands, property rights, rights of way, easements, franchises and interests in or relating to lands, including title insurance, costs of surveys and other expenses in connection with such acquisition, and expenses of administration, all properly chargeable to the acquisition of the Improvements;

(e) interest on the Bonds during the period of acquisition of the Improvements and for a period not exceeding six months thereafter; and

(f) any obligation or expense heretofore or hereafter incurred or paid by the District for any of the foregoing purposes.

Section 404. Requisitions from Acquisition Fund. Payments from the Acquisition Fund shall be made in accordance with the provisions of this Section. Before any such payment shall be made, the District shall file with the Trustee a requisition, signed by the District Representative, in the form attached hereto as Exhibit B, stating:

(i) the item number of each such payment,
(ii) the name of the person, firm or corporation to whom each such payment is due,
(iii) the respective amounts to be paid,
(iv) the purpose by general classification for which each obligation to be paid was incurred,

(v) that obligations in the stated amounts have been incurred and are currently due and payable and that each item thereof is a proper charge against the Acquisition Fund and has not been paid,

(vi) that no notice of any lien, right to lien or attachment upon, or claim affecting the right of any such persons, firms or corporations to receive payment of the respective amounts stated in such requisition, has been filed or attached or, if any of the foregoing have been filed or attached, that the same will be satisfied or discharged or that provisions have been made (which shall be specified) to adequately protect the Trustee and the Holders from incurring any loss as a result of the same, and

(vii) that such requisition contains no item representing payment on account of any retainage to which the District is entitled at the date of such requisition; and

Upon receipt of each requisition and accompanying certificate, the Trustee shall pay the obligations set forth in such requisition out of money in the Acquisition Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee. In making such payments, the Trustee may rely upon such requisitions. If for any reason the District should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

Section 405. Reliance Upon Requisitions. The Trustee may rely upon all requisitions and opinions received by it as conditions of payment from the Acquisition Fund. Such requisitions and opinions shall be retained by the Trustee for a period of five years and shall be subject at all reasonable times to examination by the District and the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding.

Section 406. Completion of the Improvements and Disposition of Acquisition Fund Balance. When the acquisition of the Improvements shall have been completed, which fact shall be evidenced to the Trustee by a certificate signed by the District Representative to the effect that there are no mechanics' workmen's, repairmen's, architects', engineers', surveyors', carriers', laborers', contractors' or materialmen's liens on any property constituting a part of the Improvements on file in any public office where the same should be filed to be perfected and that the time within which such liens can be filed has expired, the balance in the Acquisition Fund, shall be transferred by the Trustee to the credit of the Principal Account or the Redemption Fund, as the District shall direct.

ARTICLE V.

FUNDS AND ACCOUNTS
Section 501. Establishment of Funds and Accounts. In addition to the Acquisition Fund established by Article IV hereof, there are hereby established the following funds:

(a) The Bond Fund in which there are established three special accounts to be known as the Interest Account, the Principal Account and the Sinking Fund Account;

(b) Northern Hospital District of Surry County 1999 Health Care Facilities Revenue Bond Debt Service Reserve Fund; and

(c) The Redemption Fund.

All funds and accounts shall be established with and held by the Trustee.

The money in each of said funds and accounts shall be held in trust and applied as hereinafter provided, and, pending such application, shall be subject to a lien and charge in favor of the Holders and held for the further security of the Holders, all as provided herein.

Section 502. Deposits. The District covenants that (i) on the tenth day of each of the months specified in connection with paragraphs (a), (b) and (c) below and (ii) at such time or times as shall be specified in connection with paragraph (d) below, it shall deposit with the Trustee an amount equal to the amounts payable under each of said paragraphs. It shall be the duty of the Trustee to deposit the amounts so received to the credit of the appropriate accounts in the order set forth below as such payments are received by the Trustee. Such deposits shall continue until there shall have been deposited with the Trustee sufficient moneys for the payment in full of all the amounts due and payable under this Series Resolution as follows:

(a) into the Interest Account, on September 10, 1999, 100% of the interest payable on the Bonds on October 1, 1999, less the amount attributable to accrued interest received upon delivery of the Bonds and earnings on the good faith check delivered by the Underwriter upon the sale of the Bonds, and thereafter, on the 10th day of each December, March, June and September, commencing on December 10, 1999, one-half (½) of the interest payable on the Bonds on the next ensuing Interest Payment Date;

(b) into the Principal Account, on the 10th day of each December, March, June and September, commencing on December 10, 1999, one-quarter (1/4) of the principal of all Serial Bonds due on the next ensuing October 1;

(c) into the Sinking Fund Account, on the 10th day of each December, March, June and September, one-quarter (1/4) of the amount required to retire the Term Bonds to be called by mandatory redemption or to be paid at maturity on the next ensuing October 1, in accordance with the Sinking Fund Requirement therefor; and

(d) (i) on the tenth (10th) day of the month following any month in which money is transferred from the Debt Service Reserve Fund to the Interest Account, the Principal Account or the Sinking Fund Account to cure a deficiency therein pursuant to Section 507 hereof, and on the tenth (10) day of each of the eleven (11) succeeding months, into
the Debt Service Reserve Fund, one-twelfth (1/12) of the amounts so transferred until the amount then on deposit in the Debt Service Reserve Fund is equal to Maximum Annual Debt Service on the Bonds, and (ii) on the tenth (10) day of the month following a valuation made in accordance with Section 603 hereof in which a loss resulting from a decline in the value of Investment Obligations held for the credit of the Debt Service Reserve Fund is computed and on the tenth (10) day of each of the two (2) succeeding months, into the Debt Service Reserve Fund, one-third (1/3) of the amount of such loss until the amount of such loss is reimbursed.

If, after giving effect to the credits specified below, any payment should be required above, the Trustee shall so notify the District and request that each future deposit be increased as may be necessary to make up any previous deficiency in any of the required payments and to make up any deficiency or loss in any of the above-mentioned accounts and funds.

In the event that the Revenues and other available monies of the District are at any time insufficient to cure a deficiency in the Debt Service Reserve Fund, the debt service reserve fund established in accordance with Section 501(b) of the 1991 Series Resolution (the "1991 DSRF") or any other debt service revenue fund established by any subsequent series resolution adopted by the District under the Bond Order at the times and in the amounts required under this Series Resolution, the 1991 Series Resolution or any such subsequent series resolution, the Revenues and available monies subject to deposit in the Debt Service Reserve Fund, the 1991 DSRF and any other such debt service reserve fund shall be deposited in such debt service reserve funds on a pro rata basis based upon the outstanding principal amount of bonds secured by such debt service reserve fund divided by the total principal amount of bonds and other indebtedness outstanding under and secured by the Bond Order.

Subject to the prior written consent of the Secretary of the Local Government Commission and the Insurer, in lieu of the deposit to the Reserve Fund as described above, a Qualified Reserve Fund Substitute may be filed with the Trustee. The Trustee will, not less than ten (10) days before the need therefor, cause appropriate notice to be given to the provider of such Qualified Reserve Fund Substitute of the need for funds to make up any deficiency in the Bond Fund. The amount of any such funds so used (other than a transfer on final maturity of the Bonds) shall be restored to the provider of the Qualified Reserve Fund Substitute, in accordance with Section 502(d) above.

To the extent that investment earnings are credited to the Interest Account, the Principal Account, the Sinking Fund Account or the Debt Service Reserve Fund in accordance with Section 602 hereof or amounts are credited thereto as a result of the application of Bond proceeds or a transfer of investment earnings on any other fund or account held by the Trustee, or otherwise, future deposits to such accounts shall be reduced by the amount so credited, and the deposits following the date upon which such amounts are credited shall be reduced by the amounts so credited.

Section 503. Application of Money in the Interest Account. Not later than the close of business on the Business Day preceding each Interest Payment Date or date for the payment of De-
faulted Interest or date upon which Bonds are to be redeemed, the Trustee shall withdraw from the Interest Account and remit by mail to each Holder that is not a Securities Depository Nominee the amount required for paying interest on the Bonds when due and payable.

At such time as to enable the Trustee to make payments of interest on the Bonds in accordance with any existing agreement between the Trustee and any Securities Depository, the Trustee shall withdraw from the Interest Account and set aside, the amounts required to pay to any Holder which is a Securities Depository Nominee interest on the Bonds on the next succeeding Interest payment Date; provided, however, that in no event shall the Trustee make such wire transfer later than 10:00 A.M. on each Interest Payment Date.

In the event the balance in the Interest Account on the second Business Day next preceding an Interest Payment Date or date upon which Bonds are to be redeemed is insufficient for the payment of interest becoming due on the Bonds on the next ensuing Interest Payment Date or date upon which Bonds are to be redeemed, the Trustee will withdraw from the Debt Service Reserve Fund the amount required to cure such deficiency, and, to the extent the amount, if any, then on deposit in the Debt Service Reserve Fund is insufficient therefor the Trustee shall notify the District of the amount of the deficiency. Upon notification, the District shall immediately deliver to the Trustee an amount sufficient to cure the same.

Section 504. Application of Money in the Principal Account. Not later than the close of business on the Business Day immediately preceding each October 1, commencing September 30, 1999, the Trustee shall withdraw from the Principal Account and, not later than 10:00 A.M., New York City time, set aside in a special account in its corporate trust department the amount necessary to pay the principal of all Serial Bonds due on such October 1.

If at any date there shall be money in the Principal Account and no Serial Bonds are then Outstanding or if on any principal payment date money remains therein after the payment of the principal of Serial Bonds then due, the Trustee shall withdraw such money therefrom and shall deposit the same in the Sinking Fund Account and credit the same against future transfers to such Account by the District.

In the event the balance in the Principal Account on the second Business Day next preceding a principal payment date is insufficient to pay principal becoming due on such principal payment date, the Trustee will withdraw from the Debt Service Reserve Fund the amount required to cure such deficiency, and, to the extent the amount, if any, then on deposit in the Debt Service Reserve Fund is insufficient therefor, the Trustee shall notify the District of the amount of the deficiency. Upon notification, the District shall immediately deliver to the Trustee an amount sufficient to cure the same.

Section 505. Application of Money in the Sinking Fund Account. Money held for the credit of the Sinking Fund Account shall be applied during each Bond Year to the purchase or retirement of the Term Bonds then Outstanding as follows:
(a) The Trustee shall, at the written request of the District Representative, endeavor to purchase and cancel Term Bonds or portions thereof then subject to redemption, by operation of the Sinking Fund Account or maturing on the next ensuing October 1 at the most advantageous price obtainable with reasonable diligence. The purchase price of each such Term Bond shall not exceed the Redemption Price provided in Section 301(c) of this Series Resolution which would be payable on the next October 1 to the Holders of such Bonds under the provisions of Article III of this Series Resolution if such Bonds or portions thereof were called for redemption on such date, plus accrued interest to the date of purchase. The Trustee shall pay the interest accrued on such Term Bonds to the date of settlement therefor from the Interest Account or from funds made available by the District therefor and the purchase price from the Sinking Fund Account, but no such purchase shall be made by the Trustee from money in the Sinking Fund Account within the period of forty-five (45) days immediately preceding any October 1 on which such Term Bonds are subject to redemption. The aggregate purchase price of Term Bonds during such Bond Year shall not exceed the amount deposited in the Sinking Fund Account on account of the Sinking Fund Requirement for the Term Bonds for such Bond Year. If in any Bond Year the sum of the amount on deposit in the Sinking Fund Account for the payment of any Term Bonds plus the principal amount of the Term Bonds that were purchased during such Bond Year pursuant to the provisions of this paragraph (a) exceeds the Sinking Fund Requirement for the Outstanding Term Bonds for such Bond Year, the Trustee shall endeavor to purchase Outstanding Term Bonds, upon written direction from the District, with such excess money; and

(b) The Trustee shall call for redemption, on October 1 in each Bond Year, Term Bonds then subject to redemption in a principal amount equal to the aggregate Sinking Fund Requirement for the Term Bonds for such Bond Year, less the principal amount of any such Term Bonds retired during such Bond Year by purchase pursuant to clause (a) of this Section. Such redemption shall be made pursuant to the provisions of Article III of this Series Resolution. On each such redemption date the Trustee shall withdraw from the Sinking Fund Account the amount required to pay the Redemption Price of the Term Bonds so called for redemption. The amount of interest on the Term Bonds so called for redemption shall be paid from the Interest Account. If such date is the stated maturity date of any such Term Bonds, the Trustee shall not call such Term Bonds for redemption but, on such maturity, shall withdraw from the Sinking Fund Account and not later than 10:00 A.M., New York City time, on such date set aside in a special account in its corporate trust department the amount required for paying the principal of such Term Bonds when due and payable.

If at any date there shall be money in the Sinking Fund Account and no Term Bonds are then Outstanding or if on any payment date money remains therein after the mandatory redemption of Term Bonds in accordance with the Sinking Fund Requirement therefor, the Trustee shall withdraw such money therefrom and deliver the same to the District.
In the event the balance in the Sinking Fund Account on the second Business Day next preceding a date upon which Term Bonds are to mature or to be redeemed in accordance with any Sinking Fund Requirement, therefor is insufficient to satisfy such Sinking Fund Requirement, the Trustee will withdraw from the Debt Service Reserve Fund the amount required to cure such deficiency, and, to the extent the amount, if any, then on deposit in the Debt Service Reserve Fund is insufficient therefor, the Trustee shall notify the District of the amount of the deficiency. Upon notification, the District shall immediately deliver to the Trustee an amount sufficient to cure the same.

If, in any Bond Year, by the application of money in the Sinking Fund Account, the Trustee should purchase and cancel Term Bonds in excess of the aggregate Sinking Fund Requirement for such Bond Year, the Trustee shall file with the District not later than the twentieth (20th) day prior to the next October 1 on which Term Bonds are to be redeemed a statement identifying the Term Bonds purchased during such Bond Year and the amount of such excess. The District shall thereafter cause an Officer's Certificate to be filed with the Trustee not later than the tenth (10th) day prior to such October 1, setting forth with respect to the amount of such excess the Bond Years in which the Sinking Fund Requirements with respect to Term Bonds are to be reduced and the amount by which the Sinking Fund Requirements so determined are to be reduced.

Upon the retirement of any Term Bonds by purchase or redemption pursuant to the provisions of this Section, the Trustee shall file with the District a statement identifying such Term Bonds and setting forth the date of purchase or redemption, the amount of the purchase price or the Redemption Price of such Term Bonds, and the amount paid as interest thereon. The expenses incurred in connection with the purchase or redemption of any such Term Bonds shall be paid by the District.

Section 506. Application of Money in the Redemption Fund. Money held for the credit of the Redemption Fund shall be applied to the purchase or redemption of Bonds, as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall, at the written request of the District Representative, endeavor to purchase and cancel Bonds or portions thereof, whether or not such Bonds or portions thereof shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, such price not to exceed the Redemption Price that would be payable on the next redemption date to the Holder of such Bonds under the provisions of this Series Resolution if such Bonds or portions thereof should be called for redemption on such date from the money in the Redemption Fund. The Trustee shall pay any interest accrued on such Bonds or portions thereof to the date of settlement therefor from the Interest Account and the purchase price from the Redemption Fund, but no such purchase shall be made by the Trustee from money in the Redemption Fund within the period of forty-five (45) days immediately preceding any Interest Payment Date or date on which Bonds are subject to redemption.

(b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call for redemption on each Interest Payment Date such amount of Bonds or portions
thereof as, with the redemption premium, if any, will ex-
haust the money then held for the credit of the Redemption
Fund as nearly as may be practicable; provided, however,
that not less than Fifty Thousand Dollars ($50,000) princi-
pal amount of Bonds shall be called for redemption at any
one time. Such redemption shall be made pursuant to the
provisions of Article III of this Series Resolution. On
the Business Day preceding the redemption date, the Trustee
shall withdraw from the Interest Account and the Redemption
Fund the respective amounts required for paying the inter-
est on and the Redemption Price of the Bonds or portions
thereof so called for redemption; and

(c) Money in the Redemption Fund shall be applied by
the Trustee in each Bond Year to the purchase or the re-
demption of the Bonds then Outstanding in accordance with
the latest Officer's Certificate filed by the District with
the Trustee designating the Bonds to be purchased or re-
demed. In the event no such Officer's Certificate is
filed, the Trustee shall apply such money to the purchase
or redemption of such Bonds as it shall determine.

Upon the retirement of any Bonds by purchase or redemption
pursuant to the provisions of this Section, the Trustee shall
file with the District a statement identifying such Bonds and
setting forth the date of purchase or redemption, the amount
of the purchase price or the Redemption Price of such Bonds and the
amount paid as interest thereon. The expenses in connection
with the purchase or redemption of any such Bonds are required
to be paid by the District.

Section 507. Application of Money in the Debt Service Re-
serve Fund. No amounts shall be required to be deposited to the
credit of the Debt Service Reserve Fund except as provided in
this Section and Section 502 hereof.

The Trustee shall use amounts, if any, in the Debt Service
Reserve Fund to make transfers to the Interest Account, the
Principal Account and the Sinking Fund Account to the extent
necessary to pay interest on and principal of (whether at ma-
turity, by acceleration or in satisfaction of the Sinking Fund
Requirement therefor) the Bonds, whenever and to the extent that
the money on deposit in the Interest Account, the Principal Ac-
count or the Sinking Fund Account is insufficient for such pur-
poses.

If on any date of valuation the money, if any, held in the
Debt Service Reserve Fund exceeds the Maximum Annual Debt Ser-
vice on the Bonds, including any excess created in whole or in
part by the interest earnings on such Fund, an amount equal to
such excess shall be transferred by the Trustee, as the District
Representative shall direct, to the Interest Account, the Prin-
cipal Account or the Sinking Fund Account. Any such excess
transferred to either the Interest Account, the Principal Ac-
count or the Sinking Fund Account shall be credited against fu-
ture transfers to such accounts, unless transferred to cure de-
ficiencies therein, and shall be credited by the Trustee against
future payments to be made by the District.

Section 508. Disposition of Fund Balances. After provi-
sion shall be made for the payment of all Outstanding Bonds, in-
cluding the redemption premium, if any, and interest thereon,
and for the payment of all other obligations, expenses and
charges required to be paid under or in connection with this Series Resolution, and assuming the existence of no other indentures or other agreements imposing a continuing lien on the balances hereinafter mentioned, the Trustee shall pay all amounts in any fund, account or subaccount then held by it under this Series Resolution to the District; provided, however, that if a continuing lien has been imposed on any such balance by another bond order, series resolution, indenture or agreement as to which the Trustee has actual notice, the Trustee shall pay such balance to such person as such bond order, indenture, series resolution or agreement shall provide.

Section 509. Security for the Bonds. In addition to the security for the Bonds granted by the District pursuant to Section 408 of the Bond Order, the District hereby grants to the Holders and to the Trustee, on behalf of such Holders, a pledge of the money and Investment Obligations in any and all of the funds and accounts established under this Series Resolution.

Section 510. Arbitrage. The District agrees that money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other sources, and whether or not the Bonds are Outstanding hereunder, will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations thereunder. The District shall observe and not violate the requirements of Section 148 of said Code and any such applicable regulations. In the event the District is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Trustee pursuant to this Series Resolution, or to use such money in certain manners, in order to avoid the Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Bonds at such time, the District may issue to the Trustee a written certificate to such effect and appropriate instructions, in which event the Trustee shall take such action as is necessary to restrict or limit the yield on such investment or to use such money in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion.

Section 511. Exclusion From Gross Income Covenant. The District covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holders for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of the Bonds.

ARTICLE VI.

DEPOSITARIES OF MONEY, SECURITY FOR DEPOSITS, INVESTMENT OF FUNDS

Section 601. Security for Deposits. Any and all money received by the District under the provisions of this Series Resolution shall be deposited by the District with the Trustee (or one or more other Depositaries as provided in the Bond Order) and, except for the amounts in the Operating Fund to be used to pay Operating Expenses, shall be trust funds under the terms hereof and shall not be subject to any lien or attachment by any creditor of the District. Such money shall be held in trust and
applied in accordance with the provisions of this Series Resolution and the Bond Order.

Until money deposited with the Trustee or any other Depositary hereunder is invested in Investment Obligations, the amount of money in excess of the amount fully guaranteed by any federal agency shall be continuously secured, for the benefit of the District and the Holders, either (a) by lodging with a bank or trust company chosen by the Trustee or custodian or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit, as collateral security, Government Obligations or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States or applicable State law or regulations, having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it shall not be necessary for the Trustee to give security for the deposit of any money with it for the payment of the principal of or the redemption premium or the interest on any Bonds, or for the Trustee or any Depositary to give security for any money that shall be represented by obligations purchased under the provisions of this Article as an investment of such money.

All money deposited with the Trustee or any Depositary shall be credited to the particular fund or account to which such money belongs.

Section 602. Investment of Money. Money held for the credit of all funds and accounts created under this Series Resolution or the Bond Order, with the exception of the Operating Fund, shall be continuously invested and reinvested by the Trustee in Investment Obligations to the extent practicable; provided, however, money held in the Debt Service Reserve Fund shall be invested only in investments listed in paragraphs (i), (ii) and (v) of the definition of Investment Obligations and having maturities of one (1) year or less; provided, further, no credit facilities, insurance policies, forward delivery agreements, hedge or par-put agreements may be used with respect to the Debt Service Reserve Fund without the prior written consent of the Insurer. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such funds or accounts will be required for the purposes intended. Notwithstanding the foregoing, no Investment Obligations in any fund or account may mature beyond the latest maturity date of any Bonds Outstanding at the time such Investment Obligations are deposited. For the purposes of this section, the maturity date of repurchase agreements is the maturity date of such repurchase agreements and not the maturity date of the underlying obligations.

The District Representative may at any time give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Trustee shall then invest such money under this Section as so directed by the District Representative. The Trustee may request, in writing, direction or authorization of the District Representative with respect to
the proposed investment of money under the provisions of this Series Resolution. Upon receipt of such request, accompanied by a memorandum setting forth the details of any proposed investment, the District will either approve such proposed investment or will give written directions to the Trustee respecting the investment of such money and, in the case of such directions, the Trustee shall then, subject to the provisions of this Article, invest such money in accordance with such directions.

Investment Obligations acquired with money and credited to any fund or account established under this Series Resolution or the Bond Order shall be held by or under the control of the Trustee and while so held shall be deemed at all times to be part of such fund or account in which such money was originally held, and the interest accruing thereon and any profit or loss realized upon the disposition or maturity of such investment shall be credited to or charged against such fund or account; provided, however, that prior to the completion of the Improvements, all income accruing on, and any profit or loss realized upon the disposition or maturity of any investment in any fund or account shall be credited to or charged against the Acquisition Fund. The Trustee shall reduce to cash a sufficient amount of such Investment Obligations whenever it shall be necessary so to do in order to provide moneys to make any payment or transfer of moneys from any such fund or account. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Whenever a payment or transfer of money between two or more of the funds or accounts established pursuant to this Series Resolution or the Bond Order is permitted or required, such payment or transfer may be made in whole or in part by transfer of one or more Investment Obligations at a value determined in accordance with this Article VI, provided that the Investment Obligations transferred are those in which moneys of the receiving fund or account could be invested at the date of such transfer.

Section 603. Valuation. Notwithstanding anything to the contrary contained in the Bond Order or this Series Resolution, for Investment Obligations that are repurchase agreements collateralized by obligations of, or backed by the full faith and credit of, the United States, the collateral levels of those Investment Obligations shall be as follows:

<table>
<thead>
<tr>
<th>Remaining Maturity</th>
<th>1 Year or less</th>
<th>5 Years or less</th>
<th>10 Years or less</th>
<th>15 Years or less</th>
<th>30 Years or less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of Valuation</td>
<td>102</td>
<td>105</td>
<td>106</td>
<td>107</td>
<td>113</td>
</tr>
<tr>
<td>Daily</td>
<td>103</td>
<td>110</td>
<td>111</td>
<td>113</td>
<td>118</td>
</tr>
<tr>
<td>Weekly</td>
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<td>116</td>
<td>119</td>
<td>123</td>
<td>130</td>
</tr>
<tr>
<td>Monthly</td>
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<td>118</td>
<td>128</td>
<td>130</td>
<td>135</td>
</tr>
<tr>
<td>Quarterly</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On each valuation date the market value of the collateral will be an amount equal to the requisite collateral percentage of the obligation (including unpaid accrued interest) that is
being secured. In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly valuations, and one month for monthly and quarterly valuations. The use of different restoration periods affects the requisite collateral percentage. The Trustee shall terminate the repurchase agreement upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the repo securities, liquidate the collateral. For the purpose of determining the amount on deposit to the credit of any such fund or account, all other Investment Obligations in which money in any fund or account is invested shall be valued (a) at cost if such Investment Obligations mature within six months from the date of valuation thereof, and (b) if such Investment Obligations mature more than six months after the date of valuation thereof, at the price at which such Investment Obligations are redeemable by the holder, at his option if so redeemable, or, if not so redeemable, at the lesser of (i) the cost of such Investment Obligations minus the amortization of any premium or plus the amortization of any discount thereon and (ii) the market value of such Investment Obligations. Except as otherwise provided above for repurchase agreements, all Investment Obligations in all of the funds and accounts established under this Series Resolution or the Bond Order, except the Operating Fund, shall be valued two (2) Business Days prior to any Interest Payment Date. In addition, the Investment Obligations in such funds and accounts shall be valued at any time requested by the District Representative on reasonable notice to the Trustee (which period of notice may be waived or reduced by the Trustee), provided, however, that the Trustee shall not be required to value the Investment Obligations more than once in any calendar month. If upon valuation of the Debt Service Reserve Fund, the balance in such Fund, including accrued interest to the date of valuation, is less than the Maximum Annual Debt Service on the Bonds, the Trustee shall compute the amount by which the Maximum Annual Debt Service on the Bonds exceeds such balance and shall immediately give the District, the Insurer and the Local Government Commission notice of such deficiency and the amount necessary to cure the same.

ARTICLE VII.
EVENTS OF DEFAULT AND REMEDIES

Section 701. Events of Default. In addition to the Events of Default set out in the Bond Order, each of the following shall also constitute an Event of Default: (a) failure of the District to perform, observe or comply with any of the covenants, agreements, conditions or provisions in this Bond Order or any Series Resolution (other than the payment of principal or interest on the Bonds), and the continuance thereof for a period of thirty (30) days after receipt by the District of a written notice from the Trustee specifying such default and requesting that it be corrected; or
Section 702. Acceleration. To the extent the Bonds are subject to acceleration, upon the occurrence of an Event of Default, the indebtedness evidenced by the Bonds shall not be accelerated without the Insurer’s prior written consent. At that time, the Insurer may, in its discretion, either direct the Trustee to accelerate payment of the Bonds or continue to pay principal and interest on the originally scheduled due dates of the Bonds.

Section 703. Deposit of Revenues Following Default. The District hereby agrees that upon the occurrence of an Event of Default, the District will deposit all Revenues with the Trustee.

Section 704. Control. Anything in this Series Resolution to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or any trustee appointed for the benefit of the Owners under this Series Resolution.

Section 705. Subrogation. Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District and all covenants, agreements and other obligations of the District to the registered Owners shall continue to exist and shall run to the benefit of the Insurer and the Insurer shall be subrogated to the rights of such registered Owners.

Section 706. Default Rate. Amounts paid by the Insurer in respect of the principal and/or interest on the Bonds shall bear interest until repaid to the Insurer at a per annum rate of interest equal to the rate from time to time announced by the Insurance Trustee as its base lending rate plus three percent (3%) (the “Default Rate”).

Section 707. Waivers. No waivers shall be granted by any party to the Bond Order or this Series Resolution without the prior written consent of the Insurer.

ARTICLE VIII.

THE TRUSTEE AND CO-TRUSTEE

Section 801. Acceptance of Duties by Trustee and Co-Trustee. The Trustee shall signify its acceptance of the duties and obligations and the trusts imposed upon it by this Series Resolution and the Bond Order by execution of the certificate of authentication on the Bonds. The Co-Trustee shall signify its acceptance of the duties and obligations and the trusts imposed upon it by this Series Resolution and the Bond Order by execution of an acceptance letter.

Section 802. Removal of Trustee by Insurer. Prior to an Event of Default the Insurer shall have the right to remove the Trustee and the Co-Trustee for cause, and after an Event of Default, the Insurer shall have the right to remove the Trustee and the Co-Trustee for any reason.
ARTICLE IX.

SUPPLEMENTAL SERIES RESOLUTIONS

Section 901. Procedure for Adoption of Supplemental Series Resolutions. The District may, from time to time and at any time, adopt such resolutions amending and supplementing the provisions of this Series Resolution in the same manner as is provided in Sections 1001 and 1002 of the Bond Order for the adoption of supplemental bond orders and the provisions of said Sections 1001 and 1002 are hereby incorporated herein and made applicable hereto in the same manner as if herein set forth.

Section 902. Exclusion of Bonds. Bonds owned or held by or for the account of the District or any controlled affiliate shall not be deemed Outstanding Bonds for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article, or Articles VII, VIII, X or XI of the Bond Order, and neither of such parties as Holders of such Bonds shall be entitled to consent or take any other action provided for in this Article, or Articles VII, VIII, X or XI of the Bond Order. At the time of any consent or other action taken under this Article, or Articles VII, VIII, X or XI of the Bond Order, the District shall furnish the Trustee a certificate signed by a District Representative, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 903. Notice of Amendments or Supplements. Any rating agency rating the Bonds must receive notice of each amendment to the Bond Order or this Series Resolution and a copy thereof at least fifteen (15) Business Days in advance of its execution or adoption. The Insurer shall be provided with a full transcript of all proceedings relating to the execution of any such amendment.

ARTICLE X.

DEFEASANCE

Section 1001. Cessation of Interest of Holders and Repeal of Series Resolution. If, when (a) the Bonds shall have become due and payable in accordance with their terms or shall have been duly called for redemption, or (b) irrevocable instructions to pay such Bonds at their respective maturities or to call such Bonds for redemption, shall have been given by the District to the Trustee, the whole amount of the principal and the interest and premium, if any, so due and payable upon all Bonds shall be paid or if the Trustee shall hold sufficient money or non-redeemable obligations listed in paragraph (i) of Investment Obligations ("Series 1999 Defeasance Obligations") the principal of and the interest on which, when due and payable, will provide sufficient money to pay the principal of, and the interest and redemption premium, if any, on all Bonds then Outstanding to the maturity date or dates of such Bonds or to the date or dates specified for the redemption thereof, (c) sufficient funds shall also have been provided or provision made for paying all other obligations payable hereunder by the District, in connection with an advance refunding as shown by a verification report satisfactory in form and substance to the Insurer prepared by an Accountant acceptable to the Insurer as to the adequacy of the escrow, and (d) an opinion of bond counsel shall have been delivered to the Insurer to the effect that all of the require-
ments of the Bond Order and this Series Resolution for defeasance of the Bonds have been complied with, then and in that case the right, title and interest of the Trustee hereunder and the obligations of the District hereunder shall thereupon cease, and the District shall repeal this Series Resolution and the Trustee, on demand of the District Representative, shall distribute any surplus in any, and all balances remaining in all, funds and accounts, other than money held for the redemption or payment of Bonds, as provided in Section 508 hereof. Otherwise, this Series Resolution shall be, continue and remain in full force and effect; provided that, in the event Series 1999 Defeasance Obligations shall be deposited with and held by the Trustee as hereinabove provided, (i) in addition to the requirements set forth in Article III of this Series Resolution, the Trustee, within thirty (30) days after such Series 1999 Defeasance Obligations shall have been deposited with it, shall cause a notice signed by the Trustee to be mailed, postage prepaid, to all Holders setting forth (a) the date or dates, if any, designated for the redemption of the Bonds, (b) a description of the Series 1999 Defeasance Obligations so held by it, and (c) that this Series Resolution has been repealed in accordance with the provisions of this Section, but failure to mail any such notice to any Holder shall not affect the validity of the defeasance of the Bonds pursuant to this Section and there shall be delivered to the Trustee an opinion of counsel recognized for expertise in matters pertaining to state and local governmental finance to the effect that the Bonds have been defeased and (ii) (a) the Trustee shall nevertheless retain such rights, powers and privileges under this Series Resolution and the Bond Order as may be necessary and convenient in respect of the Bonds for the payment of the principal, interest and any premium for which such Series 1999 Defeasance Obligations have been deposited and (b) the Trustee shall retain such rights, powers and privileges under this Series Resolution and the Bond Order as may be necessary and convenient for the registration, transfer and exchange of Bonds.

All money and Series 1999 Defeasance Obligations held by the Trustee pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith. No forward delivery agreements, hedge, purchase and resale agreements or par-put agreements may be used with respect to the investment of any funds or Series 1999 Defeasance Obligations defeasing the Bonds without the prior written consent of the Insurer.

ARTICLE XI.

SPECIAL COVENANTS OF THE DISTRICT

Section 1101. Reporting Requirements. The District must covenant and agree with the Insurer to provide notification to District in the event of any significant change in the financial condition of the District or the physical condition of the facilities.

The District shall covenant that while the Bonds are outstanding it will provide the Insurer timely information regarding the District, including but not limited to:

(i) annual audited financial statements and evidence of compliance with the rate covenant reviewed by the audi-
tor, within one hundred and twenty (120) days after the end of the Fiscal Year;

(ii) a copy of any audit, budget, or other material report of the District within twenty (20) days of completion of such audit, budget or report and thereafter as updated;

(iii) a copy of any notice or report required to be given to the Trustee, the Co-Trustee, the Insurance Trustee, the Paying Agent, the registered Owners of the Bonds or any other party to any of the documents executed in connection with the issuance of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to the Series Resolution or the Bond Order relating to the security for the Bonds;

(iv) a copy of the annual report, or any special reports prepared from time to time of any hospital consultant;

(v) a copy of any information filed by the District with any NRMSIR under SEC Rule 15c-2(12), simultaneously with the filing with such NRMSIR; and

(vi) such additional information as the Insurer may reasonably request.

The District will permit the Insurer and/or the Insurance Trustee to discuss the affairs, finances and accounts of the District or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the District, their representatives and agents. The District will permit the Insurer and/or the Insurance Trustee to have access to and make copies of all books and records relating to the Bonds, and the security therefor at any reasonable time.

Section 1102. Maintenance of Facilities. The District must covenant to maintain its facilities in good condition and to operate it in an efficient manner and at a reasonable cost.

Section 1103. Insurance. The District must further covenant to continuously maintain insurance on the District and against such risks (including casualty, accident and worker's compensation) in such amounts and with such deductibles, as are acceptable to the Insurer; provided that such terms are consistent with customary coverage, as from time to time in effect, in connection with the operation of property of type and size comparable to the facilities of the District and as maintained by institutions similar to the District, all as determined in the sole discretion of the Insurer; provided, that property and casualty coverage shall at all times be maintained in an amount at least equal to the outstanding principal amount of the Bonds. All such insurance must be provided by a recognized insurance company acceptable to the Insurer.

The District shall (i) cause an independent insurance consultant acceptable to the Insurer to annually review the insurance coverage and to make recommendations, and (ii) to comply with such recommendations.
The District will not self-insure without the consent of the Insurer.

Moneys resulting from the proceeds of casualty insurance or other property insurance shall be held by the Trustee in an escrow fund until the disposition of such funds is decided. The appropriateness of any disposition of such insurance proceeds shall be supported by a certificate of a hospital consultant or independent architect.

Section 1104. Additional Indebtedness.

(a) The District covenants and agrees that any Indebtedness issued by it pursuant to Section 1301 of the Bond Order shall have the same principal and interest payment dates as the Bonds.

(b) Any Indebtedness of the District which is subordinate to the lien in favor of the Bondholders on Net Revenues shall have the same payment dates as the Bonds and shall provide that such Indebtedness shall not be accelerated without the prior written consent of the Insurer.


(a) The indebtedness evidenced by Subordinated Debt and renewals or extensions thereof, shall at all times be wholly subordinate and junior in right of payment to any and all indebtedness of the District under this Series Resolution or the Bonds (herein called "Superior Indebtedness"), in the manner and with the force and effect hereafter set forth:

(1) In the event of any liquidation, dissolution or winding up of the District, or of any execution, sale, receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization, or other similar proceeding relative to the District or its property, all principal and interest owing on all Superior Indebtedness shall first be paid in full before any payment is made upon the indebtedness evidenced by the subordinated debt, provided, however, that, except for Net Revenues, this sentence shall not apply to payments made on such Subordinated Debt from the proceeds of collateral specifically securing such Subordinated Debt; and in any such event any payment or distribution of any kind or character from sources other than the proceeds of collateral specifically securing the subordinated debt, except for Net Revenues, whether in cash, property or securities (other than in securities, including equity securities, or other evidences of indebtedness, the payment of which is subordinate to the payment of all Superior Indebtedness which may at the time be outstanding) which shall be made upon or in respect of the Subordinated Debt shall be paid over to the holders of such Superior Indebtedness, pro rata, for application in payment thereof unless and until such Superior Indebtedness shall have been paid or satisfied in full; and

(2) In the event that the Subordinated Debt is declared or becomes due and payable because of the occurrence of any event of default hereunder (or under
the Bond Order) or otherwise that at the option of the District, under circumstances when the foregoing clause (1) shall not be applicable, the holders of the Subordinated Debt shall be entitled to payments only after there shall first have been paid in full all Superior Indebtedness outstanding at the time the Subordinated Debt so become due and payable because of any such event, or payment shall have been provided for in a manner satisfactory to the holders of such Superior Indebtedness, provided, however, that, except for Net Revenues, this sentence shall not apply to payments made on such Subordinated Debt from the proceeds of collateral specifically securing such Subordinated Debt.

(3) During the continuance of any default in the payment of either principal or interest on any Superior Indebtedness, no payment of principal, premium or interest shall be made on the Subordinated Debt if either (i) notice of such default in writing or by telegram has been given to the District by any holder or holders of any Superior Indebtedness or the Insurer, provided that judicial proceedings shall be commenced with respect to such default within one hundred twenty (120) days thereafter, or (ii) judicial proceedings shall be pending in respect of such default, provided, however, that, except for Net Revenues, this sentence shall not apply to payments made on such Subordinated Debt from the proceeds of collateral specifically securing such Subordinated Debt.

(b) The District agrees, for the benefit of the holders of Superior Indebtedness, that in the event that any Subordinated Debt is declared due and payable before its expressed maturity because of the occurrence of a default hereunder, (i) the District will give prompt notice in writing of such happening to the holders of Superior Indebtedness and (ii) all Superior Indebtedness shall forthwith become immediately due and payable upon demand, regardless of the expressed maturity thereof.

(c) Any default in the covenants contained in this Section 702 shall be an immediate “Event of Default” without regard to any “grace period” otherwise contained herein.

(d) If the holder of the Subordinated Indebtedness is a commercial bank, savings bank, savings and loan association or other financial institution which is authorized by law to accept and hold deposits of money or issue certificates of deposit, such holder must agree to waive any common law or statutory right of setoff with respect to any deposits of the District maintained with or held by such holder.

Section 1106. Cash on Hand. The District shall, as of March 31 and September 30 of each year, maintain at least 100 Days Cash on Hand (as hereinafter defined) with respect to its Property. As used in this Section, the term “Days Cash on Hand” means the product obtained by multiplying 365 by the quotient determined by dividing the sum of the District’s cash, investments and Board designated funds by the District’s operating expenses (minus depreciation).
Section 1107. Liens and Encumbrances. Except for Permitted Encumbrances, the District will not create or suffer to exist any liens, encumbrances, security interests or other charges on or against any of its Property or the Revenues.

Section 1108. Continuing Compliance. The District hereby covenants, agrees and undertakes for the benefit of the beneficial owners of the Bonds, to provide to the Trustee for the beneficial owners of the Bonds the following:

(a) by not later than seven months from the end of each fiscal year of the District, beginning with the fiscal year ending September 30, 1999, to each nationally recognized municipal securities information repository (each, a "NRMSIR") and to the appropriate state information depository ("SID"), if any, for the State of North Carolina, in each case as designated by the SEC, the audited financial statements of the District for the preceding fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements are not available, unaudited financial statements of the District to be replaced subsequently by audited financial statements of the District to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the District, beginning with the fiscal year ending September 30, 1999, to each NRMSIR and to the SID, if any, the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under the caption "OPERATING DATA" in Appendix A to the Official Statement relating to the Bonds, to the extent such items are not included in the audited financial information referred to in (a) above;

(c) in a timely manner, to each NRMSIR or to the Municipal Securities Rulemaking Board ("MSRB"), and to the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserve funds reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. modifications to rights of the beneficial owners of the Bonds;
8. bond calls, other than bond calls relating to mandatory sinking fund redemption;
9. defeasances;
10. release, substitution or sale of any property securing repayment of the Bonds;
(11) rating changes; and

(d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the District to provide required annual financial information or operating data described in (a) and (b) above on or before the date specified.

If the District fails to comply with the undertaking described above, the registered owners or beneficial owners of the Bonds then outstanding or the Trustee may take action to protect and enforce the rights of such owners or beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default under the Bond Order or this Series Resolution and shall not result in any acceleration of payment of the Bonds. No owner or beneficial owner of any Bond nor the Trustee shall have the right in any manner to protect and enforce the rights of the owners or beneficial owners of the Bonds with respect to such undertaking except in the manner permitted by this paragraph, and all actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all owners and beneficial owners of the Bonds.

The District hereby reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the District, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("Rule 15c2-12") as of the date of the Official Statement relating to the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interest of the owners or beneficial owners, as determined by the Trustee or nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the Bonds outstanding pursuant to the terms of the Bond Order and this Series Resolution at the time of the amendment.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section shall terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on the Bonds.

Section 1109. Rate Covenant. The District shall charge and collect rates and fees sufficient in each Fiscal Year to
provide a Long-Term Debt Service Coverage Ratio at the end of each such Fiscal Year of no less than 1.20 times Maximum Annual Debt Service on the Bonds (the "Rate Covenant"). If the District fails to meet the Rate Covenant at the end of any Fiscal Year, the District will retain an independent consultant to review and make recommendations as to how the District can achieve compliance with the Rate Covenant. If the consultant is hired and his recommendations are being followed by the District, no Event of Default shall be deemed to have occurred unless the Rate Covenant is not met for two consecutive Fiscal Years or unless the Long-Term Debt Service Coverage Ratio declines below 1.00.

Section 1110. Additional Debt. In addition to the requirements of the Bond Order and this Series Resolution with respect to the incurrence of additional Indebtedness by the District, the incurrence of additional Indebtedness by the District is also subject to the following additional restrictions:

(a) Completion Debt (i.e., Long-Term Debt incurred to finance costs associated with a capital project that was financed through the issuance of other Long-Term Debt) may be incurred by the District without limitation subject to an independent architect’s certification of the sufficiency of debt proceeds to complete such project. The completion debt must be issued by the District in respect of financing costs within the scope of the original project and must in no case exceed 10% of the principal amount of the Long-Term Debt originally issued for the project. Non-Recourse Debt (i.e., debt which is not a general obligation of the District and which is secured solely by the property acquired or financed with such debt) of the District shall be limited to 10% of operating revenues.

(b) Balloon Debt (i.e., debt of which 25% or more of the principal amount comes or may come due in any one Fiscal Year by maturity, mandatory sinking fund redemption or optional or mandatory tender by the holder thereof) if the above conditions for the incurrence of Long-Term Debt are satisfied, assuming that such Balloon Debt is amortized on a level debt service basis over a period of twenty years or the actual remaining term to maturity, whichever is less. Alternately, Balloon Debt may be assumed to mature in accordance with the terms of a binding commitment to pay the debt upon maturity from a financial institution whose long-term debt is rated at least “Aa” by Moody’s or “AA” by Standard and Poor’s. Variable Rate Debt (i.e., debt which does not bear a fixed rate of interest to maturity) may be incurred by the District if the conditions for incurrence of Long-Term Debt are met assuming for the purposes of such calculation an interest rate equal to 120% of the average variable interest rate outstanding on such debt for the most recent 24 month period; provided, however, that if the debt has not been outstanding for at least 24 months, then the assumed interest rate shall be equal to 120% of the average variable interest rate for the most recent 12 months or the variable interest rate in effect on the date of calculation, whichever is higher. If the debt has not been outstanding for at least a 12 month period, the assumed interest rate shall be 120% of (a) the Bond Buyer 25 Revenue Bond Index for tax-exempt debt, and (b) the average prime rate of the Trustee for the most recent 24 month period for taxable debt.
Section 1111. Guarantees. The District may guarantee the payment of the debt of another Person (the "Guaranteed Entity") subject to the following requirements:

(i) If the Guaranteed Entity has a Long-Term Debt Service Coverage Ratio greater than 2.00 times in its latest fiscal year, then 25% of the guaranteed debt service shall be included in the debt service requirements of the District;

(ii) If the Guaranteed Entity has a coverage ratio of 1.50 to 2.00 times, then 50% of the debt service shall be included in the debt service requirements of the District;

(iii) If the Guaranteed Entity has a coverage ratio of 1.25 to 1.50 times, then 75% of the debt service shall be included in the debt service requirements of the District;

If the Long-Term Debt Service Coverage Ratio of the Guaranteed Entity is below 1.25 times and the District has made a payment on the Guaranteed Entity's debt during any of the last three fiscal years, then 100% of the Guaranteed Entity's debt service shall be included in the debt service requirements of the District.

Section 1112. Consolidation, Merger & Transfer. The District shall at all times preserve and maintain its existence as a not-for-profit corporation.

The District shall not consolidate with or merge into any other corporation(s), unless: (a) such consolidation or merger does not cause the District to lose its tax exempt status under Section 501(c)(3) of the Code; (b) the successor corporation agrees to fulfill the obligations of the District under the Bond Order and this Series Resolution, to the same extent as if such successor corporation has been the original obligor under such documents; (c) immediately after the consolidation or merger, the District, or the successor will not be in default in the performance of any duties, obligations or covenants under such documents; (d) an officer's certificate stating that the District or successor, as applicable, immediately following the transfer, merger, or consolidation, will be able to issue at least one dollar of additional Long-Term Debt; (e) an officer's certificate stating that the Long-Term Debt Service Coverage Ratio of the District or successor, as applicable, after giving effect to the transaction, will not be less than 1.75 times Maximum Annual Debt Service on the Bonds and at least 80% of what it was prior to the transaction, or, alternatively, with the consent of the Insurer, the Long-Term Debt Service Coverage Ratio must be higher than it was prior to the transaction; (f) an officer's certificate stating that the District or successor, as applicable, immediately following the transfer, merger, or consolidation, will be in compliance with the Days Cash on Hand covenant set forth in Section 1106 of this Series Resolution; and (g) such sale merger or transfer will not cause the interest payable on any of the successor's debt to become taxable under federal or state law.

Section 1113. Transfer of Assets. Subject to other provisions of the Bond Order and this Series Resolution, the District may, among other things (a) sublease or license the use of its
property pursuant to a residency agreement or for use in performing services necessary for use of the District’s facilities for health care and related purposes in accordance with customary practices in the industry; or (b) remove, sell or dispose of its operating assets in the ordinary course of business; or (c) remove, sell or dispose of its operating assets up to an aggregate value equal to 10% of the fair market value of the property, plant and equipment of the District in any two consecutive Fiscal Years with or without consideration. In addition, the District will not sell, lease, donate, exchange or dispose of any non-operating assets with or without consideration in other than the ordinary course of business without (a) an officer’s certificate stating that the District or successor, as applicable, immediately following the transfer, merger, or consolidation, will be in compliance with the Days Cash on Hand covenant set forth in Section 1106 of this Series Resolution and (1) an officer’s certificate stating that the District or successor, as applicable, immediately following the transfer, merger, or consolidation, will be able to issue at least one dollar of additional Long-Term Debt; or (2) an officer’s certificate stating that the Long-Term Debt Service Coverage Ratio of the District or successor, as applicable, after giving effect to the transaction, will not be less than 1.75 times Maximum Annual Debt Service on the Bonds and at least 80% of what it was prior to the transaction, or alternatively, with the consent of the Insurer, the Long-Term Debt Service Coverage Ratio must be higher than it was prior to the transaction.

ARTICLE XII.

MISCELLANEOUS PROVISIONS

Section 1201. Manner of Giving Notice. All notices, demands and requests to be given to or made hereunder by the District and the Trustee shall be given or made in writing and shall be deemed to be properly given or made if sent by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

(a) As to the District --

Northern Hospital District of Surry County
830 Rockford Street
P.O. Box 1101
Mount Airy, North Carolina 27030-1101
Attention: Chief Executive Officer

(b) As to the Trustee --

The Bank of New York
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department

(c) As to the Local Government Commission --

Local Government Commission
325 N. Salisbury Street
Raleigh, North Carolina 27603
Attention: Secretary
(d) As to the Insurer –

Asset Guaranty Insurance Company
335 Madison Avenue
New York, New York 10017

Any such notice, demand or request may also be transmitted to the appropriate above-mentioned party by telegram, telex or telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change sent by United States registered mail, postage prepaid, to the other parties by the party effecting the change.

All documents received by the Trustee under the provisions of this Series Resolution, or photographic copies thereof, shall be retained in its possession until this Series Resolution shall be repealed under the provisions of Section 1001 hereof, subject at all reasonable times to the inspection of the District and any Holder and the agents and representatives thereof.

Section 1202. Trustee, District and Holders Alone Have Rights under Series Resolution. Except as herein otherwise expressly provided, nothing in this Series Resolution, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, the District and the Holders, any right, remedy or claim, legal or equitable, under or by reason of this Series Resolution or any provision hereof, this Series Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Trustee, the District and the Holders.

Section 1203. Effect of Partial Invalidity. In case any one or more of the provisions of this Series Resolution or the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Series Resolution or the Bonds, but this Series Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in the Bonds or this Series Resolution shall for any reason be held to be in violation of any law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the District to the full extent permitted by law.

Section 1204. Effect of Covenants. All covenants, stipulations, obligations and agreements of the District contained in this Series Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the District to the full extent permitted by the Constitution and laws of the State. This Series Resolution is adopted with the intent that the laws of the State shall govern its construction. To the extent that any covenants of the District set forth in the Bond Order are inconsistent with the covenants set forth in this Series Resolution, the covenants set forth in this Series Resolution shall control with respect to the Bonds issued under this Series Resolution only.
Section 1205. Dealing in Bonds. The Trustee and any bank or trust company acting as Depositary under this Series Resolution and its directors, officers, employees or agents, and any officer, employee or agent of the District, may in good faith, buy, sell, own, hold and deal in any Bonds issued under the provisions of this Series Resolution and may join in any action which any Holder may be entitled to take with like effects as if such Trustee were not a trustee and such bank or trust company were not a Depositary under this Series Resolution or as if such officer, employee or agent of the District did not serve in such capacity.

Section 1206. Headings. Any heading preceding the text of the several articles hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Series Resolution, nor shall they affect its meaning, construction or effect.

Section 1207. Further Authority. The officers of the District, attorneys, engineers and other agents or employees of the District are hereby authorized to do all acts and things required of them by this Series Resolution for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and this Series Resolution.

Section 1208. Application to Local Government Commission. The District hereby requests the Local Government Commission to sell the Bonds at private sale and without advertisement in accordance with the provisions of Section 159-123 of the North Carolina General Statutes.

Section 1209. Execution of Purchase Contract. The District hereby approves the action of the Local Government Commission in awarding the Bonds to the Underwriter in the amounts and at the interest rates set forth in Section 204 of this Series Resolution at a price of $_________ (representing the principal amount of the Bonds less an underwriting discount of $_________ and an original issue discount of $_________) plus accrued interest on the Bonds from June 15, 1999. The form, terms and provisions of the Purchase Contract are hereby approved in all respects, and the Chief Executive Officer or the Chief Financial Officer of the District is hereby authorized and directed to signify such approval by the execution of the Purchase Contract; such execution shall be conclusive evidence of the approval thereof by the District.

Section 1210. Approval of Preliminary Official Statement and Official Statement. The Chief Executive Officer or the Chief Financial Officer of the District is hereby authorized and directed to execute and deliver the Official Statement, dated July __, 1999, relating to the Bonds, in the form presented at this meeting together with such changes, modifications, and deletions as he, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization in all respects by the District of the form and content thereof. The District hereby ratifies and approves the distribution of the Preliminary Official Statement, dated June 4, 1999, relating to the Bonds, and approves and consents to the use and distribution of copies of the Official Statement, the Bond Order and this Series Resolution by the Underwriter in connection with the public offering of the Bonds.
Section 1211. Appointment of District Representative and Authorization for Other Acts. (a) The Chief Executive Officer and Chief Financial Officer of the District are hereby appointed District Representatives with full power to carry out the duties set forth in the Bond Order and this Series Resolution.

(b) The members of the District and the agents and employees of the District and the officers and agents of the Trustee are hereby authorized and directed to do all acts and things required of them by the provisions of the Bonds, the Bond Order and the Purchase Contract for the full, punctual and complete performance of the terms, covenants, provisions and agreements of the same and also to do all acts and things required of them by the provisions of this Series Resolution.

(c) The Chairman, Vice Chairman and Clerk of the Board, and the Chief Executive Officer and the Chief Financial Officer of the District, or any of them, are further authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, deeds, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Bond Order, this Series Resolution and the Purchase Contract.

Section 1212. No Recourse Against Members, Officers or Employees of the District or Local Government Commission. No recourse, under or upon any statement, obligation, covenant or agreement contained in this Series Resolution, in any Bond hereby secured or in any document or certification whatsoever, or under any judgment obtained against the District, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any member, officer or employee, as such, of the District or the Local Government Commission, either directly or through the District or the Local Government Commission or otherwise, for the payment, for or to the District or the Local Government Commission or any receiver of the District or the Local Government Commission, or for or to any Holder, or otherwise, of any sum that may be due and unpaid upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer or employee, as such, to respond, by reason of any act or omission on his or her part or otherwise, for the payment, for or to the District or any receiver of the District, or for or to any Holder, or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the adoption of this Series Resolution and the issuance of the Bonds.

Section 1213. Series Resolution Effective. This Series Resolution shall take effect immediately upon its adoption.

Section 1214. Delegation of Authority. To the extent that certain terms and provisions of the Bonds have not been established on the date this Series Resolution is adopted and takes effect, the Chairman, or in his absence the Vice Chairman, of the Board of Commissioners for the County of Surry, North Carolina is hereby authorized to approve and ratify such terms and
provisions; provided, however, in no event shall (i) the aggregate principal amount of the Bonds exceed $19,000,000 plus any adjustment for original issue discount, if any, (ii) the net interest cost for the Bonds exceed 8.75%, and (iii) the maturity of the Bonds exceed thirty (30) years. The approval and ratification by the Chairman, or in his absence the Vice Chairman, of such terms and provisions shall be conclusively evidenced by the execution of the Bonds.

Section 1215. Consent Requirements. Unless otherwise provided herein, the Insurer’s consent shall be required for the following purposes: (i) execution and delivery of any amendment or supplement to the Bond Order or the Series Resolution or any other document executed in connection with the issuance of the Bonds; (ii) removal of the Trustee or Paying Agent; and (iii) initiation or approval of any action not described in (i) and (ii) above with requires Bond Owner consent.

The rights granted to the Insurer under this Series Resolution to request, consent to, or direct any action are rights granted to the Insurer in consideration of its issuance of the Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer’s contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the owners of the Bonds nor does such action evidence any position of the Insurer, positive or negative as to whether bond owner consent is required in addition to the consent of the Insurer.

Section 1216. Party in Interest. The Insurer shall be included as a party in interest (third party beneficiary) with respect to the Bond Order and the Series Resolution and as a party entitled to (i) notify the Trustee of the occurrence of an event of default, and (ii) request the Trustee to intervene in judicial proceedings that affect the Bonds or the security therefore.

Section 1217. Interpretation. Notwithstanding any other provision of this Series Resolution, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Series Resolution, the Trustee (or Paying Agent) shall consider the effect on the Bondholders without regard to the Policy.

The Trustee shall not be permitted to resolve ambiguities in the Bond Order and the Series Resolution in any manner that shall be deemed to be conclusively binding on Bondholders without the consent of the Insurer. The Insurer shall receive notice of any proposed meetings of Bondholders held under the Bond Order and shall be given the opportunity to attend and participate in the same.

Any legal opinions rendered to any party to the Series Resolution as to compliance with or interpretation of, the provisions thereof, shall also be provided to the Insurer.

Section 1218. Reimbursement. The District shall pay or reimburse the Insurer any and all charges, fees, costs and expenses with the Insurer may reasonably pay or incur in connection with the (i) administration, enforcement, defense, or preservation of any rights or security hereunder; (ii) the pursuit of any remedies hereunder or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with re-
spect to or related to this Series Resolution whether or not executed or completed, (iv) the violation by the District of any law, rule or regulation or any judgment, order or decree applicable to it, or (v) any litigation or other dispute in connection with this Series Resolution or the transactions contemplated thereby, other than amounts resulting from the failure of the Insurer to honor its payment obligations under the Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Series Resolution.

The obligations of the District to the Insurer shall survive discharge and termination of this Series Resolution.

Section 1219. Indemnification. To the fullest extent permitted by the laws and Constitution of the State of North Carolina, the District shall protect, hold harmless and indemnify the Insurer for, from and against any and all liability, obligations, losses, claims and damages paid or incurred in connection with the District, the Series Resolution and any related instrument (including all environmental liabilities regarding the District), (except that the District shall not protect, hold harmless or indemnify the Insurer for the willful or wanton acts or omissions, mistakes, gross negligence of the Insurer, to the extent that such acts, omissions, mistakes, gross negligence of such party are successfully alleged to have caused the liability, obligation, loss, claim or damage) and expenses in connection herewith including reasonable attorneys' fees and expenses. The obligations of the District to protect, hold harmless, reimburse and indemnify the Insurer as set forth under this Section shall survive any termination, release, satisfaction and discharge of this Series Resolution.

EXHIBIT A

Description of the Improvements

The term "Improvements", as used in the attached Series Resolution, means and includes the following capital improvements to Northern Hospital of Surry County (the "Hospital"): 

(1) the renovation, upgrading and expansion of approximately 54,945 square feet of space located on five floors of the Hospital in order to upgrade certain mechanical, electrical, plumbing and fire protection systems, to renovate and relocate inpatient care areas, to add 20 nursing home beds to the existing 13 bed skilled nursing unit, and to expand and relocate certain outpatient service areas and support departments; 

(2) the construction of a new 5-story tower building containing approximately 5,800 square feet of space to be located at the south end of the Hospital to provide space for new electrical and mechanical equipment, a new chiller and an electrical room; 

(3) the acquisition and installation of certain new machinery and equipment, including without limitation, 3 new chillers, air handling and distribution equipment, HVAC equipment, electrical switch gear, emergency power distribution equip-
ment, fire sprinklers, alarm equipment, electrical, mechanical and fire protection equipment, 2 new elevators, and other miscellaneous machinery and equipment.

EXHIBIT B

Form of Requisition

Requisition No. _______

__________________________________________

The Bank of New York, as Trustee
10161 Centurion Parkway
Jacksonville, Florida 32256
Attention: Corporate Trust Department

Ladies and Gentlemen:

Referring to Section 404 of the Series Resolution adopted by Northern Hospital District of Surry County (the "District") relating to the issuance of its Health Care Facilities Revenue Bonds, Series 1999 (the "Series Resolution"), it is hereby certified as follows:

1. That there is now due and owing to ________________, the sum of $__________ for

in connection with the Improvements referred to in the Series Resolution;

2. That obligations in the stated amount set forth above have been incurred by the District and are presently due and payable and that each item thereof is a proper charge against the Acquisition Fund (as defined in the Series Resolution) and has not been paid;

3. That there has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, or claim affecting the right of any such persons, firms or corporations to receive payment of, the respective amounts stated in such requisition which has not been released or will not be released simultaneously with the payment of such obligation; and

4. That such requisition contains no item representing payment on account of any retainage which the District is at the date of such requisition entitled to retain.

You are hereby authorized and directed to disburse the aforesaid sum to the party named in Paragraph 1 hereof from moneys now on deposit in the Acquisition Fund now held by you under the terms and provisions of said Series Resolution.

NORTHERN HOSPITAL DISTRICT OF SURRY COUNTY

By ______________________________

District Representative

Following discussion of the Resolution as set forth above, Commissioner Fred O’Neal moved that the Resolution be adopted by
the Board, which motion was seconded by Commissioner Gary York. The resolution was adopted by the following vote:

**AYES:** Fred O'Neal, Gary York, Jim Miller, Jim Harrell, Jr., Paul Johnson

**NAYS:** None

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the following consent agenda items:

1. EMS Refund. Partners Medicare Choice for Bonnie Flynn, Patient, General Account, P.O. Box 751006, Charlotte, NC, in the amount of $32.00. Reason: Overpayment of account.


3. Health Department. Medicaid, Medicaid ID #945394242L for Alisha Bullins, in the amount of $100. Reason: Used wrong code in billing.

4. Health Department. Greg Dexter, 121 Mountain Park Rd., Thurmond, NC, in the amount of $25. Reason: Mr. Dexter requested service then changed mind.


7. Board appointments. Appointed Bob Midkiff to fill the unexpired term of Dr. Steve Wells on the Elkin Planning Board/Board of Adjustment and appointed Anne Gulley as the Elkin representative to the Northwestern Regional Library Board to replace Button Bryan who recently resigned from the Board.

8. Approved the transfer of 8 hours of sick leave accrued by Jane P. Pennington, DSS employee, while in the employment of Yadkin County.

9. Approved a request from Bud Cameron, Register of Deeds, to purchase computer equipment transferring funds from his capital lease line item to the equipment line item in the amount of $9,321.

10. Approved a request from Gray Bryant to purchase the Source Code & Pass Word for the Inspections Department for $2,500 from PC Expert.

11. Approved a joint request from the Tax Administrator and the Register of Deeds to use automation funds to allow the offices to be interconnected.

12. Approved a request from Barbara Anderson, DSS Administrator, to amend the County Plan for Work First.

13. Approved a request from Charlie Walker for a letter of approval for the updated transportation plan.

14. Approved a request from Betty Taylor to adopt a bond resolution awarding the college bonds to First Union Capital Markets; to accept Budget Transfer #42 as approved by the Budget Officer; and to approve Budget Amendment #43 as follows:

RESOLUTION AMENDING AND SUPPLEMENTING THE BOND RESOLUTION AUTHORIZING THE ISSUANCE BY THE COUNTY OF SURRY, NORTH CAROLINA OF ITS $2,060,000 COUNTY OF SURRY, NORTH CAROLINA GENERAL OBLIGATION COMMUNITY COLLEGE BONDS, SERIES 1999 AND AWARDING THE BONDS TO THE PURCHASER THEREOF
WHEREAS, on May 3, 1999, the Board of Commissioners of the County of Surry, North Carolina (the "Issuer") adopted a resolution (the "Initial Resolution") that authorized the issuance and sale of the County of Surry, North Carolina General Obligation Community College Bonds, Series 1999 in an aggregate principal amount of $2,060,000 (the "Bonds"), the proceeds of which are to be used to finance the cost of certain capital improvements to Surry County Community College; and

WHEREAS, at the sale of the Bonds on May 18, 1999, the interest rates for the Bonds were determined as hereinafter provided and the Bonds were sold to an underwriting syndicate headed by First Union Capital Markets Corp. (the "Purchaser"); and

WHEREAS, the Issuer now desires through the adoption of this Resolution to amend and supplement the Initial Resolution in certain respects and to award the Bonds to the Purchaser.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the Issuer as follows:

Section 1. Section 1 of the Initial Resolution is hereby amended and restated to read as follows:

1. The Issuer shall issue its General Obligation Community College Bonds, Series 1999 in an aggregate principal amount of $2,060,000 pursuant to and in accordance with the Bond Order adopted by the Board on September 14, 1993 and approved by the voters of the Issuer at a referendum held on November 2, 1993 (the "Bond Order") and this Resolution, and any amendments and supplements hereto (collectively, the "Bond Resolution").

Section 2. Section 7 of the Initial Resolution is hereby amended and restated to read as follows:

7. The Bonds are issuable in fully-registered form in denominations of $5,000 and multiples thereof, shall be numbered and shall be substantially in the forms hereinafter set forth, with such appropriate variations, omissions and insertions as may be necessary or appropriate to conform to the provisions of this Resolution. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. The Bonds and the provisions for the registration of Bonds and for the approval of the Bonds by the Secretary of the Local Government Commission of North Carolina shall be in substantially the following form:

(Form of Bond)

No. R-___________ $______________
United States of America
State of North Carolina

COUNTY OF SURRY, NORTH CAROLINA
GENERAL OBLIGATION COMMUNITY COLLEGE BOND, SERIES 1999

<table>
<thead>
<tr>
<th>INTEREST RATE</th>
<th>MATURITY</th>
<th>DATE OF ORIGINAL ISSUE</th>
<th>CUSIP NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1, ____</td>
<td>June 8, 1999</td>
<td>June 8, 1999</td>
<td>868885</td>
</tr>
</tbody>
</table>

REGISTERED OWNER: Cede & Co.

PRINCIPAL SUM:

The County of Surry, North Carolina (hereinafter referred to as the "County"), a political subdivision of the State of North Carolina, acknowledges itself indebted and for value received hereby promises to pay to the registered owner named above, or registered assigns or legal representative, on the Maturity Date specified above, upon the presentation and surrender hereof at the principal office of the County, as Bond Registrar, in the City of Dobson, North Carolina, the Principal Sum specified above. Payment of the principal hereof as described above shall be made by check. The County also promises to pay to the registered owner hereof interest on the unpaid principal hereof from the Interest Payment Date (as hereinafter defined), next preceding the date on which this Bond is authenticated to which interest shall have been paid unless it is authenticated on an Interest Payment Date (as herein defined) in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated prior to December 1, 1999, in which event it shall bear interest from the date hereof, payable on December 1, 1999 and on each Interest Payment Date thereafter, at the rate per annum set forth above until such principal amount is paid. The term "Interest Payment Date" as used herein means December 1, 1999 and each June 1 and December 1 thereafter until such time as the principal of and interest on this Bond shall have been paid in full. The interest so payable on any Interest Payment Date, will, as provided in the Bond Resolution (as hereinafter defined), be paid to the person in whose name this Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by this Bond) is registered at the close of business on the Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the calendar month immediately preceding each Interest Payment Date. Any such interest which is payable but is not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner hereof on such Record Date and may be paid to the person in whose name this Bond (or the previous Bond or Bonds evidencing the same debt as that evidenced by this Bond) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Bond Registrar, notice whereof being given to the registered owners not less than ten (10) days prior to such Special Record Date, or may be paid in any other lawful manner not inconsistent with the requirements of applicable law or any securities exchange on which the Bonds may be listed and upon such notice as may be required by such law or exchange. Such payment of interest shall be by check mailed to the registered owner at his address as it appears on the bond registration books maintained by the Bond Registrar; provided however, that interest shall be paid by wire
transfer of immediately available funds to any registered owner of at least $1,000,000 in aggregate principal amount of Bonds, at his option, according to wire instructions given to the Bond Registrar in writing for such purpose in accordance with the procedures prescribed by the Bond Registrar. All such payments shall be payable in such coin or currency of the United States of America which is legal tender for payment of public and private debts on the respective dates of payment thereof. For the prompt payment hereof, both principal and interest as the same shall become due, the faith and credit of the County are hereby irrevocably pledged.

This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to The Local Government Finance Act, a bond order adopted by the Board of Commissioners of the County on September 14, 1993 and approved by the voters of the County at a referendum held on November 2, 1993 (the "Bond Order"), and a resolution adopted by the Board of Commissioners of the County on May 3, 1999 (the "Initial Resolution"), as such resolution was amended and supplemented by a resolution adopted by the Board of Commissioners of the County on June 7, 1999 (the Initial Resolution, as so amended and supplemented hereinafter collectively called the "Bond Resolution"), to provide funds to finance the cost of certain capital improvements to Surry County Community College.

The Bonds are being issued by means of a book-entry system with no physical distribution of bond certificates to be made except as provided in the Bond Resolution. One Bond certificate with respect to each date on which such Bonds are stated to mature in the aggregate principal amount of such Bonds stated to mature on such date and registered in the name of Cede & Co., is being issued and required to be deposited with The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence ownership of such Bonds in the principal amount of $5,000 or any multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of such Bonds by participants of DTC will be the responsibility of such participants and other nominees of such beneficial owners. Neither the County nor the Bond Registrar will be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In certain events, the County will be authorized to deliver replacement Bonds in the form of fully-registered certificates in the denomination of $5,000 or any multiple thereof in exchange for the outstanding Bonds as provided in the Bond Resolution.

The Bonds may be exchanged at the principal office of the Bond Registrar, in the manner and subject to the limitations and conditions provided in the Bond Resolution, for an equal aggregate principal amount of Bonds of the same maturity and in the denomination of $5,000 or any multiple thereof.
The transfer of this Bond is registrable by the registered owner hereof in person or by his attorney or legal representative at the principal office of the Bond Registrar, but only in the manner and subject to the limitations and conditions provided in the Bond Resolution and upon surrender and cancellation of this Bond. Upon any such registration of transfer, the County shall cause to be executed and the Bond Registrar shall authenticate and deliver in exchange for this Bond a new Bond or Bonds, registered in the name of the transferee, in the denomination of $5,000 or any multiple thereof, in an aggregate principal amount equal to the principal amount of this Bond and of the same maturity.

The Bonds maturing prior to June 1, 2010, will not be subject to redemption prior to maturity. The Bonds maturing on and after June 1, 2010 will be subject to redemption prior to maturity, at the option of the County, from any moneys that may be made available for such purpose, either in whole on any date not earlier than June 1, 2009, or in part (in multiples of $5,000) in inverse order of their maturities, on any interest payment date not earlier than June 1, 2009, at the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption plus a redemption premium of one-half of one percent (1/2 of 1%) of the principal amount of the Bonds to be redeemed for each calendar year, or part thereof between the redemption date and the maturity date of such Bond to be redeemed, such premium not to exceed two percent (2%) of such principal amount. If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot in such manner as the County may determine; provided that DTC and its participants shall determine by lot the amount of the interest of each direct participant in the Bonds to be redeemed so long as a book entry system with DTC is continued. Whenever the County shall elect to redeem Bonds, notice of such redemption of Bonds, stating the redemption date, redemption price and identifying the Bonds or portions thereof to be redeemed by reference to their numbers and further stating that on such redemption date there shall become due and payable upon each Bond or portions thereof so to be redeemed, the principal thereof, redemption premium and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given by not less than 30 days nor more than 60 days prior to the redemption date in writing to DTC or its nominee as the registered owner of the Bond, by pre-paid first class mail, at the address provided to the County by DTC, but any failure or defect in respect of such mailing will not affect the validity of the redemption. The County is not responsible for mailing notices for redemption to anyone other than DTC or its nominee unless no qualified securities depository is the registered Owner of the Bonds.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened, and that the amount of this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by said Constitution or statutes. The faith and credit of the County are hereby pledged to the punctual payment of the principal of and interest on this Bond in accordance with its terms.
This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certifications attached hereto shall have been signed by authorized representatives of the Local Government Commission of North Carolina and the County, as Bond Registrar.

IN WITNESS WHEREOF, the County has caused this Bond to bear the original or facsimiles of the signatures of the Chairman of the Board of Commissioners of the County and the Clerk of said Board and an original or facsimile of the corporate seal of the County to be imprinted hereon and this Bond to be dated June 1, 1999.

[SEAL]

___________________________________  _______________________
Clerk to the Board of Commissioners      Chairman of the Board of Commissioners

CERTIFICATE OF LOCAL GOVERNMENT COMMISSION

The issuance of this Bond has been approved under the provisions of The Local Government Bond Act of North Carolina, as amended.

_____________________________________
Robert M. High
Secretary, Local Government Commission of North Carolina

CERTIFICATE OF AUTHENTICATION

This Bond is one of the series of Bonds designated herein and issued under the provisions of the Bond Resolution referenced herein.

By: ________________________________
Betty W. Taylor
Finance Officer
County of Surry, North Carolina

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto ________________________________ [Please Print or Type the Name and Address of the Transferee] the within-mentioned Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _______________ attorney, to register the transfer of the within-mentioned Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ________________________________

NOTICE: The signature on the above assignment must correspond with the name as it appears upon the face of the within-mentioned Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:
NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medalion Program (STAMP) or similar program.

Section 3. The Initial Resolution is hereby amended by adding thereto a new Section 15 to read as follows:

15. The Issuer hereby covenants, agrees and undertakes for the benefit of the beneficial owners of the Bonds, to provide:

(a) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 1999, to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository for the State of North Carolina ("SID"), if any, audited financial statements of the Issuer for such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or, if such audited financial statements of the Issuer are not available by seven months from the end of such fiscal year, unaudited financial statements of the Issuer for such fiscal year to be replaced subsequently by audited financial statements of the Issuer to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months from the end of each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 1999, to each NRMSIR, and to the SID, if any, (i) the financial and statistical data as of a date not earlier than the end of the preceding fiscal year for the type of information included under heading "The County - Debt Information and - Tax Information" in the Official Statement relating to the Bonds and (ii) the combined budget of the Issuer for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in (a) above;

(c) in a timely manner, to each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB"), and to the SID, if any, notice of any of the following events with respect to the Bonds, if material:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on any credit enhancements reflecting financial difficulties;

(5) substitution of any credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(7) modification to the rights of the beneficial owners of the Bonds;

(8) call of any of the Bonds for redemption

(9) defeasance of any of the Bonds;

(10) release, substitution or sale of any property securing repayment of the Bonds;

(11) rating changes; and

(d) in a timely manner, to each NRMSIR or to the MSRB, and to the SID, if any, notice of a failure of the Issuer to provide required annual financial information described in (a) or (b) above on or before the date specified.

If the Issuer fails to comply with the undertaking described above, the beneficial owners of the Bonds then outstanding may take action to protect and enforce the rights of such beneficial owners with respect to such undertaking, including an action for specific performance; provided, however, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds. No beneficial owner of any Bond shall have the right in any manner to protect and enforce the rights of the beneficial owners of the Bonds with respect to such undertaking except in the manner permitted by this paragraph, and all actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all beneficial owners of the Bonds.

The Issuer hereby reserves the right to modify from time to time the information to be provided to the extent necessary or appropriate in the judgment of the Issuer, provided that:

(a) any such modification may only be made in connection with a change in circumstances that arises from a change in legal require-
ments, change in law, or change in the identity, nature, or status of the Issuer;

(b) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 issued under the Securities Exchange Act of 1934 ("Rule 15c2-12") as of the date of the Official Statement relating to the Bonds, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any changes in circumstances; and

(c) any such modification does not materially impair the interest of the beneficial owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by the approving vote of the registered owners of a majority in principal amount of the Bonds outstanding pursuant to the terms of such resolution, as it may be amended from time to time, at the time of the amendment.

The provisions of this Section shall terminate upon payment in full of the principal of and interest on all of the Bonds.

Section 4. The Initial Resolution is hereby amended by adding thereto a new Section 16 to read as follows:

16. The Issuer hereby represents that it reasonably expects that the Issuer, together with all subordinate entities thereof and any other entities which issue obligations on behalf of the Issuer, will not issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds, except for qualified 501(c)(3) bonds) during calendar year 1999. The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Issuer further represents that it will take no action which will directly or indirectly adversely affect the tax-exempt character of the Bonds, including, but not limited to, the issuance of more than $10,000,000 of tax-exempt obligations during calendar year 1999.

Section 5. Section 15 of the Initial Resolution is hereby amended by renumbering such Section as Section 17.

Section 6. Notice was duly distributed calling for sealed bids to be received by the Local Government Commission, at its office in the City of Raleigh, North Carolina, until 11:00 A.M., North Carolina time on Tuesday, May 18, 1999, for $2,060,000 County of Surry, North Carolina General Obligation Community College Bonds, Series 1999 (the "Bonds"), at which hour bidding was closed and the following bids were found to have been filed offering to purchase the Bonds and to accord in all respects with the terms of the notice, each bid being accompanied by an official bank check, a cashier's check or a certified check or treasurer's check for $41,200 payable unconditionally to the order of the State Treasurer of North Carolina.
(1) Bid of First Union Capital Markets Corp. for itself and for certain other entities listed in its bid, offering to pay $2,060,085.20 and accrued interest for the Bonds, and naming for the Bonds the interest rates set forth below in Column (1) of the tabulation headed "INTEREST RATES NAMED IN BIDS."

(2) Bid of Wachovia Securities, Inc. offering to pay $2,060,000 and accrued interest for the Bonds, and naming for the Bonds the interest rates set forth below in Column (2) of the tabulation headed "INTEREST RATES NAMED IN BIDS."

(3) Bid of J. C. Bradford & Co. offering to pay $2,060,000 and accrued interest for the Bonds, and naming for the Bonds the interest rates set forth below in Column (3) of the tabulation headed "INTEREST RATES NAMED IN BIDS."

<table>
<thead>
<tr>
<th>Year of Maturity</th>
<th>$2,060,000 Bonds</th>
<th>Interest Rate Columns</th>
</tr>
</thead>
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<tr>
<td></td>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td>2000</td>
<td>$ 100,000</td>
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<td>2001</td>
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<td>2002</td>
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<td>$ 100,000</td>
<td>4.60%</td>
</tr>
<tr>
<td>2014</td>
<td>$ 400,000</td>
<td>4.60%</td>
</tr>
<tr>
<td>2015</td>
<td>$ 260,000</td>
<td>4.60%</td>
</tr>
</tbody>
</table>

Section 7. That the bid offering to purchase the Bonds at the lowest net interest cost to the Issuer, such cost being determined by deducting the amount of premium bid from the aggregate amount of interest upon all the Bonds from May 1, 1989 until their respective maturities, was the bid of First Union Capital Markets Corp. offering $2,060,085.20 and accrued interest for the Bonds, and naming for the Bonds the interest rates set forth in Column (1) of the tabulation in Section 1 above, such net interest cost being 4.550701%.

Section 8. It is hereby determined that under the terms of the Notice of Sale of the Bonds the bid of First Union Capital Markets Corp. should be accepted and the acceptance thereof is for the best interests of the Issuer.

Section 9. The Bonds are hereby awarded to First Union Capital Markets Corp. at the price set forth in Section 6 above offered for the Bonds and at the rates of interest named in said bid as set forth in Column (1) of the tabulation in Section 5 above, and the Bonds shall be issued bearing interest at those rates.

Section 10. The Bonds shall be prepared and executed in the form and manner set forth in the resolution adopted by the Issuer on May 3, 1999, as amended and supplemented by this
Resolution, authorizing the issuance of the Bonds, with a certificate of authentication to be added thereto and executed by the Finance Officer of the Issuer. Bonds in typewritten form shall be delivered to or upon the order of The Depository Trust Company, New York, New York upon payment of the purchase price and accrued interest no later than June 8, 1999.

Section 11. The officers and agents of the Issuer are hereby authorized and directed to do all acts and things necessary to carry into effect the provisions of this Resolution.

Section 12. This Resolution may be amended or supplemented, from time to time, if in the opinion of nationally recognized bond counsel, such amendment or supplement would not adversely affect the interests of the Bondholders or would not cause the interest on the Bonds to be included in the gross income of a recipient thereof for federal income tax purposes.

Section 13. In case any one or more of the provisions contained in this Resolution or in the Bonds shall be held to be invalid, illegal or unenforceable in any respect and for any reason, then such invalidity, illegality or unenforceability shall not affect any other provision of this Resolution, and this Resolution shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 14. This Resolution shall take effect immediately upon its passage.

CHANGE #43

GENERAL FUND

Expenditures

Admin/Social Services Bldg.
Increase line item 1054196-56600 (Other Improvements) by $5,765.00 to $26,749.00.
Increase departmental total by $5,765.00 to $169,351.00.

Automated Systems Services
Decrease line item 1054210-56010 (Equipment) by $5,765.00 to $44,346.00.
Decrease departmental total by $5,765.00 to $133,554.00.

Health Dept. Administration
Decrease line item 1055110-51010 (Salaries & Wages) by $3,000.00 to $586,562.00.
Increase line item 1055110-51020 (Longevity Pay) by $30.00 to $5,830.00.
Increase line item 1055110-51030 (Salaries & Wages Part-Time) by $2,200.00 to $28,200.00.
Decrease line item 1055110-51040 (Salary Reserve) by $36.00 to -0-.
Decrease line item 105110-51300 (Social Security) by $494.00 to $34,359.00.
Decrease departmental total by $1,300.00 to $1,056,679.00.

Health Dept. Building
Increase line item 1055112-56600 (Other Improvements) by $1,300.00 to $7,300.00.
Increase departmental total by $1,300.00 to $16,550.00.
Infant Mortality Reduction
Increase line item 1055171-52010 (Supplies & Materials) by $1,000.00 to $1,061.00.
Increase departmental total by $1,000.00 to $36,952.00.

Social Services Admin
Increase line item 1055312-52010 (Supplies & Materials) by $13,000.00 to $28,000.00.
Increase line item 1055312-54010 (Travel) by $1,500.00 to $2,500.00.
Increase line item 1055312-54200 (Telephone) by $2,000.00 to $47,000.00.
Increase line item 1055312-54300 (Utilities) by $3,500.00 to $29,500.00.
Increase line item 1055312-56010 (Equipment) by $16,000.00 to $83,000.00.
Increase departmental total by $36,000.00 to $413,111.00.

Local Assistance
Decrease line item 1055321-55650 (Miscellaneous) by $18,000.00 to $7,000.00.
Decrease departmental total by $18,000.00 to $313,607.00.

Revenue
Increase line item 1045171-43314 (Infant Mortality Reduction) by $1,000.00 to $27,500.00.
Increase line item 1045313-42380 (Social Services Block Grant) by $18,000.00 to $321,922.00.
Increase fund totals by $19,000.00 to $45,621,517.00.

Schools Capital Outlay Fund
Expenditures
Increase line item 3655912-57020 (Co. Sch-HVAC Pilot) by $197,812.00 to $521,212.00.

Revenue
Increase line item 3645912-49838 (Trans from CR-CO Pilot HVAC) by $197,812.00 to $521,212.00.
Increase fund totals by $197,812.00 to $2,682,060.00.

Schools Capital Reserve Fund
Expenditures
Increase line item 3755918-59166 (Trans to CO-Pilot HVAC) by $197,812.00 to $521,212.00.
Decrease line item 3755918-59615 (Emergency Reserve) by $197,812.00 to $209,563.00.
The above action does not change fund totals.

Wilson Smith with the Pilot Auditorium Restoration Committee came before the Board to request funds in the amount of $80,000 to match funds raised by the Committee to restore the auditorium of the old Pilot Mountain school building.

Commissioner Gary York presented certificates of recognition to Jonathan Jewell and Matthew Calhoun, who recently received Eagle rank in the Boy Scouts of America, and to Dennis
Hutchens, Buildings & Grounds employee, recognizing him for good service to the County.

Chairman Harrell declared the meeting a public hearing as properly advertised to hear comments to the proposed budget for FY 1999-2000. Several citizens and representatives of various organizations commented on the proposed budget as well as the new property tax valuations.

Those speaking against a tax increase for the new fiscal year and opposing the new property tax valuations were Grover Mabe, Hoke Willis, C. R. Gilley, John Pitcarski, Don Thompson, Haywood Morris, Grady Nichols, Craig Hunter, Paul Key, Fred Sidden, Faye Needham, and Don Minor.

Clyde Hiatt, citizen, indicated his support of the Pilot Auditorium Restoration Committee’s request of $80,000 matching funds to restore the auditorium. Mr. Hiatt also asked the Board to support the existing businesses in the County, rather than trying to get new businesses to come into the County.

The following asked that the Board favorably consider budget proposals submitted by various organizations: Rebecca Manard and Rob Gibson, parents of Elkin City School students, and Dr. Stephen Laws, Superintendent, Elkin City Schools, asked for favorable consideration of the School’s requested budget; Jo Ann Snow, Debbie Cheek and Anna Lisa Davis with YVEDDI; and Harold Hooker with the Franklin Volunteer Fire Department.

Bill Marion suggested that the Board look at having one school system in the County to reduce costs.

The Board recessed and took a short break.

Commissioner Harrell reconvened the meeting and continued the public hearing asking for other comments.

David Swann with Crossroads and Gary Laws with the Economic Development Partnership asked for favorable consideration of their budget requests.

Norma Jean Douglas, citizen, stated her opposition of the new tax values.

Jim McHone, speaking as a taxpayer, commended the Board on the time and interest they put into the budget process.

There were no further comments; therefore, the public hearing was closed, and the Board proceeded with budget deliberations.

Following budget deliberations Chairman Harrell asked the Board how they wished to proceed with budget adoption.

Commissioner Fred O’Neal introduced the following proposed budget adjustments to the County Manager’s recommended budget. These adjustments were based on prior budget discussions and additional recommendations that Commissioner O’Neal asked the Board to consider.

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>AMOUNT OF REDUCTION</th>
</tr>
</thead>
</table>
Reduce schools current expense to $925 per pupil $( 56,380)
Reduce charter school to $925 per pupil $( 5,305)
Reduce appropriation to Social Services in the Special Assistance Budget $(100,000)
Reduce Health Department appropriation $(115,368)
  Animal Control-Salaries & Wages (17,399)
    Longevity 1,410
    Salary Reserve ( 448)
    Social Security ( 557)
    Medicare ( 127)
    Retirement ( 414)
    Equipment (21,000)
  (38,535)
  Health Admin.- Salaries & Wages (28,188)
    Salary Reserve (1,283)
    Social Security (3,492)
    Medicare ( 809)
    Retirement (2,719)
    Professional Svcs 25,000
    Equipment (26,000)
  (37,491)
  Family Planning-Salaries & Wages (11,232)
    Salary Reserve ( 610)
    Social Security ( 694)
    Medicare ( 157)
    Retirement ( 555)
  (13,248)
  Nutrition- Salaries & Wages (13,551)
    Salary Reserve ( 845)
    Social Security ( 832)
    Medicare ( 192)
    Retirement ( 674)
  (16,094)
  Dental Professional Svcs (10,000)
Reduce Red Cross appropriation to FY 1998-99 level $( 4,750)
Reduce Family Resource Center $( 15,000)
Reduce Sheriff’s appropriation $( 50,000)
  Sheriff’s- Part-Time Salaries (20,000)
    Group Health (25,000)
    Insurance & Bonds ( 5,000)
  (50,000)
Reduce Jail appropriation $( 10,000)
  Jail- Part-Time Salaries ( 5,000)
    Group Health ( 5,000)
  (10,000)
Reduce Fire Marshal part-time salaries $(15,000)
Reduce Public Works (urban centers) by removal of open top dumpsters, Sunday closing and additional cuts. $(200,000)
Reduce Econ. Dev. Partnership appropriation $(41,165)
Reduce Industrial Park appropriation $(150,000)
Reduce airport appropriation $(43,161)
Reduce water/sewer transfer $(200,000)
Reduce Planning Dept. budget $(16,464)
Reduce Emergency Services budgets $(25,850)
   Communications- Equipment (4,250)
   Emerg. Mgt.-Cont. Serv. (Flood) (3,000)
   Equipment (2,000)
   Fire Marshal-Equipment (6,000)
   EMS- Uniforms-Sara Pur. (2,000)
      Travel (3,000)
      Equipment (5,600)
      (25,850)
Increase Register of Deeds appropriation $92,975
Add one full time EMS clerk $22,335
Add funds for Mount Airy Senior Center $20,000
Add funds for Yadkin Valley Senior Center $7,500
Add funds to assist Town of Dobson in providing public services for County buildings $15,000
Add funds for Library $1,000
Add funds for Social Services due to Medical Assistance error $345,000
Set cost of living at 2-1/2% $(50,000)
Reduce Salary Reserve $(50,000)
Reduce Workers Compensation Reserve $50,000

REVENUES
Increase Sales Tax $45,000
Sales Tax - One Cent 25,000
Article 40 10,000
Article 42 10,000
45,000
Increase EMS revenues $22,335
Decrease Health S/F Aid to Counties $(12,919)

Commissioner O’Neal made a motion to adopt the recommended budget, with the above changes, including setting the General Fund Tax Rate at .51 per $100 valuation and setting all special district tax rates at a level that will generate an approximate 5% increase in revenue over the FY 1998-99 budget revenues. The motion died for lack of second.

Following further discussion, Commissioner Miller moved to accept Commissioner O’Neal’s budget proposal. Commissioner O’Neal made a second to the motion. Chairman Harrell called for discussion on the motion, and the Board members proceeded to propose the following amendments to the motion:

- Chairman Harrell made a motion that the Elkin City School District tax rate remain at 16 cents. Commissioner Miller made a second to the motion, and the vote was as follows: Ayes: Jim Harrell, Jim Miller, Nays: Paul Johnson, Gary York, Fred O’Neal. The nays carried; therefore, the motion failed.

- Commissioner York offered an amendment to the original motion that all special tax district rates be set at a level that would generate an approximate 3% increase in revenue over the FY 1998-99 budget revenues. Chairman O’Neal made a second to the motion, and the vote was as follows: Ayes: Gary York, Fred O’Neal, Paul Johnson, Jim Miller Nays: Jim Harrell. The ayes carried; therefore, the amendment to the original motion passed.

- Chairman Harrell made a motion that $7,500 in the proposed budget for the Yadkin Valley Senior Center be removed. Commissioner York made a second to the motion, and the vote was unanimous.

- Chairman Harrell made a motion that the allocation for the Economic Development Partnership be increased by $7,500, making the total appropriation $48,665. Commissioner Johnson made a second to the motion, and the vote was as follows: Ayes: Jim Harrell, Paul Johnson, Jim Miller Nays: Fred O’Neal, Gary York. The ayes carried; therefore, the motion passed.

- Commissioner Gary York made a motion that the Pilot Auditorium Restoration Committee receive a grant in the amount of $75,000 to be paid in three fiscal years installments, with the first payment of $25,000 being paid from the FY 1998-99 budget. Commissioner Miller made a second to the motion, and the vote was unanimous.

- Commissioner Gary York made a motion that the increase for the Register of Deeds appropriation be reduced from $92,975 to $65,000. Commissioner Fred O’Neal made a second to the motion, and the vote was unanimous.

- Chairman Jim Harrell made a motion that Crossroads receive an additional $19,174. The motion died for lack of second.

- Vice-Chairman Gary York made a motion that the appropriation to the Economic Development Partnership be reduced to zero dollars. The motion died for lack of second.

There being no further amendments of the original motion, Chairman Harrell called for a vote on Commissioner O’Neal’s original budget motion as reintroduced by Commissioner Miller.
The vote was unanimous to adopt the County Manager’s recommended budget as amended by the Board and as follows:

**1999-2000 BUDGET ORDINANCE**

Be it ordained by the Board of Commissioners of Surry County, North Carolina:

**SECTION 1.** The following amounts are hereby appropriated in the General Fund for the operation of Surry Government and its activities for the fiscal year beginning July 1, 1999 and ending June 30, 2000:

<table>
<thead>
<tr>
<th>CODE</th>
<th>DEPARTMENT</th>
<th>APPROPRIATION</th>
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<tbody>
<tr>
<td>10-4110</td>
<td>Governing Body</td>
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<td>10-4120</td>
<td>Administration</td>
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<td>Purchasing Department</td>
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<td>10-4130</td>
<td>Finance Office</td>
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<td>10-4140</td>
<td>Tax Department</td>
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<td>10-4150</td>
<td>County Attorney</td>
<td>45,600</td>
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<td>10-4170</td>
<td>Board of Elections</td>
<td>178,972</td>
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<td>10-4180</td>
<td>Register of Deeds</td>
<td>454,735</td>
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<td>10-4190</td>
<td>Building &amp; Grounds – County</td>
<td>124,500</td>
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<td>10-4191</td>
<td>County Facilities-Shared</td>
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<td>Court Facilities-Shared</td>
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<td>Court Facilities</td>
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<td>Agriculture Building</td>
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<td>Admin/Social Services Building</td>
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<td>Special Appropriations</td>
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<td>10-4199</td>
<td>Non-Departmental</td>
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<td>10-4200</td>
<td>Central Services</td>
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<td>Automated Systems Services</td>
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<td>10-4305</td>
<td>Pre-Trial Release</td>
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<td>10-4221</td>
<td>Safety Program</td>
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<td>Pre-Trial Release (GCC#2)</td>
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<td>Sheriff’s Office</td>
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<td>Universal Hiring Grant</td>
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<td>Community Policing Grant</td>
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<td>School Resource Officer</td>
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<td>Criminal Justice Partnership</td>
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<td>10-4319</td>
<td>Pre-Trial Release (CJP)</td>
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<td>County Jail</td>
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<td>Communications Center</td>
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<td>Regional Response Team</td>
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<td>Fire Marshal</td>
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<td>Fire and Rescue</td>
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<td>Inspections</td>
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<td>Medical Examiner</td>
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<td>Rabies Control</td>
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<td>Cooperative Extension</td>
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<td>10-4953</td>
<td>Learn and Serve Grant</td>
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<td>EFNEP Grant</td>
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<td>Natural Resources Conservation Service</td>
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<td>Health Dept. Administration</td>
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<td>Smart Start - Health</td>
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<td>Domestic Violence-Health</td>
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<td>10-5117</td>
<td>Access II – Health</td>
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<td>10-5121</td>
<td>Community Base Injury</td>
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<td>School Base Health Center</td>
<td>65,000</td>
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<td>10-5141</td>
<td>March of Dimes Grant</td>
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<td>10-5150</td>
<td>Home Health Building</td>
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<td>State Home Health</td>
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<td>10-5155</td>
<td>Surry Friends of Seniors</td>
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<td>Chore Grant</td>
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<td>Cancer Control Program</td>
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<td>Cardiovascular Disease Program</td>
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<td>Child Health Program</td>
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<td>Supplemental Food Program</td>
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<td>Partners in Healthy Eating</td>
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<td>Immunization Action Plan</td>
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<td>Infant Mortality Reduction</td>
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<td>Crippled Children</td>
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<td>CSHS Speech &amp; Hearing</td>
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<td>Health Check Coordinator</td>
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<td>Child Service</td>
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<td>Migrant Farmworker Grant</td>
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<td>Services’ Programs</td>
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<td>10-5321</td>
<td>Local Assistance</td>
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<td>Child Development - Day Care</td>
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<td>Public Assistance Administration</td>
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<td>Veterans Service Office</td>
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<td>10-5830</td>
<td>Community Action Program</td>
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<td>10-5911</td>
<td>Current Expense- Schools</td>
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<tr>
<td>57000</td>
<td>Mount Airy Schools (18.87%)</td>
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<tr>
<td>57001</td>
<td>Elkin Schools (8.08%)</td>
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<td>57002</td>
<td>County Schools (73.05%)</td>
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<td>59585</td>
<td>Charter School Reserve</td>
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<td>SCC M&amp;O Department</td>
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<td>10-6110</td>
<td>Library</td>
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<td>10-6120</td>
<td>Recreation</td>
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**GENERAL FUND TOTALS**

47,775,924

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 1999 and ending June 30, 2000 to meet the foregoing General Fund appropriations:
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<td>10-5380-43372</td>
<td>Carolina Access</td>
<td>33,066</td>
</tr>
<tr>
<td>10-5380-43374</td>
<td>State Aid to Co Adm.</td>
<td>55,000</td>
</tr>
<tr>
<td>10-5380-43375</td>
<td>NC Health Ad</td>
<td>51,939</td>
</tr>
<tr>
<td>10-5380-43377</td>
<td>Prog Integ</td>
<td>25,000</td>
</tr>
<tr>
<td>10-5820-43359</td>
<td>State Veterans</td>
<td>2,000</td>
</tr>
</tbody>
</table>

REVENUE TOTAL FUNDS 47,775,924

There is hereby levied a tax rate of 51.00 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 for the purpose of raising the revenue listed as G.F. 1999 Ad Valorem Tax in the General Fund Revenue Sources. This amount of tax is based on an estimated total value of property for the purpose of taxation of $3,875,644,743 and an estimated collection rate of 96%.

SECTION 2. The following amounts are hereby appropriated in the General Fund - Water/Sewer for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-4922-51500</td>
<td>Professional Services</td>
<td>50,000</td>
</tr>
<tr>
<td>11-4922-57149</td>
<td>Industrial Park-Water &amp; Sewer</td>
<td>0</td>
</tr>
<tr>
<td>11-4922-57150</td>
<td>Holly Springs Project</td>
<td>160,493</td>
</tr>
<tr>
<td>11-4922-57155</td>
<td>Sandy Level Sewer Project</td>
<td>200,000</td>
</tr>
<tr>
<td>11-4922-57165</td>
<td>ASMO Corp (2nd of 5 Pmts)</td>
<td>9,208</td>
</tr>
<tr>
<td>11-4922-59675</td>
<td>Water/Sewer Reserve</td>
<td>100,000</td>
</tr>
<tr>
<td>11-9120-58200</td>
<td>Lease/Purchase Principal</td>
<td>324,654</td>
</tr>
<tr>
<td>11-9120-58210</td>
<td>Lease/Purchase Interest</td>
<td>206,410</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS -GENERAL FUND – WATER/SEWER 1,050,765

It is estimated that the following revenues will be available in the General Fund-Water/Sewer for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-4922-49150</td>
<td>Proceeds of Capital Lease</td>
<td>160,493</td>
</tr>
<tr>
<td>11-4922-49800</td>
<td>Transfer from General Fund</td>
<td>320,505</td>
</tr>
<tr>
<td>11-4922-49900</td>
<td>Unencumbered Balance</td>
<td>569,767</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED GENERAL FUND- WATER/SEWER REVENUES 1,050,765

SECTION 3. The following amounts are hereby appropriated in the General Fund-Debt Service for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
</table>


MEETING OF JUNE 7, 1999 CONTINUED

12-9110-58010  Principal 1992 Series 960,000
12-9110-58020  Interest 1992 Series 179,375
12-9110-58030  Principal 1995 School 311,019
12-9110-58040  Interest 1995 Series 314,783
12-9110-58045  Pri-99 MA M 287,415
12-9110-58046  Int-99 MA M  146,072
12-9110-58050  Principal 1995 College 63,981
12-9110-58060  Interest 1995 College 64,756
12-9110-58065  Principal 1998 Referendum 395,000
12-9110-58066  Interest 1998 Referendum  626,025
12-9110-58070  Principal 1999 College 100,000
12-9110-58080  Interest 1999 College 103,000
12-9110-59625  College D.S. Reserve 122,500

TOTAL APPROPRIATIONS - GENERAL FUND-DEBT SERVICE 3,673,926

It is estimated that the following revenues will be available in the General Fund-Debt Service for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-9110-49801</td>
<td>DS Trans From GF (1992 Bonds)</td>
<td>1,139,375</td>
</tr>
<tr>
<td>12-9110-49802</td>
<td>DS Trans From GF (1995 College)</td>
<td>128,737</td>
</tr>
<tr>
<td>12-9110-49803</td>
<td>DS Trans From GF (1999 College)</td>
<td>203,000</td>
</tr>
<tr>
<td>12-9110-49804</td>
<td>DST-98 Ref</td>
<td>1,021,025</td>
</tr>
<tr>
<td>12-9110-49807</td>
<td>95 School</td>
<td>71,972</td>
</tr>
<tr>
<td>12-9110-49819</td>
<td>DS Trans from CR (1999 MA Middle)</td>
<td>433,487</td>
</tr>
<tr>
<td>12-9110-49821</td>
<td>DS Trans from CR (1995 Bonds)</td>
<td>553,830</td>
</tr>
<tr>
<td>12-9110-49900</td>
<td>Unencumbered Balance</td>
<td>122,500</td>
</tr>
</tbody>
</table>

TOTAL REVENUE – GENERAL FUND-DEBT SERVICE 3,673,926

SECTION 4. The following amounts are hereby appropriated in the General Fund-Dental/Visual/Hearing for the said fiscal year:

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-4230</td>
<td>Dental/Visual/Hearing</td>
<td>270,550</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - GENERAL FUND-DENTAL/VISUAL/HEARING 270,550

It is estimated that the following revenues will be available in the General Fund - Dental/Visual/Hearing for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-4230-44900</td>
<td>Interest Earned on Investments</td>
<td>5,000</td>
</tr>
<tr>
<td>13-4230-49800</td>
<td>Transfer from General Fund</td>
<td>102,724</td>
</tr>
<tr>
<td>13-4230-49900</td>
<td>Unencumbered Balance</td>
<td>162,826</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED REVENUES - GENERAL FUND-DENTAL/VISUAL/HEARING 270,550

SECTION 5. The following amounts are hereby appropriated in the General Fund-Sheriff's - Narcotics for the said fiscal year:

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-4311-52500</td>
<td>Supplies-Narcotics</td>
<td>500</td>
</tr>
<tr>
<td>18-4311-55700</td>
<td>Drug Dog</td>
<td>1,000</td>
</tr>
</tbody>
</table>
### TOTAL APPROPRIATIONS - GENERAL FUND - SHERIFF’S NARCOTICS

It is estimated that the following revenues will be available in the General Fund - Sheriff’s Narcotics for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-4311-42330</td>
<td>US Equitable Sharing</td>
<td>1,000</td>
</tr>
<tr>
<td>18-4311-43355</td>
<td>Control Sub</td>
<td>500</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED REVENUES - GENERAL FUND- SHERIFF’S NARCOTICS**

**1,500**

### SECTION 6.

The following amounts are hereby appropriated in the Public Assistance Fund for the said fiscal year:

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-5410-57550</td>
<td>Medical Assistance</td>
<td>3,058,497</td>
</tr>
<tr>
<td>31-5410-57551</td>
<td>Medical Assistance - State</td>
<td>46,195,972</td>
</tr>
<tr>
<td>31-5410-57570</td>
<td>Special Assistance for Adults</td>
<td>790,102</td>
</tr>
<tr>
<td>31-5410-57571</td>
<td>Special Assistance for Adults</td>
<td>790,103</td>
</tr>
<tr>
<td>31-5410-57770</td>
<td>TANF-County Issue</td>
<td>2,500</td>
</tr>
<tr>
<td>31-5410-57775</td>
<td>Aid to the Blind</td>
<td>8,615</td>
</tr>
<tr>
<td>31-5410-57776</td>
<td>Aid to the Blind - State</td>
<td>24,683</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - PUBLIC ASSISTANCE FUND**

**50,870,472**

It is estimated that the following revenues will be available in the Public Assistance Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-5410-42450</td>
<td>TANF</td>
<td>2,500</td>
</tr>
<tr>
<td>31-5410-42451</td>
<td>Med Asst</td>
<td>46,262,666</td>
</tr>
<tr>
<td>31-5410-43379</td>
<td>Aid to Blind - State</td>
<td>24,683</td>
</tr>
<tr>
<td>31-5410-43380</td>
<td>Special Assist-Adults</td>
<td>790,103</td>
</tr>
<tr>
<td>31-5410-49800</td>
<td>Transfer from General Fund</td>
<td>3,447,885</td>
</tr>
<tr>
<td>31-5410-49900</td>
<td>Unencumbered Balance</td>
<td>342,635</td>
</tr>
</tbody>
</table>

**TOTAL REVENUE – PUBLIC ASSISTANCE FUND**

**50,870,472**

### SECTION 7.

The following amounts are hereby appropriated in the Reappraisal Service Department Fund for the said fiscal year:

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>33-4141</td>
<td>Annual Program Operations</td>
<td>256,100</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - REAPPRAISAL FUND**

**256,100**

It is estimated that the following revenues will be available in the Reappraisal Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>33-4141-44900</td>
<td>Interest Earned on Investments</td>
<td>4,000</td>
</tr>
<tr>
<td>33-4141-49800</td>
<td>Transfer From General Fund</td>
<td>132,656</td>
</tr>
<tr>
<td>33-4141-49900</td>
<td>Unencumbered Balance</td>
<td>119,444</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED REAPPRAISAL FUND REV-**

**256,100**
**ENUES**

**SECTION 8.** The following amounts are hereby appropriated in the Emergency Telephone (E-911) Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>34-4327</td>
<td>Emergency Telephone 911</td>
<td>962,861</td>
</tr>
<tr>
<td>34-4328</td>
<td>E-911 Debt Service</td>
<td>206,715</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - E-911 FUND** 1,169,576

It is estimated that the following revenues will be available in the E-911 Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>34-4327-44113</td>
<td>Subscriber Charges</td>
<td>420,000</td>
</tr>
<tr>
<td>34-4327-44900</td>
<td>Interest Earned on Investments</td>
<td>40,000</td>
</tr>
<tr>
<td>34-4327-49900</td>
<td>Unencumbered Balance</td>
<td>709,576</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED REVENUES - E-911 FUND** 1,169,576

**SECTION 9.** The following amounts are hereby appropriated in the Schools Capital Outlay Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>36-5912-57010</td>
<td>Mount Airy Schools CO</td>
<td>244,720</td>
</tr>
<tr>
<td>36-5912-57011</td>
<td>Elkin Schools CO</td>
<td>104,765</td>
</tr>
<tr>
<td>36-5912-57012</td>
<td>County Schools CO</td>
<td>947,255</td>
</tr>
<tr>
<td>36-5912-57018</td>
<td>CO-SCH Mobiles (2nd of 3 YR)</td>
<td>105,149</td>
</tr>
<tr>
<td>36-5912-57022</td>
<td>CS-Perm CL</td>
<td>1,100,000</td>
</tr>
<tr>
<td>36-5912-57168</td>
<td>Elkin School – Mobiles (2nd of 3 YR)</td>
<td>12,468</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS – SCHOOLS CAPITAL OUTLAY FUND** 2,514,357

It is estimated that the following revenues will be available in the Schools Capital Outlay Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>36-5912-49828</td>
<td>CO Mobiles</td>
<td>105,149</td>
</tr>
<tr>
<td>36-5912-49845</td>
<td>TCR-EL MOB</td>
<td>12,468</td>
</tr>
<tr>
<td>36-5912-49856</td>
<td>TCR-CO PER</td>
<td>1,100,000</td>
</tr>
<tr>
<td>36-5912-49890</td>
<td>TCR-REG CO</td>
<td>1,296,740</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED REVENUES – SCHOOLS CAPITAL OUTLAY FUND** 2,514,357

**SECTION 10.** The following amounts are hereby appropriated in the Schools Capital Reserve Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>37-5918-59115</td>
<td>TDS – 95 Schools</td>
<td>553,830</td>
</tr>
<tr>
<td>37-5918-59118</td>
<td>TDS – 99 MA M</td>
<td>433,487</td>
</tr>
<tr>
<td>37-5918-59125</td>
<td>TCO – Reg CO</td>
<td>1,296,740</td>
</tr>
<tr>
<td>37-5918-59161</td>
<td>TCO – Surry Mobile</td>
<td>105,149</td>
</tr>
<tr>
<td>37-5918-59169</td>
<td>TCO – El Mob</td>
<td>12,468</td>
</tr>
<tr>
<td>37-5918-59174</td>
<td>TCP – N Midd</td>
<td>93,726</td>
</tr>
<tr>
<td>37-5919-59185</td>
<td>TCR-Perm C</td>
<td>1,100,000</td>
</tr>
<tr>
<td>37-5918-59500</td>
<td>Contingency</td>
<td>1,796,600</td>
</tr>
<tr>
<td>37-5918-59615</td>
<td>Emergency Reserve</td>
<td>500,000</td>
</tr>
</tbody>
</table>
TOTAL APPROPRIATIONS - SCHOOLS CAPITAL RESERVE FUND

It is estimated that the following revenues will be available in the Schools Capital Reserve Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>37-5918-43101</td>
<td>Sales Tax - Article 40</td>
<td>882,000</td>
</tr>
<tr>
<td>37-5918-43102</td>
<td>Sales Tax -Article 42</td>
<td>1,730,000</td>
</tr>
<tr>
<td>37-5918-44900</td>
<td>Interest Earned on Investments</td>
<td>80,000</td>
</tr>
<tr>
<td>37-5918-49900</td>
<td>Unencumbered Balance</td>
<td>3,200,000</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED REVENUES - SCHOOLS CAPITAL RESERVE FUND

SECTION 11. The following amounts are hereby appropriated in the Elkin School District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-5916-55300</td>
<td>Refunds</td>
<td>500</td>
</tr>
<tr>
<td>40-5916-57500</td>
<td>Annual Appropriation</td>
<td>813,142</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - ELKIN SCHOOL DISTRICT FUND

It is estimated that the following revenues will be available in the Elkin School Special District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-5916-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>717,642</td>
</tr>
<tr>
<td>40-5916-41101</td>
<td>Ad Valorem Tax-Prior</td>
<td>5,000</td>
</tr>
<tr>
<td>40-5916-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>89,000</td>
</tr>
<tr>
<td>40-5916-43160</td>
<td>Elderly Exemption</td>
<td>2,000</td>
</tr>
</tbody>
</table>

TOTAL ESTIMATED REVENUES - ELKIN SCHOOLS SPECIAL DISTRICT

There is hereby levied a tax at the rate of 13.60 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 for the purpose of raising the revenue listed as Elkin Schools 1999 Special Tax in the revenue sources of this fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $549,664,142 and an estimated collection rate of 96%.

SECTION 12. The following amounts are hereby appropriated in the Mount Airy Schools Special District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>41-5915-55300</td>
<td>Refunds</td>
<td>500</td>
</tr>
<tr>
<td>41-5915-57500</td>
<td>Annual Appropriation</td>
<td>880,282</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - MOUNT AIRY SCHOOLS SPECIAL DISTRICT

It is estimated that the following revenues will be available in the Mount Airy Schools Special District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>41-5915-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>766,482</td>
</tr>
<tr>
<td>41-5915-41101</td>
<td>Ad Valorem Tax-Prior</td>
<td>6,400</td>
</tr>
</tbody>
</table>
MEETING OF JUNE 7, 1999 CONTINUED

41-5915-43120  Inventory Tax Reimbursement  105,000
41-5915-43160  Elderly Exemption  2,900

TOTAL REVENUE - MT. AIRY SCHOOLS SPECIAL DISTRICT  880,782

There is hereby levied a tax at the rate of 10.80 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 for the purpose of raising the revenue listed as Mount Airy Schools 1999 Special Tax in the revenue sources of this fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $739,276,987 and an estimated collection rate of 96%.

SECTION 13. The following amounts are hereby appropriated in the Ararat Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>42-4381-55300</td>
<td>Refunds</td>
<td>20</td>
</tr>
<tr>
<td>42-4381-57500</td>
<td>Annual Appropriation</td>
<td>43,947</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - ARARAT FIRE DISTRICT  43,967

It is estimated that the following revenues will be available in the Ararat Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>42-4281-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>42,651</td>
</tr>
<tr>
<td>42-4381-41101</td>
<td>Ad Valorem Tax-Prior</td>
<td>600</td>
</tr>
<tr>
<td>42-4281-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>456</td>
</tr>
<tr>
<td>42-4281-43160</td>
<td>Elderly Exemption</td>
<td>260</td>
</tr>
</tbody>
</table>

TOTAL REVENUE - ARARAT FIRE DISTRICT  43,967

There is hereby levied a tax at the rate of 6.60 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Ararat Fire Tax District for the purpose of raising the revenue listed as Ararat Fire 1999 Special Tax in the Ararat Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $67,315,353 and an estimated collection rate of 96%.

SECTION 14. The following amounts are hereby appropriated in the Bannertown Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>43-4382-55300</td>
<td>Refunds</td>
<td>40</td>
</tr>
<tr>
<td>43-4382-57500</td>
<td>Annual Appropriation</td>
<td>106,704</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - BANNERTOWN FIRE DISTRICT  106,744

It is estimated that the following revenues will be available in the Bannertown Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>43-4382-41100</td>
<td>Ad Valorem Tax- Current</td>
<td>99,787</td>
</tr>
<tr>
<td>43-4382-43120</td>
<td>Inventory Tax - Reimbursement</td>
<td>6,455</td>
</tr>
<tr>
<td>43-4382-43160</td>
<td>Elderly Exemption</td>
<td>502</td>
</tr>
</tbody>
</table>

TOTAL REVENUE - BANNERTOWN FIRE DISTRICT  106,744
There is hereby levied a tax at the rate of 3.80 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Bannertown Fire Tax District for the purpose of raising the revenue listed as Bannertown Fire 1999 Special Tax in the Bannertown Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $273,539,543 and an estimated collection rate of 96%.

SECTION 15. The following amounts are hereby appropriated in the CC Camp Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>44-4384-55300</td>
<td>Refunds</td>
<td>20</td>
</tr>
<tr>
<td>44-4384-57500</td>
<td>Annual Appropriation</td>
<td>82,989</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - CC CAMP FIRE DISTRICT 83,009

It is estimated that the following revenues will be available in the CC Camp Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>44-4384-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>76,050</td>
</tr>
<tr>
<td>44-4384-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>6,797</td>
</tr>
<tr>
<td>44-4384-43160</td>
<td>Elderly Exemption</td>
<td>162</td>
</tr>
</tbody>
</table>

TOTAL REVENUE – CC CAMP FIRE DISTRICT 83,009

There is hereby levied a tax at the rate of 5.80 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the CC Camp Fire Tax District for the purpose of raising the revenue listed as CC Camp Fire 1999 Special Tax in the CC Camp Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $136,583,218 and an estimated collection rate of 96%.

SECTION 16. The following amounts are hereby appropriated in the Central Surry Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-4383-55300</td>
<td>Refunds</td>
<td>73</td>
</tr>
<tr>
<td>45-4383-57500</td>
<td>Annual Appropriation</td>
<td>128,303</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - CENTRAL SURRY FIRE DISTRICT 128,376

It is estimated that the following revenues will be available in the Central Surry Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>45-4383-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>126,874</td>
</tr>
<tr>
<td>45-4383-43120</td>
<td>Inventory Tax - Reimbursement</td>
<td>1,388</td>
</tr>
<tr>
<td>45-4383-43160</td>
<td>Elderly Exemption</td>
<td>114</td>
</tr>
</tbody>
</table>

TOTAL REVENUE-CENTRAL SURRY FIRE DISTRICT 128,376

There is hereby levied a tax at the rate of 7.90 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Central Surry Fire Tax District for the purpose of raising the revenue listed as Central Surry Fire 1999 Special Tax in the Central Surry Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $167,292,311 and an estimated collection rate of 96%.
**SECTION 17.** The following amounts are hereby appropriated in the Four Way Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>46-4385-55300</td>
<td>Refunds</td>
<td>20</td>
</tr>
<tr>
<td>46-4385-57500</td>
<td>Annual Appropriation</td>
<td>108,881</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - FOUR WAY FIRE DISTRICT**

108,901

It is estimated that the following revenues will be available in the Four Way Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>46-4385-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>105,886</td>
</tr>
<tr>
<td>46-4385-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>2,469</td>
</tr>
<tr>
<td>46-4385-43160</td>
<td>Elderly Exemption</td>
<td>546</td>
</tr>
</tbody>
</table>

**TOTAL REVENUE - FOUR-WAY FIRE DISTRICT**

108,901

There is hereby levied a tax at the rate of 5.30 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Four-Way Fire Tax District for the purpose of raising the revenue listed as Four-Way Fire 1999 Special Tax in the Four-Way Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $208,108,304 and an estimated collection rate of 96%.

**SECTION 18.** The following amounts are hereby appropriated in the Franklin Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>47-4386-55300</td>
<td>Refunds</td>
<td>29</td>
</tr>
<tr>
<td>47-4386-57500</td>
<td>Annual Appropriation</td>
<td>170,908</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - FRANKLIN FIRE DISTRICT FUND**

170,937

It is estimated that the following revenues will be available in the Franklin Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>47-4386-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>166,244</td>
</tr>
<tr>
<td>47-4386-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>3,865</td>
</tr>
<tr>
<td>47-4386-43160</td>
<td>Elderly Exemption</td>
<td>828</td>
</tr>
</tbody>
</table>

**TOTAL REVENUE – FRANKLIN FIRE DISTRICT**

170,937

There is hereby levied a tax at the rate of 4.10 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Franklin Fire Tax District for the purpose of raising the revenue listed as Franklin Fire 1999 Special Tax in the Franklin Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $422,366,676 and an estimated collection rate of 96%.

**SECTION 19.** The following amounts are hereby appropriated in the Jot-Um-Down Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>48-4387-55300</td>
<td>Refunds</td>
<td>20</td>
</tr>
</tbody>
</table>
48-4387-57500  Annual Appropriation  51,752

TOTAL APPROPRIATIONS - JOT-UM-DOWN FIRE DISTRICT  51,772

It is estimated that the following revenues will be available in the Jot-Um-Down Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>48-4387-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>50,803</td>
</tr>
<tr>
<td>48-4387-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>790</td>
</tr>
<tr>
<td>48-4387-43160</td>
<td>Elderly Exemption</td>
<td>179</td>
</tr>
</tbody>
</table>

TOTAL REVENUE – JOT-UM-DOWN FIRE DISTRICT  51,772

There is hereby levied a tax at the rate of 8.30 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Jot-Um-Down Fire Tax District for the purpose of raising the revenue listed as Jot-Um-Down Fire 1999 Special Tax in the Jot-Um-Down Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $63,759,081 and an estimated collection rate of 96%.

SECTION 20. The following amounts are hereby appropriated in the Mountain Park Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>49-4388-55300</td>
<td>Refunds</td>
<td>16</td>
</tr>
<tr>
<td>49-4388-57500</td>
<td>Annual Appropriation</td>
<td>76,051</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - MOUNTAIN PARK FIRE DISTRICT  76,067

It is estimated that the following revenues will be available in the Mountain Park Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>49-4388-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>74,904</td>
</tr>
<tr>
<td>49-4388-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>973</td>
</tr>
<tr>
<td>49-4388-43160</td>
<td>Elderly Exemption</td>
<td>190</td>
</tr>
</tbody>
</table>

TOTAL REVENUE - MOUNTAIN PARK FIRE DISTRICT  76,067

There is hereby levied a tax at the rate of 8.60 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Mountain Park Fire Tax District for the purpose of raising the revenue listed as Mountain Park Fire 1999 Special Tax in the Mountain Park Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $90,727,103 and an estimated collection rate of 96%.

SECTION 21. The following amounts are hereby appropriated in the Pilot Knob Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-4389-55300</td>
<td>Refunds</td>
<td>33</td>
</tr>
<tr>
<td>50-4389-57500</td>
<td>Annual Appropriation</td>
<td>59,454</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - PILOT KNOB FIRE DISTRICT  59,487
It is estimated that the following revenues will be available in the Pilot Knob Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-4389-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>58,185</td>
</tr>
<tr>
<td>50-4389-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>1,133</td>
</tr>
<tr>
<td>50-4389-43160</td>
<td>Elderly Exemption</td>
<td>169</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE - PILOT KNOB FIRE DISTRICT</strong></td>
<td></td>
<td><strong>59,487</strong></td>
</tr>
</tbody>
</table>

There is hereby levied a tax at the rate of 3.20 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Pilot Knob Fire Tax District for the purpose of raising the revenue listed as Pilot Knob Fire 1999 Special Tax in the Pilot Knob Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $189,403,349 and an estimated collection rate of 96%.

**SECTION 22.** The following amounts are hereby appropriated in the Shoals Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>51-4390-55300</td>
<td>Refunds</td>
<td>21</td>
</tr>
<tr>
<td>51-4390-57355</td>
<td>Pinnacle VFD Contract</td>
<td>1,500</td>
</tr>
<tr>
<td>51-4390-57500</td>
<td>Annual Appropriation</td>
<td>52,390</td>
</tr>
<tr>
<td><strong>TOTAL APPROPRIATIONS - SHOALS FIRE DISTRICT</strong></td>
<td></td>
<td><strong>53,911</strong></td>
</tr>
</tbody>
</table>

It is estimated that the following revenues will be available in the Shoals Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>51-4390-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>53,344</td>
</tr>
<tr>
<td>51-4390-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>388</td>
</tr>
<tr>
<td>51-4390-43160</td>
<td>Elderly Exemption</td>
<td>179</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE - SHOALS FIRE DISTRICT</strong></td>
<td></td>
<td><strong>53,911</strong></td>
</tr>
</tbody>
</table>

There is hereby levied a tax at the rate of 6.50 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Shoals Fire Tax District for the purpose of raising the revenue listed as Shoals Fire 1999 Special Tax in the Shoals Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $85,487,523 and an estimated collection rate of 96%.

**SECTION 23.** The following amounts are hereby appropriated in the Skull Camp Fire District Fund for said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>52-4391-55300</td>
<td>Refunds</td>
<td>20</td>
</tr>
<tr>
<td>52-4391-57500</td>
<td>Annual Appropriation</td>
<td>66,919</td>
</tr>
<tr>
<td><strong>TOTAL APPROPRIATIONS – SKULL CAMP FIRE DISTRICT</strong></td>
<td></td>
<td><strong>66,939</strong></td>
</tr>
</tbody>
</table>

It is estimated that the following revenues will be available in the Skull Camp Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>52-4391-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>65,415</td>
</tr>
<tr>
<td>52-4391-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>1,312</td>
</tr>
</tbody>
</table>
MEETING OF JUNE 7, 1999 CONTINUED

52-4391-43160 Elderly Exemption 212

TOTAL REVENUE - SKULL CAMP FIRE DISTRICT 66,939

There is hereby levied a tax at the rate of 6.30 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Skull Camp Fire Tax District for the purpose of raising the revenue listed as Skull Camp Fire 1999 Special Tax in the Skull Camp Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $108,158,943 and an estimated collection rate of 96%.

SECTION 24. The following amounts are hereby appropriated in the South Surry Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>53-4392-55300</td>
<td>Refunds</td>
<td>22</td>
</tr>
<tr>
<td>53-4392-57500</td>
<td>Annual Appropriation</td>
<td>77,093</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - SOUTH SURRY FIRE DISTRICT 77,115

It is estimated that the following revenues will be available in the South Surry Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>53-4392-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>75,759</td>
</tr>
<tr>
<td>53-4392-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>1,013</td>
</tr>
<tr>
<td>53-4392-43160</td>
<td>Elderly Exemption</td>
<td>343</td>
</tr>
</tbody>
</table>

TOTAL REVENUE - SOUTH SURRY FIRE DISTRICT 77,115

There is hereby levied a tax at the rate of 4.90 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the South Surry Fire Tax District for the purpose of raising the revenue listed as South Surry Fire 1999 Special Tax in the South Surry Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $161,052,122 and an estimated collection rate of 96%.

SECTION 25. The following amounts are hereby appropriated in the State Road Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>54-4393-55300</td>
<td>Refunds</td>
<td>32</td>
</tr>
<tr>
<td>54-4393-57500</td>
<td>Annual Appropriation</td>
<td>51,737</td>
</tr>
</tbody>
</table>

TOTAL APPROPRIATIONS - STATE ROAD FIRE DISTRICT 51,769

It is estimated that the following revenues will be available in the State Road Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>54-4393-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>50,845</td>
</tr>
<tr>
<td>54-4393-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>724</td>
</tr>
<tr>
<td>54-4393-43160</td>
<td>Elderly Exemption</td>
<td>200</td>
</tr>
</tbody>
</table>

TOTAL REVENUE - STATE ROAD FIRE DISTRICT 51,769

There is hereby levied a tax at the rate of 4.70 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the State Road Fire Tax District for the purpose of raising the revenue listed as State Road Fire 1999 Special Tax in the State
Road Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $112,687,526 and an estimated collection rate of 96%.

SECTION 26. The following amounts are hereby appropriated in the Westfield Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-4394-55300</td>
<td>Refunds</td>
<td>20</td>
</tr>
<tr>
<td>55-4394-57500</td>
<td>Annual Appropriation</td>
<td>37,600</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - WESTFIELD FIRE DISTRICT**

37,620

It is estimated that the following revenues will be available in the Westfield Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>55-4394-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>37,131</td>
</tr>
<tr>
<td>55-4394-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>346</td>
</tr>
<tr>
<td>55-4394-43160</td>
<td>Elderly Exemption</td>
<td>143</td>
</tr>
</tbody>
</table>

**TOTAL REVENUE - WESTFIELD FIRE DISTRICT**

37,620

There is hereby levied a tax at the rate of 4.90 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the Westfield Fire Tax District for the purpose of raising the revenue listed as Westfield Fire 1999 Special Tax in the Westfield Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $78,935,035 and an estimated collection rate of 96%.

SECTION 27. The following amounts are hereby appropriated in the White Plains Fire District Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>56-4395-55300</td>
<td>Refunds</td>
<td>32</td>
</tr>
<tr>
<td>56-4395-57500</td>
<td>Annual Appropriation</td>
<td>93,385</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - WHITE PLAINS FIRE DISTRICT**

93,417

It is estimated that the following revenues will be available in the White Plains Fire District Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>56-4395-41100</td>
<td>Ad Valorem Tax-Current</td>
<td>89,662</td>
</tr>
<tr>
<td>56-4395-43120</td>
<td>Inventory Tax Reimbursement</td>
<td>3,491</td>
</tr>
<tr>
<td>56-4395-43160</td>
<td>Elderly Exemption</td>
<td>264</td>
</tr>
</tbody>
</table>

**TOTAL REVENUE - WHITE PLAINS FIRE DISTRICT**

93,417

There is hereby levied a tax at the rate of 5.40 cents per one hundred dollars ($100) valuation of property listed for taxes as of January 1, 1999 in the White Plains Fire Tax District for the purpose of raising the revenue listed as White Plains Fire 1999 Special Tax in the White Plains Fire District Fund. This amount of tax is based on an estimated total value of property for the purpose of taxation of $172,959,748 and an estimated collection rate of 96%.

SECTION 28. The following amounts are to be transferred to the Capital Projects Fund for the said fiscal year, in accordance with the capital project ordinances authorizing the projects:
MEETING OF JUNE 7, 1999 CONTINUED

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-4211-51600</td>
<td>Architect Fees (Courthouse Project)</td>
<td>42,902</td>
</tr>
<tr>
<td>60-4211-51640</td>
<td>Project Construction (Courthouse Project)</td>
<td>1,100,000</td>
</tr>
<tr>
<td>60-4213-51500</td>
<td>Professional Service – EMS Bldg.</td>
<td>8,720</td>
</tr>
<tr>
<td>60-4213-56500</td>
<td>Land – EMS Bldg.</td>
<td>500,000</td>
</tr>
</tbody>
</table>

**TOTAL – CAPITAL PROJECTS FUND** 1,651,622

It is estimated that the following revenues will be available in the Capital Projects Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-4211-49881</td>
<td>Courthouse Project</td>
<td>1,142,902</td>
</tr>
<tr>
<td>60-4213-49150</td>
<td>Proc Cl - EMS</td>
<td>341,550</td>
</tr>
<tr>
<td>60-4213-49882</td>
<td>Bldg. Reserve – EMS</td>
<td>167,170</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED CAPITAL PROJECTS FUND REVENUES** 1,651,622

**SECTION 29.** The following amounts are to be transferred to the Capital Projects Schools Fund for the said fiscal year, in accordance with the capital project ordinances authorizing the projects:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>61-5961-51640</td>
<td>Project Construction – North Middle School</td>
<td>7,947,475</td>
</tr>
<tr>
<td>61-5950-56500</td>
<td>Land – North Middle School</td>
<td>150,000</td>
</tr>
<tr>
<td>61-5961-51500</td>
<td>Prof Services - Mt. Airy Middle School</td>
<td>20,000</td>
</tr>
<tr>
<td>61-5961-51640</td>
<td>Project Construction – Mt. Airy Middle School</td>
<td>930,000</td>
</tr>
</tbody>
</table>

**TOTAL – CAPITAL PROJECTS SCHOOLS FUND** 9,047,475

It is estimated that the following revenues will be available in the Capital Projects Schools Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>61-5950-43330</td>
<td>SB-North Middle School</td>
<td>8,003,749</td>
</tr>
<tr>
<td>61-5950-49855</td>
<td>TCR-North Middle School</td>
<td>93,726</td>
</tr>
<tr>
<td>61-5961-49152</td>
<td>PCL-Mt. Airy Middle School</td>
<td>950,000</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED CAPITAL PROJECTS SCHOOLS FUND REVENUES** 9,047,475

**SECTION 30.** The following amounts are to be transferred to the Capital Reserve – County Buildings Fund for the said fiscal year:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>62-4250-58200</td>
<td>L/P Prin</td>
<td>50,489</td>
</tr>
<tr>
<td>62-4250-58210</td>
<td>L/P Int</td>
<td>15,733</td>
</tr>
<tr>
<td>62-4250-59177</td>
<td>CP-EMS Bl</td>
<td>167,170</td>
</tr>
<tr>
<td>62-4250-59178</td>
<td>TCP-Courthouse</td>
<td>1,142,902</td>
</tr>
<tr>
<td>62-4250-59500</td>
<td>Contingency</td>
<td>5,000</td>
</tr>
<tr>
<td>62-4250-59620</td>
<td>CO Buildings</td>
<td>211,460</td>
</tr>
</tbody>
</table>

**TOTAL – CAPITAL RESERVE – COUNTY BUILDINGS FUND** 1,592,754

It is estimated that the following revenues will be available in the Capital Reserve-County Building Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>62-4250-44900</td>
<td>Interest Earned on Investments</td>
<td>5,000</td>
</tr>
<tr>
<td>62-4250-49810</td>
<td>Courthouse</td>
<td>400,000</td>
</tr>
<tr>
<td>62-4250-49816</td>
<td>EMS – Debt</td>
<td>66,222</td>
</tr>
</tbody>
</table>
MEETING OF JUNE 7, 1999 CONTINUED

62-4250-49900   Unencumbered Balance 211,460
62-4250-49901   Unencumbered Balance-Court 542,302
62-4250-49905   Unencumbered Balance-Jail 200,000
62-4250-49907   Unencumbered Balance-EMS 167,170

TOTAL ESTIMATED REVENUES -CAPITAL RESERVE-
COUNTY BUILDING FUND  1,592,754

SECTION 31. The following amounts are hereby appropriated in the College Construction Fund.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>65-5929-59500</td>
<td>Contingency</td>
<td>45,000</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS – COLLEGE CONSTRUCTION FUND**  45,000

It is estimated that the following revenues will be available in the College Construction Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>65-5929</td>
<td>SCC Construction</td>
<td>45,000</td>
</tr>
</tbody>
</table>

**TOTAL REVENUE – COLLEGE CONSTRUCTION FUND**  45,000

SECTION 32. The following amounts are hereby appropriated in the College Bonds Proceeds Fund.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>66-5930-5580</td>
<td>Administrative Cost</td>
<td>5,000</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - COLLEGE BONDS PROCEEDS FUND**  5,000

It is estimated that the following revenues will be available in the College Bonds Proceeds Fund this fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>66-5930-44965</td>
<td>Interest – Bonds</td>
<td>5,000</td>
</tr>
</tbody>
</table>

**TOTAL REVENUE – COLLEGE BONDS PROCEEDS FUND**  5,000

SECTION 33. The following amounts are hereby appropriated in the Waste Collection/ Recycling Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>67-7415</td>
<td>Waste Collection/Recycling</td>
<td>806,312</td>
</tr>
<tr>
<td>67-7420</td>
<td>Landfill Operations</td>
<td>2,045,006</td>
</tr>
<tr>
<td>67-9130</td>
<td>Landfill Debt Service</td>
<td>781,418</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS – WASTE COLLECTION/RECYCLING FUND**  3,632,736

It is estimated that the following revenues will be available in the Waste Collection/ Recycling Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
</table>
The following amounts are hereby appropriated in the Capital Reserve Landfill Fund for the said fiscal year.

<table>
<thead>
<tr>
<th>CODE</th>
<th>ACTIVITY</th>
<th>APPROPRIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>68-7430</td>
<td>Capital Reserve - Landfill</td>
<td>3,500</td>
</tr>
</tbody>
</table>

**TOTAL APPROPRIATIONS - CAPITAL RESERVE LANDFILL FUND**

3,500

It is estimated that the following revenues will be available in the Capital Reserve Landfill Fund for the said fiscal year to meet the foregoing appropriations:

<table>
<thead>
<tr>
<th>CODE</th>
<th>REVENUE SOURCE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>68-7430-44900</td>
<td>Interest Earned on Investments</td>
<td>3,500</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED REVENUES - CAPITAL RESERVE LANDFILL FUND**

3,500

**SECTION 35.** There is hereby established for the year beginning July 1, 1999 and ending June 30, 2000 the following schedule of solid waste management fees.

1. Commercial, industrial and other non-household solid wastes. Tipping fee of $30 per ton. Fractions of a ton shall be charged a pro-rated fee, with a minimum fee of $10.00.

2. Residential units shall be charged a landfill availability fee of $2.50 per month. The fee will be billed with property taxes and becomes a lien of the real property described on the tax bill that includes the fee. Penalty schedule for late payment will accrue at the same rate as interest for property taxes.

**SECTION 36.** The Finance Officer is instructed to adjust salaries for all full-time and part-time regular (non-temporary) employees and fees for elected officials to provide a 2.50% cost of living increase effective July 1, 1999. The hourly rate for County Attorney services is set at $85 per hour.

**SECTION 37.** Copies of this Budget Ordinance shall be furnished to the Finance Officer, the Budget Officer and the Tax Administrator of Surry County to be kept on file by them for their direction in the collection of revenues and expenditures of amounts appropriated.

ADOPTED this the 7th day of June, 1999.

The Board resumed regular business. Commissioner Fred O’Neal made a motion to approve a one time appropriation of $10,000 to be paid from the FY 1998-99 budget for the Yadkin Valley Senior Center in Jonesville and a one time appropriation of $15,000 for the Senior Center located at the Jones Family Resource Center in Mount Airy. Chairman Harrell made a second to the motion, and the vote was unanimous.
There being no further business, the Board adjourned the meeting.

______________________________
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on June 21, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Fred Folger, Jr., County Attorney, entered the meeting at 6:10 p.m.
Betty Taylor, Asst. County Mgr. for Budget & Finance
Teresa Kinney, Planning Director
Lynn Shore, Assistant Planning Director
Phyllis Vass, Asst. Tax Administrator for Collections
Cathy Booker, Assistant Tax Administrator
Bud Cameron, Register of Deeds
Ottis Holt, Dyrk Garrison, Patsy Snow, Kenneth Goad, Chris Cooke, Jerry Hutchens, Dennis Hutchens & Ronald Stanley, Surry County Buildings & Grounds Employees
Wayne Cooke, EMS Senior Shift Supervisor
Sheriff Connie Watson
John Shelton, Emergency Services Director
Lt. Jimmy Combs, Sheriff’s Office
Ron Norman, Tax Administrator
Mike Hoyng, Citizen
Angela Leonard, Mount Airy News
Dr. Stephen Laws, Elkin City Schools Superintendent
Ruby Carson, Citizen
Mike Stanley, Surry Telephone Membership Corporation
Charles Madison, SCC Board of Trustees
Ray Rogers, Citizen
Rob Johnson, Jon Long & Jeff Parker, Martin Boal Anthony & Johnson
Eddie Hiatt, Citizen
Michael Morgan, Citizen
Katherine Edmonds, Citizen
Bob Quick, Bond Counsel, Womble Carlyle Sandridge & Rice
Rick Sowers, Sowers Construction
Wayne Sullivan, Municipal Engineering Services
Dennis Altic, Architect
Dr. Marsha Bledsoe, Surry County Schools Superintendent
Sam Couch, Principal, North Surry High School

Chairman Jim Harrell called the meeting to order. Commissioner Jim Miller delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the June 7, 1999 minutes as written.
Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to approve the following consent agenda items:

1. Environmental Health refund in the amount of $25.00 for Martin Austin, Jr., 345 Beamer Road, Mount Airy, NC. Reason for refund: Unable to obtain test results in time for loan closing.

2. EMS refund in the amount of $20.00 for patient, Howard Lawson, to Cigna Federal Insurance Benefits of N.C., P. O. Box 10820, Newark, NJ.

3. Fireworks permits – Approved permits for the Mount Airy Chamber of Commerce, Home Place Recreational Park, Inc. and Friendship Speedway in Elkin for July 4th, contingent upon all fire inspection permits being in place as required.

4. A request from Faye Corrigan, Social Services employee, to transfer 30-1/2 hours of sick leave to Surry County which she accrued while in the employment of Cleveland County Department of Social Services.

5. A lease agreement between the County and the Surry County Board of Education for use of school facilities for operation of the summer recreation program.

6. A request from Sheriff Connie Watson for assignment of ten position numbers for grant supported officers and the school resource officers. Approval of these positions is for the life of the grant only.

7. An agreement between the County and the Pilot Auditorium Restoration Committee, outlining conditions of grant funds in the amount of $75,000, to be paid in three installments of 25,000 each, beginning in FY 1998-99. A copy of the agreement is on file in the office of the County Manager until expiration or as directed for disposition by the records retention schedule.

8. A request from the Register of Deeds to use funds in his current budget in the amount of $3,680 to purchase roller shelving and a small plat cabinet for his office.

9. A request from the Dobson Berry Festival Committee to use County facilities in the Courthouse during the Berry Festival, July 16 and 17.

10. A request from Betty Taylor, Assistant County Manager for Budget & Finance, to appoint Sandra Snow as a Deputy Finance Officer, authorizing her to sign purchase orders and checks in the absence of the Finance Officer and Assistant Finance Officer.

11. A request from Mrs. Taylor to send Finance Office staff members to the Annual MUNIS Conference.

12. A Memorandum of Agreement between the County and Surry Community College relative to the renovation of the Electronics Building. A copy of the agreement is on file in the office of the County Manager until expiration or as directed by the records retention schedule.
13. Accepted Budget Transfer #44 as approved by the Budget Officer, and approved Budget Amendments #45, 46 and 47 to the FY 1998-99 Budget Ordinance as follows:

CHANGE #45

GENERAL FUND

Expenditures

Tax Department
Increase line item 1054140-56010 (Equipment) by $1,745.00 to $10,606.00.
Increase departmental total by $1,745.00 to $959,516.00.

Register of Deeds
Increase line item 1054180-51720 (Contracted Services) by $700.00 to $23,150.00.
Increase line item 1054180-55100 (Capital Leases) by $629.00 to $12,620.00.
Increase departmental total by $1,329.00 to $408,858.00.

Special Appropriations
Create and increase line item 1054198-57125 (Pilot Restoration) by $25,000.00 to $25,000.00.
Increase departmental total by $25,000.00 to $217,664.00.

Non-Departmental
Decrease line item 1054199-59510 (General Fund Contingency) by $43,628.00 to 0.
Decrease line item 1054199-59600 (Productivity/Efficiency Reserve) by $11,946.00 to $60,683.00.
Decrease departmental total by $55,574.00 to $576,719.00.

Buildings & Grounds-County
Decrease line item 1054190-59620 (County Buildings Reserve) by $3,000.00 to $17,940.00.
Decrease departmental total by $3,000.00 to $55,901.00.

Inspections
Increase line item 1054350-51720 (Contracted Services) by $2,500.00 to $7,000.00.
Increase departmental total by $2,500.00 to $441,986.00.

Health Dept. Building
Increase line item 1055112-56600 (Other Improvements) by $3,000.00 to $10,300.00.
Increase departmental total by $3,000.00 to $19,550.00.

Cancer Control Program
Create line item 1055158-51020 (Longevity Pay).

Services Programs
Increase line item 1055313-51728 (Daycare Contracted Services) by $233,250.00 to $1,302,964.00.
Decrease line item 1055313-59556 (Reserve (Tanf)) by $80,000.00 to $19,802.00.
Increase departmental total by $153,250.00 to $3,278,355.00.

Local Assistance
Increase line item 1055321-57680 (Title IV-E Foster Care)
MEETING OF JUNE 21, 1999 CONTINUED

by $38,217.00 to $140,937.00.
Increase line item 1055321-57690 (IV-E Foster Care Supplement) by $41,783.00 to $88,739.00.
Increase departmental total by $80,000.00 to $393,607.00.

Community Action Program
Increase line item 1055830-57160 (Family Resource Center) by $15,000.00 to $45,000.00.
Create and increase line item 1055830-57164 (Yadkin Senior Center) by $10,000.00 to $10,000.00.
Increase departmental total by $25,000.00 to $128,000.00.

Revenue
Increase line item 1045313-42389 (Child Day Care) by $233,250.00 to $1,302,964.00.
Decrease line item 1045313-42450 (TANF) by $40,000.00 to $393,875.00.
Increase line item 1045321-42408 (Title IV-E Foster Care-AFDC) by $40,000.00 to $156,131.00.
Increase fund totals by $233,250.00 to $45,854,767.00.

CHANGE #46

Special Tax Districts
Increase the following special tax districts' expenditure line items as indicated:

<table>
<thead>
<tr>
<th>District</th>
<th>Line Item</th>
<th>Increase Amount</th>
<th>New Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elkin Schools</td>
<td>4055916-55300</td>
<td>$400.00</td>
<td>$900.00</td>
</tr>
<tr>
<td>Elkin Schools</td>
<td>4055916-57500</td>
<td>$75,000.00</td>
<td>$869,730.00</td>
</tr>
<tr>
<td>Mt. Airy Schools</td>
<td>4155915-55300</td>
<td>$700.00</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>Mt. Airy Schools</td>
<td>4155915-57500</td>
<td>$10,000.00</td>
<td>$870,418.00</td>
</tr>
<tr>
<td>Ararat Fire</td>
<td>4254381-57500</td>
<td>$1,000.00</td>
<td>$43,918.00</td>
</tr>
<tr>
<td>Bannertown</td>
<td>4354382-55300</td>
<td>$100.00</td>
<td>$140.00</td>
</tr>
<tr>
<td>CC Camp</td>
<td>4454384-55300</td>
<td>$100.00</td>
<td>$120.00</td>
</tr>
<tr>
<td>CC Camp</td>
<td>4454384-57500</td>
<td>$10,000.00</td>
<td>$91,287.00</td>
</tr>
<tr>
<td>Central Surry</td>
<td>4554383-55300</td>
<td>$200.00</td>
<td>$340.00</td>
</tr>
<tr>
<td>Central Surry</td>
<td>4554383-57500</td>
<td>$2,000.00</td>
<td>$127,299.00</td>
</tr>
<tr>
<td>Four-Way</td>
<td>4654385-55300</td>
<td>$200.00</td>
<td>$215.00</td>
</tr>
<tr>
<td>Franklin</td>
<td>4754386-55300</td>
<td>$200.00</td>
<td>$230.00</td>
</tr>
<tr>
<td>Franklin</td>
<td>4754386-57500</td>
<td>$20,000.00</td>
<td>$186,872.00</td>
</tr>
<tr>
<td>Jotum Down</td>
<td>4854387-55300</td>
<td>$100.00</td>
<td>$110.00</td>
</tr>
<tr>
<td>Jotum Down</td>
<td>4854387-57500</td>
<td>$2,000.00</td>
<td>$52,789.00</td>
</tr>
<tr>
<td>Mtn. Park</td>
<td>4954388-55300</td>
<td>$200.00</td>
<td>$215.00</td>
</tr>
<tr>
<td>Mtn. Park</td>
<td>4954388-57500</td>
<td>$2,000.00</td>
<td>$76,500.00</td>
</tr>
<tr>
<td>Pilot Knob</td>
<td>5054389-55300</td>
<td>$300.00</td>
<td>$335.00</td>
</tr>
<tr>
<td>Pilot Knob</td>
<td>5054389-57500</td>
<td>$2,000.00</td>
<td>$60,859.00</td>
</tr>
<tr>
<td>Shoals</td>
<td>5154390-55300</td>
<td>$3,000.00</td>
<td>$54,905.00</td>
</tr>
<tr>
<td>Skull Camp</td>
<td>5254391-55300</td>
<td>$300.00</td>
<td>$320.00</td>
</tr>
<tr>
<td>Skull Camp</td>
<td>5254391-57500</td>
<td>$20,000.00</td>
<td>$85,823.00</td>
</tr>
<tr>
<td>South Surry</td>
<td>5354392-55300</td>
<td>$100.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>South Surry</td>
<td>5354392-57500</td>
<td>$2,000.00</td>
<td>$77,425.00</td>
</tr>
<tr>
<td>State Road</td>
<td>5454393-55300</td>
<td>$100.00</td>
<td>$125.00</td>
</tr>
<tr>
<td>State Road</td>
<td>5454393-57500</td>
<td>$2,500.00</td>
<td>$53,982.00</td>
</tr>
<tr>
<td>Westfield</td>
<td>5554394-55300</td>
<td>$2,000.00</td>
<td>$38,812.00</td>
</tr>
<tr>
<td>White Plains</td>
<td>5654395-55300</td>
<td>$100.00</td>
<td>$135.00</td>
</tr>
<tr>
<td>White Plains</td>
<td>5654395-57500</td>
<td>$2,000.00</td>
<td>$93,473.00</td>
</tr>
</tbody>
</table>
Increase the following special tax districts’ revenue line items as indicated:

4045916-41100 (Elkin Schools) by $73,000.00 to $771,700.00.
4045916-41102 (Elkin Schools) by $2,400.00 to $2,400.00.
4145915-41100 (Mt. Airy Schools) by $10,000.00 to $755,621.00.
4145915-41102 (Mt. Airy Schools) by $700.00 to $700.00.
4244381-41100 (Ararat Fire) by $1,000.00 to $42,615.00.
4344382-41102 (Bannertown) by $100.00 to $100.00.
4444384-41100 (CC Camp) by $10,000.00 to $83,802.00.
4444384-41102 (CC Camp) by $100.00 to $100.00.
4544383-41100 (Central Surry) by $2,200.00 to $124,819.00.
4644385-41102 (Four-Way) by $200.00 to $200.00.
4744386-41100 (Franklin) by $20,000.00 to $180,376.00.
4744386-41102 (Franklin) by $200.00 to $200.00.
4844387-41100 (Jotum Down) by $2,000.00 to $51,397.00.
4844387-41102 (Jotum Down) by $100.00 to $100.00.
4944388-41100 (Mt. Park) by $2,200.00 to $74,662.00.
5044389-41100 (Pilot Knob) by $2,000.00 to $58,600.00.
5044389-41102 (Pilot Knob) by $300.00 to $300.00.
5144390-41100 (Shoals) by $3,000.00 to $54,886.00.
5244391-41100 (Skull Camp) by $18,000.00 to $81,638.00.
5244391-41101 (Skull Camp) by $2,000.00 to $3,000.00.
5344392-41100 (South Surry) by $2,000.00 to $75,135.00.
5344392-41102 (South Surry) by $100.00 to $100.00.
5444393-41100 (State Road) by $2,500.00 to $52,092.00.
5444393-41102 (State Road) by $100.00 to $100.00.
5544394-41100 (Westfield) by $2,000.00 to $37,936.00.
5644395-41100 (White Plains) by $2,000.00 to $88,574.00.
5644395-41102 (White Plains) by $100.00 to $100.00.

Increase special districts’ totals by $158,600.00.

CHANGE #47

GENERAL FUND

Expenditures

Non-Departmental
Decrease line item 1054199-59635 (COLA Reserve) by $70,000.00 to $29,013.00.
Decrease departmental total by $70,000.00 to $506,719.00.

Transfers
Increase line item 1059810-59400 (Public Assistance Transfer) by $70,000.00 to $2,685,234.00.

The above action does not change fund totals.

Public Assistance Fund

Expenditures
Increase line item 3155410-57550 (Medical Assistance) by $70,000.00 to $2,359,905.00.

Revenue
Increase line item 3145410-49800 (Transfer from General Fund) by $70,000.00 to $2,685,234.00.

Increase fund totals by $70,000.00 to $44,776,194.00
14. Approved the following tax items as recommended for approval by Ron Norman, Tax Administrator: tax releases for the month ending May 31, 1999 totaling $11,515.09; adjustments for the month ending May 31, 1999 totaling $200.58; the Tax Director's charge to collect motor vehicle renewals for the months of January and February 1999; and discoveries for the month ending May 31, 1999 totaling $1,550.70. A copy of the tax transactions is on file in the office of the Tax Administrator and the County Manager.

15. Approved a request from the Planning Director to approve the following subdivisions as recommended for approval by the Planning Board:

- Dearon Subdivision, Section II, New Addition (Final), subject to all permits being in place.
- Kitty Hawk Creek Subdivision (Final), subject to all permits being in place.
- Amory M. Merritt Subdivision, Addition (Final), subject to all permits being in place.
- Fred D. and Francis Q. Reece Subdivision (Final), subject to all permits being in place.
- Holly D. and Karen B. Beck Subdivision (Final), subject to all permits being in place.
- Smith Landing Subdivision, Section II (Final), subject to all permits being in place.
- Hamlin Ford Subdivision, Phase II (Resubmitted Final), subject to all permits being in place.
- Sky View Estates Subdivision (Final), subject to all permits being in place.
- Robert Joe Covington Heirs Subdivision (Final), subject to all permits being in place.
- Thadie S. Badgett Subdivision (Final), subject to all permits being in place.
- James and Angela Warren Subdivision (Final), subject to all permits being in place.
- Fisher Creek Development Subdivision (Final), subject to all permits being in place.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to forward to the Department of Transportation a road petition request to add Cherokee Trail to the State system.

Chairman Harrell declared the meeting open forum and asked for comments from anyone present on any matter on which they wished to speak.

Dr. Stephen Laws, Superintendent, Elkin City Schools, came before the Board to request $80,000 to demolish the cafeteria building on the Elkin High School campus. Upon motion of Gary York, seconded by Fred O'Neal, the Board voted unanimously to authorize Dr. Laws to go out for bids on the project and report back to them at a later date.

County Attorney, Fred Folger, entered the meeting at this time.
There being no further comments from those present, Chairman Harrell closed the open forum session of the meeting and declared the meeting a public hearing to determine public sentiment on a proposed rezoning request made by Nichols Land Company. Chairman Harrell called on Teresa Kinney, Planning Director, to inform the Board and those present on matters regarding the request. Ms. Kinney informed the Board that Nichols Land Company is requesting the property located at 1437 Edgewood Drive, Mount Airy be rezoned from Residential-20 to Neighborhood Business. The subject property is described as Tax Map 5929-10-4200 and is located across from an entrance of Wal-Mart off Rockford Street and Highway 601. Ms. Kinney also informed the Board that the property was the subject of a rezoning application in May 1998 by Mr. Teddy Hiatt, at which time the County Commissioners elected not to act on the application and directed the property owners to seek annexation and utility extension from the City of Mount Airy.

Following the presentation, Chairman Harrell asked for comments from those present. Ray Rogers, whose property is adjacent to the acreage proposed for rezoning, spoke in opposition to the request. Eddie Hiatt, who is the nephew of the property owner, spoke in favor of the request. There were no other comments; therefore, the public hearing was closed. Commissioner Jim Miller made a motion to rezone the property from Residential-20 to Neighborhood Business as requested. Paul Johnson made a second to the motion, and the vote was as follows:

AYES: Jim Miller, Paul Johnson, Fred O’Neal, Jim Harrell
NAYS: None
ABSTENTION: Gary York

Commissioner York owns property in the area, therefore, he abstained from voting. The ayes carried, therefore, the property was rezoned as requested.

AMENDMENT TO THE MOUNT AIRY FRINGE AREA ZONING ORDINANCE AND THE OFFICIAL ZONING MAP OF THE FRINGE AREA

BE IT ORDAINED by the Board of Commissioners of Surry County as follow:

SECTION 1. The Mount Airy Fringe Area Zoning Ordinance and the Official Zoning Map 5929-10-4200 of the Fringe Area are hereby amended by changing from Residential R-20 to Neighborhood Business N-B the zoning classification of the following described property: Property owned by Marie Fain Scott located at 1437 Edgewood Drive, Mount Airy, as described in Tax Map #5929-10-45-4200.

SECTION II. This amendment shall be effective from and after its adoption.

ADOPTED this the 21st day of June 1999.

Teresa Kinney brought a request before the Board from Thomas H. Key for Home Occupation Conditional Use. Mr. Key plans to operate a small auto wholesale office on the property located at 829 South Franklin Street in Mount Airy. Following Ms. Kinney’s presentation and recommendation by the Planning Board for approval, Jim Miller made a motion to approve Mr. Key’s request.
for Home Occupation Conditional Use contingent upon all inspections and DMV approvals being in place. Paul Johnson made a second to the motion, and the vote to approve was unanimous.

Ms. Kinney also brought before the Board a request from Surry Telephone Membership Corporation, who submitted an application for a Communications Cellular Tower, asking for a variance of the Wireless Communications Towers Ordinance from 151' to 190'. The proposed site is located off State Road 2080, Quaker Church Road and is owned by Nancy S. Twitty. Following discussion, Gary York made a motion to approve the request for variance. Paul Johnson made a second to the motion, and the vote was unanimous.

Upon motion by Vice-Chairman Gary York, seconded by Commissioner Paul Johnson the Surry County Board of Commissioner unanimously adopted Amendment #1 to the Surry County Wireless Communications Towers Ordinance as follows:

AMENDMENT #1

SURRY COUNTY

WIRELESS COMMUNICATIONS TOWERS ORDINANCE

Amend Article 7, Development Standards, Section 700. General Requirements as follows:

Delete Item 5, Section 700 and Items 1 and 2, Section 702, as follows:

Section 700

5. Towers of 151 feet or more, not to exceed 300 feet, may not be constructed until a variance is approved in accordance with the variance provisions provided herein.

Section 702

1. Towers 35 feet or more in height, not to exceed 151 feet, may be permitted subject to the Planning Board and Board of Commissioners' approval. A tower shall have a setback from all property lines that is equal to the height of the tower, and must follow the setback formula established herein.

2. Towers over 151 feet not to exceed 300 feet, that are issued a variance, may be granted a setback variance as provided herein that is equal to the height of the tower.

Add Item 5, Section 700 and Items 1 and 2, Section 702 as follows:

Section 700

5. Towers of 199 feet or more, not to exceed 300 feet may not be constructed until a variance is approved in accordance with the variance provisions provided herein.

Section 702

1. Towers 35 feet or more in height, not to exceed 199 feet, may be permitted subject to the Planning Board and Board of Commissioners' approval. A tower shall have a setback from all property lines that is equal
to the height of the tower, and must follow the setback formula established herein.

3. Towers over 199 feet, not to exceed 300 feet, that are issued a variance, may be granted a setback variance as provided herein that is equal to the height of the tower.

ADOPTED this the 21st day of June, 1999

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to approve a subdivision variance request for Michael and Sandra Morgan who purchased an illegal subdivision lot from Mr. and Mrs. R. W. Edwards. The variance would allow Mr. Morgan to receive a building permit for a third manufactured home which would be located on his Chilton Road property. The Board also authorized the County Attorney to send another violation letter to Mr. and Mrs. Edwards.

Rob Johnson, Jeff Parker and Jon Long, with Martin Boal Anthony & Johnson, came before the Board to give an update on the Judicial Center project. The Board was presented with several options for the proposed Judicial Center, including new Jail additions and renovations and the old Courthouse and Agricultural Building renovations. Following review of the various options presented, Jim Harrell made a motion to authorize the firm to go out for bids on Option B with alternates as presented. Gary York made a second to the motion, and the vote was as follows:

AYES: Jim Harrell, Gary York, Paul Johnson, Jim Miller
NAYS: Fred O'Neal

The ayes carried, therefore, the motion to authorize Martin Boal Anthony & Johnson to go out for bids on Option B with alternates was approved.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the following resolution in recognition of Patty Edmonds who recently retired from County service:

RESOLUTION

WHEREAS, Patty W. Edmonds was employed with Surry County from June 17, 1969 until her retirement on May 31, 1999 as an employee of the Finance Office; and

WHEREAS, Ms. Edmonds served in the capacity of Surry County Assistant Finance Officer since January 1, 1980; and

WHEREAS, the citizens of Surry County recognize Ms. Edmonds for her service to Surry County; and

WHEREAS, the Surry County Board of Commissioners wishes to publicly commend Ms. Edmonds for untiring execution of her duties while she served as a County employee.

NOW, THEREFORE, BE IT RESOLVED
That Patty W. Edmonds exhibited a fine spirit of cooperation with the public and other County employees, while carrying out her duties as a County employee.

That the Board commends Ms. Edmonds for the professional manner in which she served the citizens of Surry County and wishes to express its appreciation to her for devotion to duty and sense of responsibility while performing her duties.

ADOPTED this the 21st day of June 1999.

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Commissioner York continued the recognition program, recognizing members of the Buildings & Grounds staff for exceptional service to the County. Members of the staff recognized were Patsy Snow, Ottis Holt, Ronald Stanley, Chris Cooke, Kenneth Goad, Dyrk Garrison, Jerry Hutchens and Dennis Hutchens. Steve Brewer and John Johnson were unable to attend the meeting.

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Bob Quick, Bond Counsel, Womble Carlyle Sandridge & Rice, came before the Board to ask for consideration of a supplemental bond order and a resolution amending the Amended and Restated Series Resolution previously adopted by the Board regarding the Northern Hospital District of Surry County Health Care Facilities Revenues Bonds.

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to adopt the following supplemental bond order amending certain provisions of the bond order and the amending resolution as requested by Mr. Quick.

SUPPLEMENTAL BOND ORDER

WHEREAS, Northern Hospital District of Surry County (the "District"), a municipal corporation organized and validly existing under Chapter 131E of the North Carolina General Statutes, as amended ("Chapter 131E"), owns certain general acute-care hospital facilities in Surry County, North Carolina collectively, (the "Existing Facilities") which Existing Facilities include without limitation Northern Hospital of Surry County (the "Hospital"); and

WHEREAS, on December 20, 1985, the District issued its Northern Hospital District of Surry County, North Carolina Hospital Revenue Refunding Bonds, Series 1985 (the "Prior Bonds") dated November 1, 1985 and initially issued in the aggregate principal amount of $14,125,000 pursuant to a Bond Order adopted by the Board of Commissioners for the County of Surry, North Carolina (the "County"), the governing body of the District, on November 29, 1985 (the "Prior Bond Order") and a Series Resolution adopted by the Board of Commissioners for the County (the "Prior Series Resolution"), for the purposes of refinancing certain improvements to the Existing Facilities more fully described in the Prior Bond Order; and

WHEREAS, on June 17, 1991 the District adopted a Bond Order (the "Bond Order") and a Series Resolution (the "1991 Series Resolution") pursuant to which the District issued its Northern Hospital District of Surry County, North Carolina Health Care Facilities Revenue Refunding Bonds, Series 1991 (the "Series 1991 Bonds"); in the aggregate principal amount of $16,945,000, the proceeds of which were used to refund the Prior Bonds and to
acquire certain equipment and other tangible personal property more specifically described in Exhibit A attached to the Bond Order (the "1991 Project") and the installation thereof in the Existing Facilities;

WHEREAS, the District has determined that certain capital improvements need to be made to the Existing Facilities as more specifically described in Exhibit A attached hereto and incorporated herein by reference (the "Improvements"); and

WHEREAS, the District desires to finance the Improvements through the issuance by the District of revenue bonds under and pursuant to the provisions of Chapter 131E and The State and Local Government Revenue Bond Act, Article 5, of Chapter 159 of the North Carolina General Statutes, as amended (herein called the "Act"); and

WHEREAS, the Bond Order provides for the issuance from time to time of additional Indebtedness (as defined in the Bond Order) under the terms and conditions hereinafter set forth;

WHEREAS, the District and the Trustee desire to amend and supplement the Bond Order in certain respects; and

WHEREAS, Section 1002 of the Bond Order provides that the Holders of not less than fifty-one percent (51%) in aggregate principal amount of all bonds Outstanding under the Bond Order shall have the right to consent to and approve the adoption by the District and the acceptance by the Trustee of any supplement to the Bond Order;

NOW, THEREFORE, BE IT ORDERED, by the Board of Commissioners for the County of Surry, North Carolina, acting as the governing body of the District, that, subject to the acceptance by the Trustee and the consent and approval of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of all bonds Outstanding under the Bonds Order, the Bond Order is hereby supplemented as follows:

Section 1. The definition of term "Income Available for Debt Service" appearing in Article I of the Bond Order is hereby amended and restated to read as follows:

"Income Available for Debt Service" means, with respect to the District, as to any Fiscal Year, (a) the District's operating income/loss prepared in conformity with generally accepted accounting principles, plus (b) unrealized losses, depreciation, amortization of deferred expenses, and interest expense on Long-Term Indebtedness, plus (c) any expenses funded from the proceeds of Long-Term Indebtedness, plus (d) deferred rent under leases, deferred management fees under management agreements and deferred interest on subordinated debt and all related interest expenses on the foregoing, plus, (e) any unrestricted gifts not otherwise taken into account in determining the District's net income, minus (f) unrealized gains of the District, and excluding from the foregoing (i) any extraordinary items, any changes in obligations to provide future services, and any gain or loss resulting from either the extinguishment of debt or the sale, exchange or other disposition of assets not made in the ordinary course of business. Restricted gifts
shall be included in the computation of Income Available for Debt Service to the extent that, and with respect to the period of time during which, the expenditure of such restricted gifts has been included in the computation of expenses.

Section 2. Article VIII of the Bond Order is hereby amended and restated in its entirety to read as follows:

ARTICLE VIII.

CONCERNING THE TRUSTEE

Section 801. Acceptance of Duties by the Trustee. The Bank of New York is hereby appointed as Trustee under this Bond Order. The Trustee shall signify its acceptance of the duties and obligations and agrees to execute the trusts imposed upon it by this Bond Order by delivery to the District of its written acceptance thereof, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Bond Order, to all of which the District, the Trustee and the respective Holders agree. Prior to the occurrence of any Event of Default and after the curing of all such Events of Default that may have occurred, the Trustee shall perform such duties and only such duties of the Trustee as are specifically set forth in this Bond Order and any Series Resolution. During the existence of any such Event of Default that has not been cured the Trustee shall use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Bond Order or any Bond shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own misconduct, except that:

(a) prior to any such Event of Default hereunder, and after the curing of any other Events of Default that may have occurred:

(1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Bond Order and any Series Resolution and the Trustee shall not be liable except for the performance of such duties and obligations of the Trustee as are specifically set forth in this Bond Order and any Series Resolution, and no implied covenants or obligations shall be read into this Bond Order or any Series Resolution against the Trustee, and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the accuracy of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to it conforming to the requirements of this Bond Order or any Series Resolution, but in the case of any such certificate or opinion by which any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Bond Order or any Series Resolution; and
(b) at all times, regardless of whether or not any such Event of Default shall exist:

(1) the Trustee under this Bond Order or any Series Resolution shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, and

(2) the Trustee under this Bond Order or any Series Resolution shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than twenty percent (20%) in aggregate principal amount of Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any power conferred upon the Trustee under this Bond Order or any Series Resolution.

None of the provisions contained in this Bond Order or any Series Resolution shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Section 802. Indemnification of Trustee as Condition for Remedial Action. The Trustee shall be under no obligation to institute any suit or to take any remedial proceeding (including, but not limited to, the acceleration of the maturity date of any or all Bonds) under this Bond Order or any Series Resolution or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of any of the trusts hereby created or in the enforcement of any rights and powers hereunder or under any Series Resolution, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability. The Trustee nevertheless may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the District, at the request of the Trustee, shall reimburse the Trustee from the Revenues for all costs, expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the District shall fail to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of this Bond Order or any Series Resolution and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

Section 803. Limitations on Obligations and Responsibilities of Trustee. The Trustee under this Bond Order or any Series Resolution shall be under no obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the District, or to report, or make or file claims or proof of loss for, any loss or damage insured against or that may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Except as to the acceptance of the trusts by its execution of the certificate of authentication on the Bonds, the Trustee shall have no responsibility in respect of the validity
or sufficiency of this Bond Order, or, except as to the authentication thereof, in respect of the validity of Bonds or the due execution or issuance thereof. The Trustee under this Bond Order or any Series Resolution shall be under no obligation to see that any duties herein or under any Series Resolution imposed upon the District, the Accountant, the Management Consultant, any Independent Architect, any Insurance Advisor, any Depositary other than the Trustee acting as Depositary, or any Person other than itself, or any covenants herein contained on the part of any Person other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

Section 804. Trustee Not Liable for Failure of District to Act. The Trustee shall under this Bond Order or any Series Resolution not be liable or responsible because of the failure of the District or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the District or because of the loss of any money arising through the insolvency or the act or default or omission of any Depositary other than the Trustee acting as Depositary in which such money shall have been deposited under the provisions of this Bond Order or any Series Resolution. The Trustee shall not be responsible for the application of any of the proceeds of Bonds or any other money deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Bond Order or any Series Resolution. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 805. Compensation and Indemnification of Trustee. Subject to the provisions of any contract between the District and the Trustee relating to the compensation of the Trustee, the District shall pay to the Trustee reasonable compensation for all services performed by it hereunder and also all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees incurred in and about the administration and the performance of its powers and duties hereunder and shall indemnify and save the Trustee harmless against any liabilities that it may incur in the proper exercise and performance of its powers and duties hereunder. If the District shall fail to cause any payment required by this Section to be made, the Trustee may make such payment from any money in its possession under the provisions of this Bond Order or under any Series Resolution and shall be entitled to a preference therefor over any Bonds Outstanding hereunder. The District covenants that it shall promptly deposit or cause to be deposited, solely from Revenues, to the credit of the respective fund or account the amount withdrawn therefrom by the Trustee to make any such payment, provided sufficient funds are available to pay all costs and expenses, if any, reasonably incurred by the District in connection therewith.

Section 806. Monthly Statements from Trustee. It shall be the duty of the Trustee, on or before the 15th day of each month, to file with the District and, upon request, the Local Government Commission a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred by it and the amount deposited with it on account of each fund or account
held by it under the provisions of this Bond Order or any Series Resolution,

(b) the amount on deposit with it at the end of such month in each such fund or account,

(c) a brief description of all obligations held by it as an investment of money in each such fund or account,

(d) the amount applied to the purchase or redemption of Bonds under the provisions of this Bond Order and any Series Resolution and a description of the Bonds or portions thereof so purchased or redeemed, and

(e) any other information that the District may reasonably request.

All records and files pertaining to Bonds in the custody of the Trustee shall be open at all reasonable times to the inspection of the District, the Local Government Commission and their agents and representatives.

Section 807. Trustee May Rely on Certificates. If at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action or doing or not doing anything as such Trustee, and in any case in which this Bond Order or any Series Resolution provides for permitting or taking any action, the Trustee may rely upon any certificate required or permitted to be filed with it under the provisions of this Bond Order or any Series Resolution, and any such certificate shall be evidence of such fact or protect the Trustee in any action that it may or may not take or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact. Except as otherwise provided in this Bond Order, any request, notice, certificate or other instrument from the District to the Trustee shall be deemed to have been signed by the proper party or parties if signed by the District Representative, and the Trustee may accept and rely upon a certificate signed by the District Representative as to any action taken by the District.

Section 808. Notice of Default. Except upon the happening of (i) any Event of Default specified in clauses (a) or (b) of Section 701 of this Bond Order, (ii) notification in the certificate of the Accountant or in the Officer's Certificate of the District required under Section 608 of this Bond Order that an Event of Default has occurred, or (iii) written notification from any holder of Indebtedness or such holder's legal representative of an event of default under any Indebtedness, the Trustee shall not be obliged to take notice or be deemed to have notice of any Event of Default under this Bond Order unless specifically notified in writing of such Event of Default by the District or the Holders of not less than twenty percent (20%) in aggregate principal amount of Bonds then Outstanding.

Section 809. Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds (excluding the certificate of authentication on the Bonds) shall be taken and construed as made by and on the part of the District and not by the Trustee, and the Trustee assumes and shall be under no responsibility for the correctness of the same.
Section 810. Trustee Protected in Relying on Certain Documents. The Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Bond Order or any Series Resolution, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Bond Order or any Series Resolution, or upon the written opinion of any attorney, engineer or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument. The Trustee shall not be under any obligation to see to the recording or filing of this Bond Order or any Series Resolution or otherwise to the giving to any Person of notice of the provisions hereof.

Section 811. Trustee May Pay Taxes and Assessments. In case the District shall fail to pay or cause to be paid any tax, assessment or governmental or other charge upon any part of the Operating Assets to the extent, if any, that the District may be deemed by the Trustee liable for same, the Trustee hereunder or under any Series Resolution may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Trustee or the Holders hereunder arising in consequence of such failure; and any amount at any time so paid under this Section shall be repaid by the District upon demand by the Trustee, from Revenues or other legally available funds, but the Trustee shall be under no obligation to make any such payment from sources provided in this Bond Order unless it shall have available or be provided with adequate funds for the purpose of such payment.

Section 812. Resignation and Removal of Trustee Subject to Appointment of Successor. No resignation or removal of the Trustee hereunder or under any Series Resolution and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 815 hereof.

Section 813. Resignation of Trustee. The Trustee hereunder or under any Series Resolution may resign and thereby become discharged from the trusts hereby created, by notice in writing given to the District and the Local Government Commission, and mailed, postage prepaid, to all Holders, not less than thirty (30) days before such resignation is to take effect, but such resignation shall take effect immediately upon the appointment of a new Trustee hereunder if such new Trustee shall be appointed before the time limited by such notice and shall then accept the trusts hereof.

Section 814. Removal of Trustee. The Trustee hereunder or under any Series Resolution may be removed at any time by an instrument or concurrent instruments in writing executed by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding or, if no Event of Default shall exist and be continuing, the District and filed with the District, not less than thirty (30) days before such removal is to take effect as stated in said instrument or instruments. A photographic copy of any instrument or instruments
filed with the District under the provisions of this paragraph, duly certified by the District Representative as having been received by the District, shall be delivered promptly by the District to the Trustee.

The Trustee may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Bond Order or any Series Resolution with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the District or the Holders of not less than twenty percent (20%) in aggregate principal amount of Bonds then Outstanding.

Section 815. Appointment of Successor Trustee. If at any time hereafter the Trustee hereunder or under any Series Resolution shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as Trustee shall be taken over by any governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any reason, the District shall appoint a Trustee to fill such vacancy. A successor Trustee shall not be required if the Trustee shall sell or assign substantially all of its trust business and the vendee or assignee shall continue in the trust business, or if a transfer of the trust department of the Trustee is required by operation of law, provided that such vendee, assignee or transferee is a bank or trust company within the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars ($50,000,000). The District shall mail notice of any such appointment by it made, postage prepaid, to all Holders.

At any time within one (1) year after any such vacancy shall have occurred, the Holders of not less than twenty percent (20%) in principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing, executed by such Holders and filed with the District, may nominate a successor Trustee, which the District shall appoint and which shall supersede any Trustee theretofore appointed by the District. Photographic copies, duly certified by the District Representative as having been received by the District, of each such instrument shall be delivered promptly by the District to the predecessor Trustee and to the Trustee so appointed by the Holders.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, any Holder hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee hereafter appointed shall be a bank or trust company within the State which is duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than Fifty Million Dollars ($50,000,000).

Section 816. Vesting of Duties in Successor Trustee. Every successor Trustee appointed hereunder shall execute,
acknowledge and deliver to its predecessor, and also to the Dis-
trict, an instrument in writing accepting such appointment here-
under, and thereupon such successor Trustee, without any further
act, shall become fully vested with all the rights, immunities
and powers, and subject to all the duties and obligations, of
its predecessor; but such predecessor shall nevertheless, on the
written request of its successor or of the District and upon
payment of the expenses, charges and other disbursements of such
predecessor that are payable pursuant to the provisions of Sec-
tion 805 of this Article, execute and deliver an instrument
transferring to such successor Trustee all the rights, immuni-
ties and powers of such predecessor hereunder; and every prede-
cessor Trustee shall deliver all property and money held by it
hereunder to its successor. Should any instrument in writing
from the District be required by any successor Trustee for more
fully and certainly vesting in such Trustee the rights, immuni-
ties, powers and trusts hereby vested or intended to be vested
in the predecessor Trustee, any such instrument in writing shall
and will, on request, be executed, acknowledged and delivered by
the District.

Section 817. Co-Trustee. At any time or times, for the
purpose of meeting the legal requirements of any jurisdiction,
the District and the Trustee shall have the power to appoint,
and, upon the request of the Trustee or of the Holders of at
least fifty-one percent (51%) in aggregate principal amount of
the then Outstanding Bonds, the District shall for such purpose
join with the Trustee in the execution, delivery and performance
of all instruments and agreements necessary or proper to appoint
one or more persons approved by the Trustee either to act as
co-trustee or co-trustees, jointly with the Trustee, under this
Bond Order or under any Series Resolution, or to act as separate
trustee or separate trustees and to vest in such person or per-
sons, in such capacity, such rights, powers, duties, trusts or
obligations as the Issuer and the Trustee may consider necessary
or desirable subject to the remaining provisions of this Section
817.

Any co-trustee or separate trustee shall be a bank or trust
company with trust powers organized under the laws of the United
States of America or any state of the United States or the Dis-
trict of Columbia, having a combined capital stock, surplus and
undivided profits aggregating at least $100,000,000, and if the
Bonds are then rated by a nationally recognized rating agency,
the bank deposit obligations or unsecured long-term debt of such
co-trustee or separate trustee must be rated at least Baa3/P-3
or such co-trustee or separate trustee shall otherwise be ac-
ceptable to such rating agency.

If the District shall not have joined in such appointment
within fifteen (15) days after the receipt by it of a request so
do to, or in case an Event of Default shall have occurred and be
continuing, the Trustee alone shall have power to make such ap-
pointment.

The District shall execute, acknowledge and deliver all
such instruments as may be required by any such co-trustee or
separate trustee for more fully confirming such title, rights,
powers, trusts, duties and obligations to such co-trustee or
separate trustee.
Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(i) The Bonds shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Bond Order or by any Series Resolution conferred upon the Trustee in respect of the custody, control or management of moneys, papers, securities and other personal property shall be exercised solely by the Trustee.

(ii) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(iii) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.

(iv) Any co-trustee or separate trustee may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(v) The Trustee at any time, by an instrument in writing, with the concurrence of the Issuer, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section 817, and, in case of a continuing Event of Default the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the District. Upon the request of the Trustee, the District shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 817.

(vi) No trustee or co-trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.
Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each co-trustee or separate trustee.

Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it shall be vested with such interest in and to the property subject to the Bond Order or any part thereof or any Series Resolution, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of this Bond Order and any applicable Series Resolution. Every such acceptance shall be filed with the Trustee. Any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Trustee its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its behalf and in its name.

In case any co-trustee or separate trustee shall become incapable of acting, resign or be removed, the title to the property subject to the trusts under this Bond Order and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 3. Section 1301 of the Bond Order is hereby amended as follows:

(1) The initial sentence of Section 1301 is hereby amended to read as follows:

Section 1301. Incurrence of Indebtedness. Subject to the conditions hereinafter provided, the District shall have the right, as long as no Event of Default has occurred and be continuing, to incur the following Indebtedness (including Indebtedness secured pari passu with the Bonds as to the Net Revenues and Pledged Assets):

(2) Section 1301(a)(iv) is hereby deleted in its entirety;

(3) Section 1301(a)(v) is hereby amended to read as follows:

and, (v) immediately after the incurrence of the proposed Long-Term Indebtedness the aggregate principal amount of all Long-Term Indebtedness does not exceed sixty-five percent (65%) of Capitalization.

(4) The following sentence appearing at the end of Section 1301(a) is hereby deleted:
The Long-Term Debt Service Coverage Ratios required by subparagraphs (i), (ii) and (iii) above may be reduced to 1.00 if a Management Consultant reports that the principal cause of the District's inability to meet the stated Long-Term Debt Service Coverage Ratios was Governmental Restrictions.

Section 4. Except as specifically provided in Sections 1, 2 and 3 above, all terms and provisions of the Bond Order shall remain in full force and effect as adopted by the District on June 17, 1991.

Section 5. This Supplemental Bond Order shall take effect immediately following adoption by the District, acceptance by the Trustee and consent and approval by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of all bonds Outstanding under the Bond Order.

RESOLUTION
AMENDING THE AMENDED AND RESTATED SERIES RESOLUTION ADOPTED BY THE BOARD ON JUNE 7, 1999 RELATING TO THE PROPOSED NORTHERN HOSPITAL DISTRICT OF SURRY COUNTY HEALTH CARE FACILITIES REVENUE BONDS, SERIES 1999

WHEREAS, the Board of Commissioners for the County of Surry, North Carolina (the “Board”), in its capacity as the governing body of Northern Hospital District of Surry County (the “District”), on June 7, 1999 adopted an Amended and Restated Series Resolution (the “Series Resolution”) providing for the issuance of the Northern Hospital District of Surry County Health Care Facilities Revenue Bonds, Series 1999 (the “Bonds”); and

WHEREAS, the Board has determined that certain amendments and changes should be made to the Series Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS FOR THE COUNTY OF SURRY, NORTH CAROLINA AS FOLLOWS:

Section 1. Paragraph 9 of the form of the Bond is amended to read as follows:

The Bonds maturing on or after October 1, 2010 are subject to redemption, at the option of the District, on and after October 1, 2009, in whole at any time or in part (by lot within a maturity) on any interest payment date. Any such redemption will be at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<table>
<thead>
<tr>
<th>Redemption Date (inclusive)</th>
<th>Redemption Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2009 to September 30, 2010</td>
<td>102%</td>
</tr>
<tr>
<td>October 1, 2010 to September 30, 2011</td>
<td>101%</td>
</tr>
<tr>
<td>October 1, 2011 and thereafter</td>
<td>100%</td>
</tr>
</tbody>
</table>

Section 2. Section 301(b) of the Series Resolution is amended to read as follows:

(b) The Bonds maturing on or after October 1, 2010 are subject to redemption, at the option of the District, on and after October 1, 2009, in whole or in part (by lot within a maturity) on any date, upon payment of the following Redemption Prices (expressed as a percentage of the principal amount of
Bonds to be redeemed), plus interest accrued to the redemption date:

<table>
<thead>
<tr>
<th>Redemption Date (inclusive)</th>
<th>Redemption Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1, 2009 to September 30, 2010</td>
<td>102%</td>
</tr>
<tr>
<td>October 1, 2010 to September 30, 2011</td>
<td>101%</td>
</tr>
<tr>
<td>October 1, 2011 and thereafter</td>
<td>100%</td>
</tr>
</tbody>
</table>

Section 3. Except as specifically provided in Sections 1 and 2 above, all terms and provisions of the Series Resolution shall remain in full force and effect as originally adopted.

Following discussion of the Resolution set forth above, Commissioner Fred O'Neal moved that the Resolution be adopted by the Board, which motion was seconded by Commissioner Jim Miller. The resolution was adopted by the following vote:

AYES:  Jim Harrell, Jr., Gary York, Jim Miller, Fred O'Neal, Paul Johnson

NAYS:  None

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to increase the limits regarding purchases as follows:

- Purchase Orders $ 250.00
- Capital Outlay 1,000.00
- Additions to Capital 500.00

The new schedule is effective July 1, 1999.

Upon motion of Jim Miller, seconded by Fred O'Neal, the Board voted unanimously to approve Budget Amendment #48 to the FY 1998-99 Budget Ordinance as follows:

CHANGE #48

GENERAL FUND

Expenditures

Admin/Social Services Bldg.
Increase line item 1054196-53020 (Equipment Maint) by $3,000.00 to $8,500.00.
Decrease line item 1054196-53010 (B&G Maint) by $1,000.00 to $7,000.00.
Increase line item 1054196-54300 (Utilities) by $4,000.00 to $29,000.00.
Increase line item 1054196-56600 (Other Improvements) by $6,000.00 to $32,749.00.
Increase departmental total by $12,000.00 to $181,351.00.

Buildings & Grounds-County
Decrease line item 1054190-59620 (Buildings Reserve) by $12,000.00 to $5,940.00.
Decrease departmental total by $12,000.00 to $43,901.00.

Emergency Medical Services
Increase line item 1054370-56010 (Equipment) by $23,000.00 to $217,800.00.
Increase departmental total by $23,000.00 to $2,624,983.00.

Revenue

Increase line item 1044000-48200 (Surplus Property) by $23,000.00 to $33,000.00.

Increase fund totals by $23,000.00 to $45,877,767.00.

Eric Coates, with Coates Consulting, Inc., reviewed the County employees' life insurance program with the Board and recommended that the Board approve an increase in life insurance from $20,000 to $30,000 for each employee and to increase the dependent coverage to either $2,500 or $5,000 from the $1,000 limit as proposed by Canada Life Company. Fred O'Neal made a motion to approve the $30,000 limit for each employee and up to $2,000 for dependent coverage. Jim Miller made a motion to amend Commissioner O'Neal's motion, extending the dependent coverage to $5,000 rather than $2,000. Commissioner Gary York made a second to Commissioner Miller's motion to amend, and the vote was unanimous. Chairman Harrell then called for a vote on the original motion made by Commissioner O'Neal as amended, and the vote was unanimous to increase the life insurance rate for County employees from $20,000 to $30,000 and to increase dependent coverage from $1,000 to $5,000 as proposed by Canada Life Insurance Company.

Mr. Coates continued his presentation, presenting proposals on the County employees' medical insurance, reviewing each option with the Board. Wayne Cooke, Chairman of the Employee Representative Committee, explained concerns of the Committee, indicating their desire to stay with the current plan.

Following discussion, Gary York made a motion, which was seconded by Jim Harrell, to continue with the current plan with Blue Cross Blue Shield of North Carolina. The vote was as follows:

AYES: Gary York, Jim Harrell, Jim Miller, Paul Johnson
NAYS: Fred O'Neal

The ayes carried, therefore, the motion passed.

Dennis Altic, Architect, and John Shelton, Emergency Services Director, came before the Board to review the proposed new EMS building plan. Following the review, Mr. Shelton asked the Board if the plan could be let for construction bid on the base building with alternate #1 as presented. Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to authorize Mr. Altic to let bids for the construction project.

Wayne Sullivan, with Municipal Engineering, came before the Board to request approval of four change orders to the Ground Improvement Techniques, Inc. contract for the landfill project. Mr. Sullivan reviewed the following change orders with the Board and asked for their approval:
1. Change Order #1 - A change order in the amount of $80,000 for an alternate liner due to shortage of on-site cohesive soil and time extension.

2. Change Order #2 - Change in quantity of pipe for the leachate collection system and an increase in excavated quantities due to scheduling of the access road contractor; both items totaling $51,609.

3. Change Order #3 - Cost of shutdown due to permitting with N.C. Solid Waste on changes due to alternate liner system. Shutdown for seven (7) days at $5,711.50 per day for a total of $39,980.

4. Change Order #4 - Change in seeding contractors and in the amount seeded totaling $23,392.

Following Mr. Sullivan's presentation, Jim Miller made a motion to approve the change orders as presented. Paul Johnson made a second to the motion, and the vote to do so was unanimous.

Following this discussion, Fred O'Neal also made a motion to authorize the County Manager to execute a change order list submitted by Sowers Construction Company and to approve final payment to the company. Jim Miller made a second to the motion, and the vote was unanimous.

Dr. Marsha Bledsoe, Superintendent, Surry County Schools, and Sam Couch, Principal of North Surry High School, came before the Board to request approval of the following items:

1. Requested approval to acquire approximately 3.9 acres of land adjacent to the Pilot Mountain Middle School, using existing school funds in the amount of $50,000 to purchase the property.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve this request.

2. Requested approval to purchase approximately 1.6 acres of property located adjacent to Flat Rock Elementary School, using existing school reserve funds in the amount of $14,000 for the purchase.

Upon motion of Fred O'Neal, seconded by Paul Johnson, the Board voted unanimously to approve the request.

3. Requested a commitment from the Board to use $10 million State funds for Phase I renovations of East Surry, North Surry and Surry Central High Schools, providing new classrooms on each campus.

The Board took the request for study.

4. Requested the Board's appropriation of $2.2 million local funds to renovate the existing cafeteria and kitchen at North Surry High School to be used as office space and to build a new cafeteria and kitchen on the campus.

The Board took the request for study.

5. Asked for the Board's support to develop plans to use $2.2 million in local funds, $1.1 budgeted in FY 2000 and FY 2001, to build permanent classrooms.
The Board took the request for study.

Ron Norman, Tax Administrator, came before the Board to give a brief report on the Tax automation status. Mr. Norman indicated to the Board that tax bills would be mailed prior to August 1. Mr. Norman also presented tax appeal information and information recently received on the vehicle tax for the Board’s information.

Sheriff Connie Watson came before the Board to request early release of grant funds budgeted for capital outlay in the FY 1999-2000 budget to purchase vehicles for four new grant officers. Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve the request of the Sheriff.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to reappoint Clifford Scott as a member of the Surry Community College Board of Trustees. Mr. Scott’s term is four years expiring, June 30, 2003.

Upon motion of Jim Harrell, seconded by Gary York, the Board voted unanimously to appoint Dr. Jane Riley as Crossroads representative on the Juvenile Crime Prevention Council. Dr. Riley will replace Kay McCormick who will serve in an advisory position.

Upon motion of Jim Harrell, seconded by Fred O’Neal, the Board voted unanimously to appoint Diane Ryon of Elkin to replace Bill Hall as a member of the Jury Commission. Mrs. Ryon’s term is two years, expiring June 30, 2001.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to reappoint Wayne Atkins to the Northwestern Regional Library Board as requested by the Dobson Town Commission. Mr. Atkins’ term is six years, expiring June 30, 2005.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to reappoint Bud Oliver, Dennis Thompson, Barbara Anderson, Fred Johnson, Gaynell Dancy and Michelle Gough to the Criminal Justice Partnership Program as recommended by Mike Hoyng, Chairman. These are one year terms, expiring June 30, 2000.

It was the consensus of the Board to invite Jerry Snow, Public Works Director, to the July 19, 1999 meeting to discuss options that the Board may consider concerning changing services at the urban convenience centers.

The County Manager discussed briefly with the Board several items related to the proposed land use planning project. Mr. Thompson asked the Board to consider appointing four to six members to serve with the Planning Board members as a steering com-
mittee for the project. It was the consensus of the Board that each Commissioner would make a nomination for a member to serve on the committee and also appoint one Board member to serve as well.

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It was the consensus of the Board to authorize the County Manager to send to the Water Study Committee a summary of questions and answers developed by the City of Mount Airy regarding terms and conditions the County and City may agree to regarding the water and sewer service outside Mount Airy's corporate limits.

_________________ ________________ ________________

It was the consensus of the Board to authorize the County Manager to send to the Water Study Committee a summary of questions and answers developed by the City of Mount Airy regarding terms and conditions the County and City may agree to regarding the water and sewer service outside Mount Airy's corporate limits.

_________________ ________________ ________________

Upon motion of Fred O'Neal, the Board voted unanimously to authorize the County Manager to submit a bill to the City of Mount Airy for the City's half of the Airport Road and Cross Creek Industries components of the Holly Springs area water and sewer project.

_________________ ________________ ________________

Upon motion of Fred O'Neal, the Board voted unanimously to approve a request made by Eric Apple through memorandum to the Board to upgrade the GIS server at a cost of $17,191.08. Monies to pay for the upgrade will be taken from the Automation Fund.

_________________ ________________ ________________

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the purchase of five lifepak systems for the Emergency Medical Services at a cost of $81,012.80, purchasing three from the FY 1998-99 budget in June 1999 and purchasing two from the FY 1999-2000 budget.

_________________ ________________ ________________

John Shelton discussed briefly with the Board the cut of part-time fire inspectors in the Fire Marshal's FY 1999-2000 budget and indicated there was a need for the service until June 30. Mr. Shelton requested that $800 of existing funds in the Fire Marshal's budget be allocated to Part-time Salaries and Wages to enable the part-time employees to continue working from June 20 through June 30, 1999. Following discussion, Jim Miller made a motion to approve Mr. Shelton's request. Gary York made a second to the motion, and the vote was as follows:

AYES: Jim Miller, Gary York, Jim Harrell, Paul Johnson
NAYS: Fred O'Neal

The ayes carried, therefore, the motion passed.

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Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to authorize the Criminal Justice Partnership to apply for grant funds in the amount of $27,793 through the Northwest Piedmont Council of Governments. The funds may be used for office space if approved.

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Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to authorize the upgrade of the 911 Centennial equipment in the amount of $221,840 as requested by John Shelton. The funds will be taken from the 911 surcharge.
Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to go into closed session to discuss personnel issues.

The Board came out of closed session, and Paul Johnson made a motion to approve the following requests:

1. Approved a request from Dr. Walter Linz to employ a clerical support person to work in the Carolina Access II program.
2. Approved a request from Gray Bryant to grant merit increases to Inspections employees due for the increases in 1999, rescinding the action the Board took regarding increases for this department on January 4, 1999.

Gary York made a second to the motion, and the vote to approve was unanimous.

Upon motion of Fred O'Neal, seconded by Jim Harrell, the Board voted unanimously to adopt the following resolution cancelling the July 5, 1999 meeting:

RESOLUTION

BE IT RESOLVED that the Surry County Board of Commissioners shall move forward its regular meeting of July 5, 1999 to July 19, 1999 and shall conduct the Board’s regular business of July 5, 1999 at the July 19, 1999 meeting.

BE IT FURTHER RESOLVED that the Clerk to the Board of Surry County is instructed to post a copy of this resolution on the door of the Commissioners' Meeting Room and forward a copy to the news media for publication.

ADOPTED this the 21st day of June 1999.

There being no further business, the Board adjourned the meeting.

__________________________________________
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m. on July 19, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O'Neal and Paul Johnson.

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

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Ron Norman, Tax Administrator
Betty Taylor, Finance Officer
Teresa Kinney, Planning Director
Sheriff Connie Watson
Ron Sutphin, Planning Intern
Cathy Booker, Tax Department
Phyllis Vass, Asst. Tax Administrator for Collections
Ottis Holt, Buildings & Grounds Employee
Michael Holt, Rabies Control Officer
Wayne Cooper, Environmental Health Supervisor
Charles Gillespie, Rabies Control Officer
John Kinder, Inspections Department
Nancy Kinder, Rabies Control
Barbara Anderson, Social Services Director
Dr. Walter Linz, Health Department
Rodney Griffin, Pilot Knob Fire Department
Aaron Hunter, Pilot Knob Fire Department
Jerry Fore, Fore Enterprises, Inc.
Crystal Morphis, President, Economic Development Partnership
Todd Merriman, The Tribune
Grant Goings, Elkin Town Manager
Larry and Joann Wilmoth, Citizens
Ann Gillespie, Citizen
Cleve Harris, Citizen
Mike Hoyng, Citizen
Slim Reynolds, Citizen
Craig Hunter, Economic Development Partnership
Gary Laws, Economic Development Partnership
Bobby Randolph, Citizen
Angela Leonard, Mount Airy News
John Priddy, Economic Development Partnership
Johnsie Hudspeth, Economic Development Partnership
Rick Smith, CBA Consultant
Tim Bodford, Camp I Can
Tom Kilby, Chief Juvenile Court Counselor
John Cook, LPC
Karen Snow and other members of the Surry County Humane Society
Jim Hazel, Surry County Humane Society
Tom Hemmings, Principal of Gentry Middle School

Chairman Harrell called the meeting to order. Commissioner Paul Johnson delivered the invocation and led those present in the pledge of allegiance.
Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the minutes of the June 21, 1999 meeting.

Upon motion of Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to appoint Rawley King of Mount Airy to serve as a member of the Surry County Nursing/Domiciliary Home Advisory Committee. Mr. King's term is one year beginning immediately and expiring July 19, 2000.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the consent agenda items as follows:

1. EMS refund in the amount of $35.90 to Municipal Insurance of North Carolina, Coresource Insurance, P. O. Box 31547, Raleigh, NC for patient William M. Beamer. The insurance company paid the wrong percentage to EMS for the patient.

2. EMS refund for James V. Stewart, 848 Willow Hill Circle, Mount Airy, NC, in the amount of $142.00 due to double payment of the patient and insurance company.

3. QualChoice Medicare Gold, P. O. Box 340, Winston-Salem, NC for patient Sarah E. Norman in the amount of $90.00 and patient Susan Jackson in the amount of $205.00 due to overpayment of the account.

4. Environmental Health refund in the amount of $20.00 for Christopher Burress, c/o Linda Davis, P. O. Box 1204, Dobson, NC due to being charged in error.

5. Environmental Health refund in the amount of $20.00 for Curtis Wayne Mitchell, c/o Linda Davis, P. O. Box 1204, Dobson, NC due to being charged for a permit in error.

6. Appointed Steve Long of State Road as an alternate member of the Elkin Planning Board of Adjustments as recommended by Town of Elkin officials.

7. Forgave a fire prevention inspection fee of $123.00 for the Lowgap Community Building due to the property being owned by the County.

8. Approved a request from Peggy Ann Wagoner, an employee of the Emergency Medical Services, to transfer 200 hours of unused sick leave from her previous employment with Pitt County.

9. Approved renewal of a lease agreement between Surry County and Dean Bray for lease of office space at 819 West Pine Street in Mount Airy. The lease is on file in the office of the County Manager until its expiration date of January 31, 2000.

10. Approved the release of capital outlay funds budgeted in the FY 1999-2000 budget to purchase new mowing equipment and computer hardware and software for the Buildings & Grounds Department.
11. Approved a one-step merit increase for Patsy Snow, who works in the Buildings & Grounds Department.

12. Adopted the following resolutions recognizing retirees Brent Shinault, Patsy Snow and Joann Wilmoth:

RESOLUTION

WHEREAS, Brent Shinault was employed with Surry County from April 8, 1980 until his retirement on June 18, 1999 as an employee of the Surry County Tax Department; and

WHEREAS, Mr. Shinault served in the capacity of Land Records Manager and was instrumental in establishing one of the best Cadastral Mapping Systems in North Carolina; and

WHEREAS, the citizens of Surry County recognize Mr. Shinault for his service to Surry County; and

WHEREAS, the Surry County Board of Commissioners wishes to publicly commend Mr. Shinault for untiring execution of his duties while he served as a County employee.

NOW, THEREFORE, BE IT RESOLVED

That Brent Shinault exhibited a fine spirit of cooperation with the public and other County employees, while carrying out his duties as a County employee.

That the Board commends Mr. Shinault for the professional manner in which he served the citizens of Surry County and wishes to express its appreciation to him for devotion to duty and sense of responsibility while performing his duties.

ADOPTED this the 19th day of July 1999.

RESOLUTION

WHEREAS, Patsy H. Snow was employed with Surry County from January 1, 1990 until her retirement on July 31, 1999 as an employee of the Surry County Building and Grounds Department; and

WHEREAS, the citizens of Surry County recognize Mrs. Snow for her service to Surry County; and

WHEREAS, the Surry County Board of Commissioners wishes to publicly commend Mrs. Snow for untiring execution of her duties while she served as a County employee.

NOW, THEREFORE, BE IT RESOLVED

That Patsy H. Snow exhibited a fine spirit of cooperation with the public and other County employees, while carrying out her duties as a County employee.

That the Board commends Mrs. Snow for the professional manner in which she served the citizens of Surry County and wishes to express its appreciation to her for devotion to duty and sense of responsibility while performing her duties.

ADOPTED this the 19th day of July 1999.
RESOLUTION

WHEREAS, JoAnn N. Wilmoth was employed full-time with Surry County from February 16, 1977 until her retirement on June 30, 1999 as an employee of the Finance Office; and

WHEREAS, Mrs. Wilmoth also served in the capacity of Tax Lister from January 1973 until February 1977; and

WHEREAS, the citizens of Surry County recognize Mrs. Wilmoth for her service to Surry County; and

WHEREAS, the Surry County Board of Commissioners wishes to publicly commend Mrs. Wilmoth for untiring execution of her duties while she served as a County employee.

NOW, THEREFORE, BE IT RESOLVED

That JoAnn N. Wilmoth exhibited a fine spirit of cooperation with the public and other County employees while carrying out her duties as a County employee.

That the Board commends Mrs. Wilmoth for the professional manner in which she served the citizens of Surry County and wishes to express its appreciation to her for devotion to duty and sense of responsibility while performing her duties.

ADOPTED this the 19th day of July, 1999.

13. Authorized John Shelton, Emergency Services Director, to reapply for the Regional Response Team designation.

14. Approved the following fee schedule revisions and reallocation of funds as follows:

(1) 1045181 Environmental health

10-4-5181-44162 (fees) from $55,600 to $67,600

Summary: New fees will increase revenue $12,000.

(2) Move $12,000 County allocation from 10-4-5181 to 10-5-4380.

(3) 1054380 Animal Control

10-5-4380-51010 (Salary and Wages) from $116,262 to $126,582
10-5-4380-51040 (Salary Reserve) from $3,816 to $4,176
10-5-4380-51300 (Social Security) from $7,210 to $7,860
10-5-4380-51310 (Medicare) from $1,690 to $1,844
10-5-4380-51330 (Retirement) from $5,850 to $6,366

Summary: 1) Increase County allocation by $12,000 (as indicated above)
2) Hire fourth animal control officer July 1, 1999.

15. Approved a request from the Department of Environment and Natural Resources to approve the annual contract for provision of Forest Ranger services in Surry County. The Coun-
ty's share, in the amount of $49,200, was approved in the FY 1999-2000 budget.

16. Approved the following resolution authorizing employees of the Finance Office to have access to the Finance safety deposit box:

AUTHORITY OF A CORPORATION, SOCIETY, LODGE, CHURCH OR SIMILAR ORGANIZATIONS TO SECURE A SAFE DEPOSIT BOX AND TO DESIGNATE THE PERSON OR PERSONS TO HAVE ACCESS

TO: First Union National Bank of North Carolina
Office _____________________ Date: July 19, 1999

At a regular meeting of the Surry County Board of County Commissioners held on the 19th day of July, 1999, at which a quorum of the governing body was present, a resolution was presented and unanimously passed, authorizing the members or officers designated below to secure, by rental agreement from the above Bank, a safe deposit box, and for any of the persons designated to have access thereto:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Specimen Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Betty W. Taylor</td>
<td>Asst. Co. Mgr. for Budget &amp; Fin.</td>
<td>_________________</td>
</tr>
<tr>
<td>Sandra H. Harris</td>
<td>Asst. Finance Officer</td>
<td>_________________</td>
</tr>
<tr>
<td>Sandra H. Snow</td>
<td>Deputy F.O.</td>
<td>_________________</td>
</tr>
<tr>
<td>Sheila R. Creed</td>
<td>Deputy F.O.</td>
<td>_________________</td>
</tr>
<tr>
<td>Frankie A. Cave</td>
<td>Fin. Acct. III</td>
<td>_________________</td>
</tr>
</tbody>
</table>

The authority given is to remain in effect until revoked in writing and receipt of such revocation is acknowledged in writing by the above Bank.

________________________
Secretary

17. Accepted Budget Change #49 to the FY 1998-1999 Budget as approved by the Budget Officer and adopted Budget Amendment #50 to the FY 1998-1999 Budget Ordinance as follows:

CHANGE #50

GENERAL FUND

Expenditures

Tax Supervisor
Increase line item 1054140-56010 (Equipment) by $21,845.00 to $32,451.00.
Increase line item 1054140-56715 (CO-Network/PC/Printer) by $2,551.00 to $111,905.00.
Decrease line item 1054140-52010 (Supplies & Materials) by $1,354.00 to $11,301.00.
Decrease line item 1054140-52450 (Mapping Supplies) by $2,000.00 to $4,200.00.
Increase departmental total by $21,042.00 to $980,558.00.
Non-Departmental
Decrease line item 1054199-59520 (Salary Contingency) by $31,520.00 to $69,437.00.
Decrease line item 1054199-59600 (Productivity/Efficiency Reserve) by $60,683.00 to -0-.
Decrease departmental total by $92,203.00 to $414,516.00

Sheriff’s
Increase line item 1054310-51030 (Salaries & Wages Part-Time) by $7,000.00 to $107,901.00.
Increase line item 1054310-51020 (Longevity Pay) by $625.00 to $10,297.00.
Increase line item 1054310-52060 (Uniforms) by $1,000.00 to $35,000.00.
Increase line item 1054310-53020 (Equipment Maintenance) by $2,375.00 to $9,175.00.
Increase line item 1054310-53040 (Vehicle Maintenance) by $4,825.00 to $48,825.00.
Increase line item 1054310-54200 (Telephone) by $1,600.00 to $16,600.00.
Increase line item 1054310-55450 (Purchase of Information) by $600.00 to $10,600.00.
Increase line item 1054310-56010 (Equipment) by $330.00 to $190,396.00.
Decrease line item 1054310-51010 (Salaries and Wages) by $11,625.00 to $1,159,923.00.
Decrease line item 1054310-51300 (Social Security) by $4,000.00 to $74,975.00.
Decrease line item 1054310-51350 (Group Insurance) by $800.00 to $77,452.00.
Decrease line item 1054310-51500 (Professional Services) by $1,000.00 to $1,700.00.
Decrease line item 1054310-52010 (Supplies and Materials) by $1,600.00 to $74,640.00.
Decrease line item 1054310-51330 (Retirement) by $300.00 to $54,000.00.
Decrease line item 1054310-51130 (401K Supplement Retirement) by $800.00 to $53,300.00.
Decrease line item 1054310-51120 (Separation Allowance) by $900.00 to $5,600.00.
Decrease line item 1054310-53010 (Buildings & Grounds Maintenance) by $600.00 to $400.00.
Decrease line item 1054310-54300 (Utilities) by $3,000.00 to $48,000.00.
Decrease line item 1054310-54350 (Printing) by $150.00 to $2,850.00.
Decrease line item 1054310-55150 (Insurance & Bonding) by $5,200.00 to $34,800.00.
Decrease line item 1054310-55500 (Dues and Subscriptions) by $180.00 to $1,320.00.
Decrease departmental total by $11,800.00 to $2,285,816.00.

County Jail
Increase line item 1054320-51030 (Salaries and Wages Part-Time) by $3,800.00 to $65,085.00.
Increase line item 1054320-51350 (Group Insurance) by $500.00 to $47,215.00.
Increase line item 1054320-52060 (Uniforms) by $2,000.00 to $9,000.00.
Increase line item 1054320-52350 (Automotive Supplies) by $1,500.00 to $4,700.00.
Increase line item 1054320-54010 (Travel/Training) by $100.00 to $1,100.00.
Increase line item 1054320-55470 (Juvenile Detention) by $6,000.00 to $18,000.00.
Increase line item 1054320-55480 (Prisoner Safekeeping) by $500.00 to $5,831.00.
Increase line item 1054320-56010 (Equipment) by $19,729.00 to $21,798.00.
Decrease line item 1054320-51520 (Professional Services – Medical) by $2,000.00 to $11,000.00.
Decrease line item 1054320-52010 (Supplies & Materials) by $4,000.00 to $23,000.00.
Decrease line item 1054320-52070 (Uniforms – Prisoners) by $2,000.00 to $2,000.00.
Decrease line item 1054320-52200 (Food & Provisions) by $4,079.00 to $97,921.00.
Decrease line item 1054320-52300 (Equipment Maintenance) by $800.00 to $6,200.00.
Decrease line item 1054320-53040 (Vehicle Maintenance) by $800.00 to $200.00.
Decrease line item 1054320-53050 (Radio Maintenance) by $250.00 to $250.00.
Decrease line item 1054320-54200 (Telephone) by $100.00 to $4,500.00.
Decrease line item 1054320-55020 (Rent – Buildings & Equipment) by $300.00 to $300.00.
Increase departmental total by $19,800.00 to $830,094.00.

Planning and Development
Decrease line item 1054910-51050 (Personnel Expansion) by $4,000.00 to $10,265.00.
Decrease departmental total by $4,000.00 to $132,866.00.

Road Signs Project
Increase line item 1054912-51030 (Salaries & Wages Part-Time) by $4,000.00 to $15,000.00.
Increase departmental total by $4,000.00 to $62,618.00.

Emergency Medical Services
Increase line item 104370-56010 (Equipment) by $57,661.00 to $300,093.00.
Increase departmental total by $57,661.00 to $2,682,644.00.

Natural Resources Conservation Service
Create line item 1054960-53020 (Equipment Maintenance).

Recreation
Increase line item 1056120-59651 (Building/Park Reserve) by $5,500.00 to $182,971.00.
Increase departmental total by $5,500.00 to $358,662.00.

The above action does not change fund totals.

18. Approved the following subdivision plats as requested and recommended by the Planning Director:
   • Cadle Ford Acres (Final)
   • Cedar Gate (Final)
   • Michael and Cynthia Mullis (Final)
   • Katheen Patterson Heirs Northern Section (Final)

19. Authorized Dr. Walter Linz to negotiate salary compensation for a Computer Support Tech II position which requires no additional County funds.
20. Approved the following tax matters:

- Tax releases for the month ending June 30, 1999 totaling $12,332.13.
- Tax adjustments for the month ending June 30, 1999 totaling $759.99.
- Motor vehicle renewals for March 1999 totaling $256,183.50.
- Motor vehicle renewals for April 1999 totaling $274,360.86.
- Authorized the Tax Administrator to collect 1998 discoveries totaling $1,152.16.

Chairman Harrell opened the floor for the Open Forum portion of the meeting asking for comments from the audience on any subject on which they wished to speak. Slim Reynolds, Citizen, encouraged the Board to continue support of the recreational programs and Fisher River Park development.

Commissioner York introduced the following resolution and moved for its adoption. Commissioner O’Neal made a second to the motion, and the vote to adopt was unanimous.

RESOLUTION

WHEREAS, the Community of White Plains is one of the most densely populated unincorporated communities in Surry County; and

WHEREAS, White Plains is expected to accelerate its pattern of urban development with the installation of municipal water systems and the close proximity of the newly opened Interstate 74, newly developing commercial areas, and the newly opened Piedmont Triad West Industrial Park; and

WHEREAS, approximately 1,500 citizens in the White Plains Community currently benefit from the services of a contract Post Office; and

WHEREAS, that office is in danger of closing at the end of the current contract.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Surry County hereby petitions the United States Postal Service to create a full service Post Office to serve the greater White Plains Community.

ADOPTED this 19th day of July, 1999.

Following adoption of the resolution, Commissioner O’Neal made a motion to send a letter to Senator John Edwards informing him that the Board wants to go on record opposing any desecration or disrespect of the American flag. Gary York made a second to the motion, and the vote to forward the letter to Senator Edwards was unanimous.

Commissioner Gary York spoke briefly on the water effort in the Toast and White Plains Communities and asked that a joint meeting between the Commissioners and municipal officials be set
to move the project forward. The Commissioners agreed to call a meeting of the Water Steering Committee for July 28, 1999.

Crystal Morphis, President of the Surry County Economic Development Partnership, gave the Board an update on Partnership activities for 1999. Ms. Morphis also requested that the County participate in financing the grand opening ceremonies of the Piedmont Triad West Corporate Park up to $300. The Board took no action on Ms. Morphis' request at this time, but did take action later on in the meeting which is reflected in these minutes on page 5789.

Chairman Harrell continued the meeting by calling to order a public forum as scheduled on the agenda to receive more information regarding Camp I Can. Tom Kilby, Tim Bodford and Rick Smith discussed with the Board the week-end program indicating that grant funds from the Governor’s Crime Prevention Commission would be used to operate the program on the Cleve Harris farm in Pilot Mountain. Mr. Harris was present and spoke in favor of the program. Chairman Harrell asked for other comments from the audience. There were no other comments.

Mr. Kilby indicated to the Board that the Council of Governments would act as the administrative agency for the grant funds, if the County Commissioners supported the program to operate in Surry County. Following discussion, Commissioner Gary York made a motion to hold a formal public hearing at the August 2 meeting and asked the County Manager to widely advertise the meeting. Commissioner Paul Johnson made a second to the motion, and the vote was as follows:

AYES: Gary York, Paul Johnson, Fred O'Neal
NAYS: Jim Miller, Jim Harrell

The ayes carried, therefore, a public hearing is set on the proposal for August 2, 1999.

Jim Hazel and members of the Surry County Humane Society were present to discuss the employment of an Animal Abuse Investigator for Surry County. Mr. Hazel presented petitions to the Board in support of an Animal Abuse Investigator being hired by the County. The Board discussed the matter with Mr. Hazel and indicated that an additional Animal Control Officer had been approved in the budget, which would allow the department to investigate legitimate reports. Following Mr. Hazel's discussion with the Board, Wayne Cooper gave the Board an update on operation of the Animal Control Center.

Commissioner Gary York recognized Tom Hemmings for being chosen as the 1999-2000 Principal of the Year in the Surry County Schools system. Mr. Hemmings was presented with a certificate and pin in recognition of this honor.

Commissioner Jim Harrell recognized Joann Wilmoth, who retired from the Surry County Finance Office on June 30, 1999, and presented Mrs. Wilmoth with a resolution adopted earlier by the Board in appreciation of her services to the County of Surry.
Ron Norman, Tax Administrator, came before the Board to request payment of invoices totaling $13,046.81 be made to MUNIS for tax software services. Mr. Norman requested that the invoices be paid from the 1999 budget. Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to pay the $13,046.81 and an additional invoice in the amount of $175.00 as requested by Mr. Norman.

Teresa Kinney, Planning Director, spoke briefly with the Board highlighting several issues concerning planning and development. Ms. Kinney introduced Ron Sutphin, a Planning Intern, and asked Mr. Sutphin to review the issues with the Commissioners. Mr. Sutphin spoke with the Board, encouraging the Commissioners to set up a workshop with the Planning Board to address proposed subdivision regulations. Mr. Sutphin continued his discussion with the Board, presenting two requests for variances to the Addressing Ordinance. Mr. Sutphin requested, on behalf of the Planning Department and the Planning Board, that no variances be granted until a new addressing ordinance is adopted or unless recommended by the Planning Department or the Planning Board.

Following discussion, Paul Johnson made a motion that no variances be allowed until the adoption of the new addressing ordinance unless a wrong address was issued by the County. Gary York made a second to the motion, and the vote was as follows:

AYES: Paul Johnson, Gary York, Jim Miller, Jim Harrell
NAYS: Fred O’Neal

The ayes carried, therefore, the motion passed.

Mr. Sutphin then presented the Board with a proposed draft of the Recreational Vehicle Park Ordinance for review and indicated that the Planning Board will hold a public hearing in September on the proposed ordinance.

Upon motion of Jim Harrell, seconded by Jim Miller, the Board voted unanimously to appoint Gary York as the County Commissioner representative on the Land Use Plan Steering Committee and appointed the following to serve on the Committee: C. L. White, John Evans, Bobby Lovill, Joe Walker and David Haynes.

Barbara Anderson, Director of Social Services, came before the Board to request release of budgeted funds to create two additional Social Worker III positions in the Department. Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to release the funds to create the positions as requested and authorized Mrs. Anderson to recruit to fill the positions.

Mrs. Anderson then requested permission to release capital funds, which were budgeted in the FY 1999-2000 budget in the amount of $180,000, to purchase computer hardware and software. Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to authorize the release of the capital funds.
Jim Miller made a motion to authorize the purchase of two pieces of imaging equipment in the amount of $13,000 as requested by Mrs. Anderson. Fred O’Neal made a second to the motion, and the vote was as follows:

**AYES:** Jim Miller, Fred O’Neal, Jim Harrell, Paul Johnson  
**NAYS:** Gary York

The Board continued discussion on this item, and Commissioner O’Neal made a motion to amend the original motion to include obtaining informal quotes for the imaging equipment from at least three vendors. Jim Miller made a second to Commissioner O’Neal’s motion, and the vote to amend was unanimous. Chairman Harrell then called for a vote on the original motion to include the amendment. The vote was unanimous on the original motion made by Commissioner Jim Miller.

Mrs. Anderson continued her presentation, updating the Board on the “Surry County Works Plan,” presenting the Board with a revised “Surry County Works Plan” as mandated by the State.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to allow Mildred Burton, employee of the Finance Office, to transfer accumulated sick leave in the amount of 105.75 hours during her employment with Crossroads Behavioral Healthcare.

Dennis Thompson, County Manager, presented the following bids on a heating and cooling system for the Health & Nutrition Center:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pike Electric</td>
<td>$93,627.00</td>
</tr>
<tr>
<td>Jerry Fore Enterprises</td>
<td>97,364.34</td>
</tr>
</tbody>
</table>

Mr. Thompson indicated that both bidders did meet specifications and recommended accepting the low bid made by Pike Electric. Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the bid submitted by Pike Electric.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve renewal of a contract between Surry County, Yadkin County, and the Surry County Sheriff’s Department for detention and imprisonment of male and female prisoners, contingent upon review and approval of the County Attorney. The new agreement is due to a new Sheriff being elected in Yadkin County. A copy of the agreement is on file in the Office of the County Manager until its expiration.

It was the consensus of the Board to authorize the County Manager to reply to City Attorney Carroll Gardner’s correspondence regarding the E-911 issue.

Upon motion of Jim Miller, seconded by Gary York, the Board voted unanimously to accept a Criminal Justice Partnership grant
in the amount of $91,112 for a period of July 1, 1999 to June 30, 2000.

It was the consensus of the Board to appoint Chairman Jim Harrell as voting delegate for the annual conference to be held in Asheville in August, with Fred O’Neal as alternate.

It was the consensus of the Board to authorize the County Manager to release the fifth and final payment of $21,000 to the Dolphin Swim Team.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to approve up to $300 to be spent on the opening ceremonies of the Piedmont Triad West Corporate Park as requested earlier in the meeting by Crystal Morphis.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to accept a Governor’s Crime Commission grant in the amount of $117,797.60 for the Family Violence Shelter. Surry County will act as the administrator of the grant, with the stipulation that the Shelter have 20% non-County matching funds required to receive the grant.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve the following rate schedule for the Home Health Agency as requested by Dr. Walter Linz:

<table>
<thead>
<tr>
<th></th>
<th>1998 cost</th>
<th>MCD</th>
<th>MCR</th>
<th>Current rates</th>
<th>Recommended rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing</td>
<td>$ 75.24</td>
<td>$ 91.59</td>
<td>$ 94.95</td>
<td>$ 90.00</td>
<td>$ 95.00</td>
</tr>
<tr>
<td>PT</td>
<td>75.66</td>
<td>90.26</td>
<td>106.38</td>
<td>90.00</td>
<td>100.00</td>
</tr>
<tr>
<td>OT</td>
<td>88.25</td>
<td>90.26</td>
<td>108.21</td>
<td>96.00</td>
<td>105.00</td>
</tr>
<tr>
<td>ST</td>
<td>69.33</td>
<td>90.26</td>
<td>111.14</td>
<td>95.00</td>
<td>105.00</td>
</tr>
<tr>
<td>MSW</td>
<td>144.57</td>
<td>0</td>
<td>147.35</td>
<td>132.00</td>
<td>145.00</td>
</tr>
<tr>
<td>Aide</td>
<td>34.72</td>
<td>41.90</td>
<td>39.65</td>
<td>48.00</td>
<td>48.00</td>
</tr>
</tbody>
</table>

PCS rates should also be adjusted to cover cost of services. Our current charge is $12.32 per hour; recommended rate for FY 2000 is $13.00 per hour.

Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to go into closed session to discuss personnel issues and to discuss the price negotiation of the Lowe’s property in Mount Airy.

The Board came out of closed session, and Chairman Harrell reconvened the regular meeting.
Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted unanimously to approve the following personnel actions:

1. Approved a request from Dr. Walter Linz for tuition reimbursement for Samantha Berryman, an employee in the Health & Nutrition Center. A copy of the agreement is on file in the Office of the County Manager and in the personnel file of Samantha Berryman.
2. Approved a request from Sheriff Connie Watson for an additional one-step increment increase for Lauretta Ramey, effective July 1, 1999.
3. Approved a request from the Surry County Board of Health that Dr. Linz receive a one-step merit increase effective July 1, 1999.
4. Approved a request from Sheriff Connie Watson that Jody Seaver, a County employee transferring to the Sheriff’s Office, be paid accumulated annual leave and comp time before he is transferred to the Sheriff’s Office.

Upon motion of Paul Johnson, seconded by Jim Miller, the Board voted to authorize the County Manager to sign the necessary paperwork to grant the Tax Administrator, Ron Norman, a one-step increment increase upon the 1999 tax bills being sent out. The vote on the motion was as follows:

AYES: Paul Johnson, Jim Miller, Jim Harrell, Fred O’Neal
NAYS: Gary York

The ayes carried, therefore, the motion passed.

There being no further business, the Board recessed the meeting until Tuesday, July 27, at 6:30 p.m., at which time the Board will conduct interviews for a new Clerk to the Board and other business as necessary.

____________________________
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners reconvened the meeting of July 19, 1999 at 6:30 p.m., on July 27, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O’Neal and Paul Johnson.

Others present for the meeting were:

Dennis Thompson, County Manager
Linda H. Wilkins, Clerk to the Board

Chairman Harrell reconvened the meeting. Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to go into closed session to conduct interviews for the Clerk to the Board’s position.

The Board came out of closed session, and the regular meeting was reconvened. There being no further business, the Board adjourned the meeting.

Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on August 2, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O'Neal and Paul Johnson. Commissioner O'Neal left the meeting at 8:45 p.m.

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

Dennis Thompson, County Manager
Linda Wilkins, Clerk to the Board
Ron Sutphin, Planning Intern
Todd Stanley, Sheriff’s Office
Jan Hudson, Public Works Department
Jerry Snow, Public Works Director
Glenn East, Recycling Program Coordinator
Sheriff Connie Watson
Fred Folger, County Attorney, entered the meeting at 7:40 p.m.
Angela Leonard, Mount Airy News
Mike Hoyng, Adult Probation & Parole
Jack Moore, Juvenile Services
Tim Bodford, Camp I Can
Aaron Hunter and Members of the Pilot Knob VFD
Rick Smith, CBA Consultant
David Jones, Northern Hospital of Surry County
Melinda Darling, Camp I Can Board of Directors
Wilbur Hudson, Citizen
Cheryl Howard, Citizen
Sue Johnson, Citizen
Becky Lawson, Citizen
Zoe Claxton, Citizen
Dewey Armstrong, Citizen
Brenda Peterson, Waste Management
Gordon Leonard, Waste Management
Dr. Stephen Laws, Elkin City Schools Superintendent
Ron Mack, Elkin City Schools Maintenance Supervisor
Billy Pell, Pilot Mountain Town Manager
Vadim Gaiduk, Farit Galiev, Aleksey Vertiporokov and Evgeniya Schipalova, Russian Visitors hosted by Rotary International

Chairman Jim Harrell called the meeting to order. Commissioner Jim Miller delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Jim Miller, seconded by Fred O'Neal, the Board voted unanimously to approve the minutes of the July 19, 1999 meeting, with one correction, and the July 27, 1999 meeting as written.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve the following consent agenda items. The Boards and Commissions appointments in the consent agenda will be considered later in the meeting.
1. Approved the following refunds due to overpayment, payment in error, or not receiving services:
   - EMS – CIGNA Federal Insurance Benefits, NC, P. O. Box 10820, Newark, NJ for patient, Tyne T. Smith - $72.00.
   - EMS – EDS Federal Corporation, P. O. Box 300009, Raleigh, NC for patient, Tyne T. Smith - $18.00.
   - EMS – Tri-Care, P. O. Box 1058, Portsmouth, VA, for patient, Sharon Pearson - $129.00.
   - Environmental Health – Keith Jones, 306 Cherry Street, Mount Airy - $25.00.

2. Approved a fireworks permit for the Relay for Life Organization, which will host the pyrotechnic display at Veterans Park on August 13, 1999.

3. Adopted the following resolution in recognition of Teresa Elaine Kinney:

   **RESOLUTION**

   WHEREAS, Teresa Elaine Kinney was employed with Surry County from August 14, 1995 until August 31, 1999 as the Surry County Planning Director; and

   WHEREAS, the citizens of Surry County recognize Ms. Kinney for her service to Surry County; and

   WHEREAS, the Surry County Board of Commissioners wishes to publicly commend Ms. Kinney for untiring execution of her duties while she served as a County employee.

   NOW, THEREFORE, BE IT RESOLVED

   That Teresa Elaine Kinney exhibited a fine spirit of cooperation with the public and other County employees while carrying out her duties as a County employee.

   That the Board commends Ms. Kinney for the professional manner in which she served the citizens of Surry County and wishes to express its appreciation to her for devotion to duty and sense of responsibility while performing her duties.

   ADOPTED this the 2nd day of August, 1999.

4. Approved transfer of 200 hours of sick leave accumulated by Susan Hemric, Health Department employee, while she was in the service of Cleveland County.

5. Authorized Dr. Walter Linz, Health Director, to use grant funds to employ a Health Education Specialist, up to Grade 67/Step 18, for the Cardiovascular Health Regional Prevention Program. This approval is for the life of the grant only.

6. Authorized the County Manager to contact Sergeant Robert Lawson, with the North Carolina Highway Patrol, informing him that the County will not be able to accommodate his request for office space in the Judicial Center.
7. Authorized the County Manager to prepare a proclamation for adoption in celebration of N.C. Cooperative Extension's 85th anniversary.


9. Accepted a recommended Deed of Easement, as prepared by the County Attorney, from James Thomas Love and wife to Surry County for water and sewer taps in the Airport Road/Holly Springs area.

10. Reappointed Dixie Lee Atkins, Dorothy Hicks, and Rebecca York as members of the Surry County Nursing/Domiciliary Homes Advisory Council for three-year terms.

11. Approved Budget Amendment #1 to the FY 1999-2000 Budget Ordinance as follows:

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**GENERAL FUND**

**Expenditures**

**Buildings & Grounds-County**
- Decrease line item 1054190-59620 (County Buildings Reserve) by $3,627.00 to $36,373.00.
- Decrease departmental total by $3,627.00 to $120,873.00.

**Special Appropriations**
- Increase line item 1054198-57125 (Pilot Restoration) by $25,000.00 to $25,000.00.
- Increase departmental total by $25,000.00 to $196,138.00.

**Non-Departmental**
- Decrease line item 1054199-59510 (General Fund Contingency) by $55,000.00 to $145,000.00.
- Decrease departmental total by $55,000.00 to $825,000.00.

**Community Policing Grant**
- Create line item 1054314-51020 (Longevity Pay)

**Fire Marshal**
- Increase line item 1054340-51030 (Salaries & Wages Part-Time) by $800.00 to $800.00.
- Decrease line item 1054340-51040 (Salary Reserve) by $800.00 to $3,753.00.
- The above action does not change departmental total.

**Emergency Medical Services**
- Increase line item 1054370-56010 (Equipment) by $38,440.00 to $60,140.00.
- Decrease line item 1054370-55100 (Capital Leases) by $38,440.00 to $159,420.00.
- The above action does not change departmental total.

**Rabies Control**
- Increase line item 1054380-51010 (Salaries & Wages) by $10,320.00 to $117,582.00.
- Increase line item 1054380-51040 (Salary Reserve) by $360.00 to $4,146.00.
- Increase line item 1054380-51300 (Social Security)
MEETING OF AUGUST 2, 1999 CONTINUED

by $650.00 to $7,860.00.
Increase line item 1054380-51310 (Medicare)
by $154.00 to $1,844.00.
Increase line item 1054380-51330 (Retirement)
by $516.00 to $6,366.00.
Create and increase line item 1054380-55020 (Rent-Buildings and Equipment) by $96.00 to $96.00.
Decrease line item 1054380-52010 (Supplies & Materials) by $96.00 to $5,904.00.
Increase departmental total by $12,000.00 to $177,673.00.

Health Department Building
Increase line item 1055112-56600 (Other Improvements)
by $93,627.00 to $93,627.00.
Increase departmental total by $93,627.00 to $103,927.00.

Community Base Injury
Increase line item 1055121-52010 (Supplies & Materials)
by $500.00 to $2,000.00.
Create and increase line item 1055121-52250 (X-ray Supplies)
by $600.00 to $600.00.
Increase departmental total by $1,100.00 to $56,041.00.

State Home Health
Create and increase line item 1055154-55020 (Rent-Buildings & Equipment) by $513.00 to $513.00.
Decrease line item 1055154-52010 (Supplies & Materials) by $96.00 to $14,904.00.
Decrease line item 1055154-54250 (Postage) by $417.00 to $4,583.00.
The above action does not change departmental total.

Environmental Health
Increase line item 1055181-52010 (Supplies & Materials)
by $677.00 to $4,177.00.
Increase departmental total by $677.00 to $311,637.00.

Migrant Farmworker Grant
Increase line item 1055195-51010 (Salaries & Wages)
by $517.00 to $22,393.00.
Increase line item 1055195-51040 (Salary Reserve)
by $255.00 to $912.00.
Increase line item 1055195-51300 (Social Security)
by $289.00 to $1,686.00.
Increase line item 1055195-51310 (Medicare)
by $68.00 to $395.00.
Create and increase line item 1055195-51720 (Contracted Services) by $750.00 to $750.00.
Increase line item 1055195-54200 (Telephone)
by $500.00 to $1,000.00.
Decrease line item 1055195-51030 (Salaries & Wages Part-Time) by $750.00 to $4,800.00.
Decrease line item 1055195-51330 (Retirement)
by $7.00 to $1,120.00.
Decrease line item 1055195-52010 (Supplies & Materials)
by $1,175.00 to $1,805.00.
Decrease line item 1055195-54010 (Travel/Training)
by $447.00 to $8,353.00.
The above action does not change departmental total.

Revenue
Create and increase line item 1049810-49880 (Trans from Bldg. Res-Co. Bldg.) by $60,000.00 to $60,000.00.
Create and increase line item 1045121-43307 (State-HIV/STD) by $500.00 to $500.00.
Create and increase line item 1045121-43308 (State TB Medical SVCS) by $600.00 to $600.00.
Increase line item 1045181-43323 (Environmental Health Grant) by $677.00 to $6,677.00.
Create line item 1045126-44165 (Patriot Sport Physicals).
Create line item 1045155-48900 (Miscellaneous).
Increase line item 1045181-44162 (Environmental Health Fees) by $12,000.00 to $67,600.00.

Increase fund totals by $73,777.00 to $47,849,701.00.

County Building Capital Reserve Fund

Expenditures

Create and increase line item 6254250-59146 (Trans to GF-Health Bldg.) by $60,000.00 to $60,000.00.
Decrease line item 6254250-59620 (County Buildings Reserve) by $60,000.00 to $151,460.00.

The above action does not change fund totals.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the following Boards and Commissions appointments:

1. Appointed Slim Reynolds to fill the unexpired term of Jerry Weaver, who recently resigned from the Surry County Recreation Advisory Committee. Mr. Reynolds' term will expire December 31, 2000.
2. Reappointed Garnett Steele as a member of the Social Services Board. Mr. Steele's term will expire June 30, 2002.

Chairman Harrell called the public forum session to order and asked those present for comments on any subject on which they wished to speak.

Aaron Hunter, with the Pilot Knob VFD, and a Mr. Jones, who is a resident of the Pilot Mountain area, expressed concerns on the FY 1999-2000 tax reduction in the Fire Department's tax district. There were no other comments, therefore, the public forum session was closed, and the Board continued with business from the County Manager.

The County Manager presented the following resolution for the Board's consideration:

RESOLUTION

WHEREAS, Angela Marie Leonard has accepted an offer of employment as Clerk to the Board of County Commissioners.

NOW, THEREFORE, BE IT RESOLVED that Mrs. Leonard shall begin her official duties as an employee of Surry County on August 9, 1999, at salary grade 64-4, and shall serve as Deputy Clerk until September 1, 1999, at which time she shall assume full responsibilities as Clerk to the Board.
ADOPTED this 2nd day of August, 1999.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to adopt the foregoing resolution as read.

Dennis Thompson, County Manager, informed the Board that the architects for the Judicial Center had made a presentation to the Dobson Town Board concerning the closure of White Street. Mr. Thompson indicated to the Board that according to the architects, the Town Board has agreed to close the street, subject to the County making a formal request. Following discussion, Gary York made a motion to authorize the County Manager to make the request on behalf of the Board. Jim Miller made a second to the motion, and the vote was as follows:

AYES: Gary York, Jim Miller, Jim Harrell, Jr., Paul Johnson
NAYS: Fred O'Neal

The ayes carried; therefore, the motion passed.

Chairman Harrell declared the meeting a public hearing to determine public sentiment regarding a proposed location for Camp I Can's structured weekend program for juvenile offenders. Cleve Harris, a Pilot Mountain resident, had offered his farm for operation of the weekend program at a previous Board meeting. Tim Bodford, Director of Camp I Can on Highway 268, who applied for grant funds to operate the program in Surry County, was recognized by Chairman Harrell. Mr. Bodford read a statement from Cleve Harris indicating that due to close neighbors in the area being opposed to the weekend program being conducted on the farm, he felt he must withdraw his offer.

Jack Moore, Chief Court Counselor for Juvenile Services, spoke with the Board indicating that he had recently received information that other counties in the district are eligible to administer the program with it operating in Surry County. Mr. Moore indicated that he would not support or make referrals to the program if this were the case. Wilbur Hudson and Dewey Armstrong, residents in the area, spoke in opposition of the camp being located in a residential area. Those speaking in favor of the camp were Sue Johnson, Becky Lawson, Melinda Darling, Zoe Claxton, Cheryl Howard, Mabel Shelton and Michelle Jones.

There were no other comments; therefore, the public hearing was closed. Paul Johnson made a motion to ask the County Manager to send a letter to other counties involved in the project, asking them to notify the Surry County Board of Commissioners before making a decision to administer the grant for the camp to be operated in Surry County. The motion failed for a lack of second.
Commissioner Gary York recognized David Jones and four Open World Leadership Program participants from Russia. Commissioner York presented the participants with Surry County Ambassador pins in recognition of their visit to the United States and Surry County.

Brenda Peterson and Gordon Leonard with Waste Management reviewed a proposed contract, reviewing several options, for operation of the convenience centers in Surry County. After discussion, the County Manager was asked if he had a recommendation regarding the proposal. Mr. Thompson indicated his recommendation would be Option 1, indicating that it would serve the County well, allowing the Public Works Director to have one year to close current projects and to develop a transfer station and a demolition station at the Elkin site, prior to undertaking management of the convenience centers.

Following discussion, Gary York made a motion to table the decision until the meeting of August 16, enabling the Board to obtain more information on operation of the convenience sites. Paul Johnson made a second to the motion, and the vote was unanimous.

Billy Pell, Pilot Mountain Town Manager, came before the Board to request funding of 50% of up to $5000 for a study in preparation of a grant application for water line extensions outside the corporate limits of the Town of Pilot Mountain. The Town will pay the other 50%. Mr. Pell indicated that the areas of consideration are the Shoals Road area and Buckingham Estates.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to fund one-half of the fee charged by The Wooten Company, up to a maximum participation of $2500, for preparation of the application.

Dr. Stephen Laws and Ron Mack, with the Elkin City Schools system, presented the costs for the Elkin Elementary School building demolition and playground project and asked for the Board's favorable consideration to fund the project in the amount of $76,366.53. Following discussion, it was the consensus of the Board to table Dr. Laws' request until the next regular meeting to enable the Commissioners to study the funding situation for the school systems in Surry County. The Board instructed the County Manager and the Assistant County Manager for Budget & Finance to develop financial information.

Commissioner Fred O'Neal left the meeting at this time due to illness.

It was the consensus of the Board to authorize the County Manager to continue his correspondence with the Mount Airy City Attorney regarding the E-911 system.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to go into closed session to discuss personnel.
Following closed session, the Board reconvened the regular meeting.

Paul Johnson made a motion to approve the following personnel items. Gary York made a second to the motion, and the vote was unanimous.

1. Approved a two-step increment increase for Barbara Anderson, Social Services Director.
2. Approved an extra step merit increase for Mark Ward and Wayne Davis, employees of the Sheriff's Office.
3. Instructed the County Manager to offer the Assistant Planning Director position to Ron Sutphin, who currently works in the Planning Department, at Grade 70/Step 1.

The Board agreed to meet at 6:30 p.m. on August 23 to interview Planning Director candidates and at 6:30 p.m. on August 26 to review the proposed subdivision ordinance.

There being no further business, the Board adjourned the meeting.

______________________________  ______________________  ______________
Linda H. Wilkins
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on August 16, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Jim Miller, Fred O'Neal and Paul Johnson.

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

- Dennis Thompson, County Manager
- Linda Wilkins, Clerk to the Board
- Angela Leonard, Deputy Clerk to the Board
- Ron Sutphin, Assistant Planning Director
- Jan Hudson, Public Works Department
- Jerry Snow, Public Works Director
- Glenn East, Recycling Program Coordinator
- Sheriff Connie Watson
- Fred Folger, County Attorney, entered the meeting at 6:40 p.m.
- Eric Apple, Information Technology Director
- Ron Norman, Tax Administrator
- Phyllis Vass, Tax Department
- Cathy Booker, Tax Department
- Jeff Linville, Mount Airy News
- Todd Merriman, Elkin Tribune
- Mike Hoyng, Adult Probation & Parole
- Don Riddle, Pilot Mountain VFW Commander
- Graham Atkinson, Sheriff’s Department, and Family
- Brenda Peterson, Waste Management
- Gordon Leonard, Waste Management
- Aaron Frances, Waste Management
- Dr. Stephen Laws, Elkin City Schools Superintendent
- David Swann, Crossroads Behavioral Healthcare Director
- Tom York, Citizen
- Charles and Brenda Joyce, Citizens
- Cheryl Scott, Citizen
- Joe Smith, Citizen
- Marsha Bledsoe, Surry County Schools Superintendent
- Lloyd Johnson and Richard Collins, Skull Champ Volunteer Fire Department
- Slim Reynolds, Recreation Advisory Committee
- Crystal Morphis, Surry County Economic Development Partnership President
- Floyd Culler, Citizen
- Dean Bray, Jr., Citizen
- Dean Bray, III, Citizen
- Kay Hooker, Citizen

Chairman Jim Harrell called the meeting to order. Commissioner Fred O’Neal delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Paul Johnson, seconded by Jimmy Miller, the Board voted unanimously to approve the minutes of the August 2, 1999 meeting.
Upon motion of Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to approve the following consent agenda items.

1. Approved the following refunds due to overpayment, payment in error, or not receiving services:
   - EMS – Partners Insurance Company, P. O. Box 24907, Winston-Salem, NC for patient, Amanda Patton - $115.00.
   - EMS – Partners Insurance Company, P. O. Box 24907, Winston-Salem, NC for patient, Christine Gordon - $205.00.
   - EMS – Lisa Finney, 611 Willow Street, Lakehurst, NJ - $10.00.
   - EMS – Omie Shelton, 208 Wagoner Street, Jonesville, NC - $367.00.
   - EMS – Mary S. Couch, 265 E. Walker Road, Elkin, NC - $142.00.
   - EMS – Bonnie S. Flynn, 298 Romey Snow Road, Dobson, NC - $80.00.

2. Approved the following proclamation in honor of the Eighty-Fifth Anniversary of the North Carolina Cooperative Extension Service:

   **PROCLAMATION**

   EIGHTY-FIFTH ANNIVERSARY OF THE NORTH CAROLINA COOPERATIVE EXTENSION SERVICE

   WHEREAS, eighty-five years ago, the North Carolina Cooperative Extension Service was established as a partnership of county, state and federal governments; and

   WHEREAS, the essence of the North Carolina Cooperative Extension Service has long been to help people put knowledge to work so that they can improve their lives; and

   WHEREAS, Extension has been a supportive partner of other county programs, including but not limited to social services and natural resources; and

   WHEREAS, throughout its history, Extension has focused on providing people with educational programs that meet their needs, providing decision-makers with objective information and providing the framework for successful individuals, families and communities; and

   WHEREAS, Extension takes the research of North Carolina’s two land-grant institutions—North Carolina State University and North Carolina A&T State University—and develops educational resources based upon the needs of North Carolinians; and

   WHEREAS, Extension centers are located in all 100 counties and on the Cherokee Reservation.

   NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF SURRY COUNTY does hereby proclaim 1999 as "EXTENSION HERITAGE YEAR" in Surry County and urges all county citizens to use, visit and support their local Extension Service, and encourages all Surry County citizens to join us in celebration of this anniversary. Let us honor with appropriate activities and ceremonies those who have served us, and let us remember this great heritage.

   ADOPTED this 2nd day of August, 1999 in Dobson, North Carolina.
3. Approved the transfer of 200 hours of sick leave accumulated by Davis A. Vernon, Emergency Services employee, while he was in the service of the city of Mount Airy.

4. Approved an agreement between the U.S. Department of Agriculture Natural Resources Conservation Service, the Department of Environment and Natural Resources-Division of Soil and Water Conservation, the Surry Soil and Water Conservation District, and Surry County for their cooperation in the conservation of natural resources. A copy of the agreement is on file in the office of the County Manager until its expiration.

5. Approved tax refunds in the amount of $3,323.75 for the month ending July 31, 1999; approved tax releases for the month ending July 31, 1999 in the amount of $9,611.46; approved tax adjustments for the month ending July 31, 1999 in the amount of $135.15; approved tax discoveries for the month ending July 31, 1999 in the amount of $1,395.18; charged Ron Norman, Tax Administrator, to collect taxes set forth in tax books for Real Estate and Personal Property in January 1999 in the amount of $19,814,475.53; charged Ron Norman, Tax Administrator, to collect the 1998 advertising costs; in the amount of $9,070; and approved the Tax Collector’s Annual Settlement of Collection for fiscal year ending June 30, 1999 in the amount of $20,147,948.14.

6. Approved the following Planning Department matters, contingent upon permits being in place as required:

- Clover Field Subdivision (Final)
- Riverchase Subdivision, Sections 1, 2, and 3 (Final)
- Orchard View Park Subdivision (Final)
- Larry Jack and Diana Hall Portis Subdivision (Final)
- Grady Marion Subdivision (Preliminary/Final)
- Wall Mobile Home Park (Revised Plan - Final)

7. Approved a fireworks display permit for Friendship Speedway to use September 6, 1999.

Chairman Harrell opened the floor for the open forum portion of the meeting asking for comments from the audience on any subject on which they wished to speak. Joe Smith of Pilot Mountain said that he would not like to see any changes made at the urban convenience centers. A Westfield resident requested improvements to the rural convenience center in her neighborhood, citing traffic hazards due to a blind curve and speeding. Aaron Frances, employee of Waste Management Inc. at the Flat Rock center said he would like to see the problem of identifying Virginia residents who use the center addressed.

After those comments were received, the public forum session was closed and the Board continued with regular business.

David Swann, Director of Crossroads Behavioral Healthcare presented a resolution for the Board’s consideration allowing Crossroads to hold title to property where it intends to build a new facility near Elkin. Upon motion of Fred O’Neal, seconded by
Jimmy Miller, the Board voted unanimously to adopt the following resolution:

JOINT RESOLUTION
OF
THE BOARD OF COUNTY COMMISSIONERS OF IREDELL COUNTY
THE BOARD OF COMMISSIONERS OF SURRY COUNTY
THE BOARD OF COMMISSIONERS OF YADKIN COUNTY
APPROVING THE CONVEYANCE OF CERTAIN REAL PROPERTY
BY THE TOWN OF ELKIN, NORTH CAROLINA TO
CROSSROADS BEHAVIORAL HEALTHCARE

WHEREAS, the Town of Elkin is a municipal corporation located in Surry County, North Carolina; and,

WHEREAS, Crossroads Behavioral Healthcare is an area mental health, developmental disabilities and substance abuse authority as defined in NC GS 122C-3; and,

WHEREAS, the Town of Elkin has offered to convey to Crossroads Behavioral Healthcare, a tract of real property containing approximately 3.167 acres, more or less located in the Town of Elkin, Elkin Township, Surry County, North Carolina along with a non-exclusive 60-foot wide right-of-way running from U.S. Highway 21 to said tract of real property in exchange for Crossroads Behavioral Healthcare on or before January 1, 2002, constructing on said tract, improvements that cost a minimum of $1,000,000.00 and in exchange for Crossroads Behavioral Healthcare constructing a road or street according to North Carolina Department of Transportation specifications for an industrial access road or street on said 60-foot right-of-way; and

WHEREAS, North Carolina General Statute 122C-1479(c) provides that an area authority may hold title to real property with the approval of the boards of commissioners of all of the counties that comprise the area authority, which approval shall be by resolution of the boards; and,

WHEREAS, Iredell County, Surry County and Yadkin County are the counties that now comprise Crossroads Behavioral Healthcare Area Authority.

NOW THEREFORE BE IT RESOLVED JOINTLY BY THE BOARDS OF COUNTY COMMISSIONERS OF IREDELL COUNTY, OF SURRY COUNTY, AND OF YADKIN COUNTY AS FOLLOWS:

Pursuant to North Carolina General Statute 122C-147(c) Crossroads Behavioral Healthcare is hereby authorized to acquire and hold title to the following described real property:

(A-09782) Lying and being in Elkin Township, Surry County, North Carolina and being 3.167 acres, more or less of the Elkin Business Park along with a non-exclusive 60-foot right-of-way running from U.S. Highway 21 to said tract of real property, a legal description of which 3.167 acres and 60-foot right-of-way will be filed in the offices of the county Managers of Iredell County, Surry County and Yadkin County.

ADOPTED AND RATIFIED in three counterparts by the Boards of Commissioners of Iredell County, Surry County and Yadkin County on the dates shown on each signature page.

This the 16th day of August, 1999.
Chairman Harrell declared the meeting a public hearing to address the following rezoning requests as recommended by the Planning Board:

- Charles Joyce property on Edgewood Drive, TAX MAP: 5929-10-0207, be rezoned from R-20 (residential) to NB (neighborhood business).
- Charles Joyce property on East Pine Street, TAX MAP: 5030-11-3197 and 5204 are rezoned from R-20 (residential) to GB (general business).
- Cheryl Scott property at 102 Coltrain Lane, TAX MAP: 5010-15-54-5422, be rezoned from R-20 (residential) to NB (neighborhood business).

There being no public comment on either request, the public hearing was closed. Upon motion of Paul Johnson, seconded by Gary York, the Board voted unanimously to approve the requests as presented.

Upon motion by Paul Johnson, seconded by Gary York, the Board voted unanimously to appoint Denny Tucker to the Land Use Plan Steering Committee.

The County Attorney entered the meeting at this time.

Chairman Harrell invited Clerk to the Board Linda H. Wilkins to administer the oath of office to Angela Leonard, Clerk to the Board, effective September 1, 1999. He then presented the following resolution to Mrs. Wilkins:

**RESOLUTION**

WHEREAS, Linda H. Wilkins was appointed Clerk to the Board of County Commissioners on February 5, 1979 and will retire from that position on September 1, 1999.

WHEREAS, Mrs. Wilkins has served as Clerk for fifteen years and six months and been involved in many areas of County government during that time; and

WHEREAS, the citizens of Surry County recognize Mrs. Wilkins for her service to Surry County; and

WHEREAS, the Surry County Board of Commissioners wishes to publicly commend Mrs. Wilkins for untiring execution of her duties while she served as a County employee.

NOW, THEREFORE, BE IT RESOLVED

That Linda H. Wilkins exhibited a fine spirit of cooperation with the public and other County employees and with the Board of Commissioners while carrying out her duties as a County employee.

That the Board commends Mrs. Wilkins for the professional manner in which she served the citizens of Surry County and the Board of Commissioners and wishes to express its appreciation to her for devotion to duty and sense of responsibility while performing her duties.
ADOPTED this the 16th day of August, 1999.

The resolution, on motion by Chairman Harrell, seconded by Fred O’Neal, was unanimously approved.

Brenda Peterson of Waste Management appeared before the Board to answer the questions about the urban convenience centers and the proposed contract to continue operation of the centers. Following discussion, Fred O’Neal made a motion to purchase the three Waste Management centers for $1.00 as provided in the current contract, take over management of the sites and close them on Sundays, eliminate open box containers, and contract with Waste Management to continue hauling from the centers. He also suggested that Public Works Director Jerry Snow develop a schedule to make open top boxes available on a rotating basis at all centers.

Jimmy Miller seconded the motion, and the vote was as follows:

AYES: Fred O’Neal, Jimmy Miller, Paul Johnson
NAYS: Jim Harrell, Jr., Gary York

The ayes carried; therefore, the motion passed.

The County Manager was instructed to work with Ms. Peterson on development of a lease or purchase agreement for the equipment at the sites and a contract to continue the hauling.

Commissioner Gary York recognized Lt. Graham Atkinson for being recognized as the state’s J. Edgar Hoover Gold Medal recipient and the state VFW’s “Law Enforcement Officer of the Year.” Commissioner York presented him with a Surry County Ambassador pin and a certificate.

Lloyd Johnson and Richard Collins of the Skull Camp Volunteer Fire Department appeared before the board to request 1.055 acres at the Lowgap Community Center be deeded to the fire department for construction of a substation.

Upon motion of Gary York, seconded by Paul Johnson, the Board unanimously approved advertising the proposed transaction.

Eric Apple, Information Technology Director, gave the Board an update on Y2K. Mr. Apple informed the Board that all PC hardware, software, heating/air conditioning equipment, and elevators in County-owned buildings were Y2K compliant and that he did not foresee any problems. Following discussion with Mr. Apple on this matter and other information technology matters, the Board requested that he provide a report on interconnecting all County offices.

Upon motion by Fred O’Neal, seconded by Gary York, the Board unanimously approved amending terms for the Juvenile Crime Prevention Council as follows in order to meet general statutes:
the terms of Rusty Slate, Gary White, Mike Hoyng, Jack Moore, Paul Kelly and Gary York are changed from three years to two years expiring June 30, 2001; the terms of Nancy Buck, Jim Forrest, Fonda Younger, Dr. Jan Riley, and Clyde Stewart are changed from two years to one year expiring June 30, 2000.

Upon motion by Chairman Harrell, seconded by Fred O’Neal, the Board unanimously appointed Dwayne Livengood to another term on the Emergency Services Advisory Board.

Upon motion by Gary York, seconded by Fred O’Neal, the Board unanimously approved allowing County employees to participate in the County Schools/Mount Airy Chamber of Commerce Partners in Education (PiE) program.

Crystal Morphis, President of the Surry County Economic Development Partnership, requested that the Board take action on an earlier request to grant an incentive to Dean Bray, Jr., for a Cross Creek distribution center. The incentive would be one-third of the cost of installing water lines to the facility, with one-third paid by the City of Mount Airy, and one-third to be paid by Mr. Bray.

Upon motion of Jim Miller, seconded by Fred O’Neal, the Board unanimously approved the following Resolution of Intent as requested by Mrs. Morphis:

**RESOLUTION OF INTENT TO EXTEND WATER SERVICE TO DISTRIBUTION CENTER IN HOLLY SPRINGS AREA**

WHEREAS, a local developer, Dean Bray, Jr., is planning a $1,000,000 distribution center in Mount Airy, Holly Springs area; and

WHEREAS, this distribution center will be leased by Cross Creek Apparel and will create approximately ten (10) jobs; and

WHEREAS, the extension of water from the Cross Creek Plant area along Old US 52 to the site is the responsibility of the builder; and

WHEREAS, the Surry County Economic Development Partnership recommends that the City of Mount Airy and Surry County share the cost of extending water service to the distribution center site with Mr. Bray, each paying one-third (1/3) of the total cost; and

WHEREAS, the City and County share of the cost will be limited to the value of the incentive, a maximum of $20,200 each, and such payments will begin in the fall of 2000 to be paid to Mr. Bray in five annual installments equal to one-third (1/3) share of the total cost, or $4,040 each, whichever is lower; and

WHEREAS, the design of such project is not the responsibility of the County; and

WHEREAS, the City has agreed to participate in this project.
NOW, THEREFORE, BE IT RESOLVED THAT the Surry County Board of Commissioners does hereby direct the County Attorney to work with the City Attorney to develop an incentive agreement stipulating the above information.

ADOPTED this 16th day of August, 1999.

County Manager Dennis Thompson updated the Board on the Elkin cafeteria demolition project. Mr. Thompson indicated that Public Works may be able to schedule the demolition and removal in the near future and save about $12,000 of the estimated $76,000 project cost.

Upon motion by Gary York, seconded by Paul Johnson, the Board unanimously approved moving forward with the project and funding up to $64,000 from the School’s Emergency Reserve Fund.

Upon motion by Fred O’Neal, seconded by Jimmy Miller, the Board unanimously adopted the following resolution:

RESOLUTION APPOINTING REVIEW OFFICER

WHEREAS, S.L. 1997-309 (S875) makes a number of significant changes in the procedures for recording maps and plats; and

WHEREAS, the new G.S. 47-30.2 requires the Board of County Commissioners in each County, by resolution, to appoint a person to serve as Review Officer to review each plat before it is recorded and certify that it meets the statutory requirements for recording; and

WHEREAS, it is the desire of the Surry County Board of Commissioners to insure an expeditious review of all maps and plats as required by G.S. 47-30.2 before they are presented to the Register of Deeds for recording.

NOW, THEREFORE, BE IT RESOLVED, effective August 17, 1999, that Ronald H. Sutphin, Assistant Planning Director, in the Surry County Planning & Development Department is hereby appointed to perform all responsibilities as required for Review Officer under the appropriate North Carolina General Statutes. Debbie Dezern will also continue in the capacity as Review Officer.

BE IT FURTHER RESOLVED that a copy of this Resolution designating the Review Officers be recorded in the Surry County Register of Deeds Office and indexed in the name of the Review Officer.

ADOPTED this the 16th day of August, 1999.

Upon motion by Gary York, seconded by Paul Johnson, the Board unanimously approved the appointment of Sandy Hollman to the Workforce Development Board.

After a brief discussion regarding a request from Resident District Court Judge Otis M. Oliver for the magistrates to have one office location in Dobson, it was the consensus of the Board that the County seek new space for the office in a location where the office may be used 24 hours a day.
Upon motion of Fred O’Neal, seconded by Chairman Harrell, the Board unanimously approved the implementation of the Sheriff’s Office Pay Plan as follows:

- Desk Clerk - reclassified in Classification/Pay Plan from Grade 56 to Grade 61.
- Desk Clerk II - create in Classification/Pay Plan at Grade 62.
- Clerical Level IV (Various Extensions) - unchanged in Classification/Pay Plan at Grade 59.
- Administrative Secretary V and Accountant Technician II - unchanged in Classification/Pay Plan at Grade 61.
- Administrative Assistant I and Accountant Technician III - unchanged in Classification/Pay Plan at Grade 63.
- Administrative Assistant II - unchanged in Classification/Pay Plan at Grade 65.
- Jailer I (Control Officer) - unchanged in Classification/Pay Plan at Grade 58.
- Jailer II - unchanged in Classification/Pay Plan at Grade 60.
- Detention Officer III - create in Classification/Pay Plan at Grade 61.
- Senior Detention Officer - create in Classification/Pay Plan at Grade 62.
- Master Detention Officer - create in Classification/Pay Plan at Grade 64.
- Jail Cook - reclassified in Classification/Pay Plan from Grade 55 to Grade 57.
- Food Services Supervisor - reclassified in Classification/Pay Plan from Grade 57 to Grade 59.
- Deputy Sheriff - unchanged in Classification/Pay Plan at Grade 63.
- Deputy Sheriff I - create in Classification/Pay Plan at Grade 64.
- Deputy Sheriff II - create in Classification/Pay Plan at Grade 65.
- Senior Deputy Sheriff - create in Classification/Pay Plan at Grade 66.
- Deputy Sheriff (Sergeant) - reclassified in Classification/Pay Plan from Grade 65 to Grade 67.
- Deputy Sheriff (Lieutenant) - reclassified in Classification/Pay Plan from Grade 67 to Grade 69.
- Deputy Sheriff (Detective) - reclassified in Classification/Pay Plan from Grade 65 to Grade 66.
- Deputy Sheriff (Captain) - reclassified in Classification/Pay Plan from Grade 68 to Grade 70.
- Deputy Sheriff (Chief Deputy) - unchanged in Classification/Pay Plan at Grade 74.
- Any employee with a two-year college degree will receive an additional five-percent.
- Any employee with a four-year college degree will receive an additional ten-percent or an additional five-percent if already awarded a two-year degree increment.
- Any employee with a graduate degree will receive an additional five-percent.

The Board agreed, by consensus, that its offer to purchase the old Lowes building in Mount Airy would be good for only 30
more days, and instructed the County Manager to notify the Real-
tor of that decision. Also by consensus, the Board agreed to ex-
tend Bobbie Collins' exclusive listing of the former Crossroads
building on Gilmer Street for another 90 days.

Upon motion of Jim Miller, seconded by Paul Johnson, the
Board unanimously approved the transfer of 62.5 hours of accrued
sick leave for Tosha Lattimore, an employee of the Department of
Social Services, from her previous position with the Department
of Correction.

Upon motion of Paul Johnson, seconded by Jim Miller, the
Board unanimously approved an easement agreement with Kay
Draughn and Faye Sechrist for the Cross Creek sewer project.

Upon motion by Fred O'Neal, seconded by Jim Miller, the
Board went into closed session to discuss personnel as requested
by the County Manager.

The Board came out of closed session and Chairman Harrell
reconvened regular session. After a brief discussion of matters
surrounding the Mount Airy Airport, the Board agreed by consen-
sus to notify the City of Mount Airy that the Board would not be
part of asking the Airport Authority to request annexation.

There being no further business, the Board recessed the
meeting until August 23 at 6:30 p.m.

______________________________
Angela M. Leonard
Deputy Clerk to the Board
The Surry County Board of Commissioners convened the recessed meeting of August 16, 1999 at 6:30 p.m., on August 23, 1999, in Room 335 of the Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., and Commissioners Jim Miller, Fred O’Neal and Paul Johnson. Vice-Chairman Gary York was attending a Northern Hospital Board meeting and joined the Commissioners’ meeting at 9:30 p.m.

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

Dennis Thompson, County Manager
Fred Folger, Jr., County Attorney
John Shelton, EMS Director
Gary Gant, EMS Shift Supervisor
Wayne Cooke, EMS Senior Shift Supervisor
Ron Sutphin, Assistant Planning Director
Curtis Taylor, Planning Board Member

Chairman Harrell called the meeting to order at 6:30 p.m.

The County Commissioners authorized the County Manager to prepare a letter for the Chairman’s signature requesting that the Department of Transportation pave County Home Road, which intersects with Prison Camp Road, and which serves the Fisher River Park.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to authorize Jerry Snow, Public Works Director, to purchase a rear loader garbage truck from the City of Mount Airy. The price is not to exceed $9,000.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to create the position of Parks and Recreation Director at Grade 70 and authorized the County Manager to advertise this position.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to go into closed session for the discussion of personnel matters.

The Board came out of closed session at 10:00 p.m. and Chairman Harrell reconvened regular session. There being no further business, the Board recessed the meeting until 6:30 p.m. on August 26, 1999.
Dennis Thompson
County Manager
The Surry County Board of Commissioners convened the re-
cessed meeting of August 23, 1999 at 6:30 p.m., on August 26, 
1999, in Room 335 of the Surry County Government Center, Dobson, 
North Carolina.

Board members present for the meeting were Chairman Jim 
Harrell, Jr., Vice-Chairman Gary York and Commissioners Jim Mil-
ler and Paul Johnson. Commissioner Fred O'Neal was absent.

Others present for the meeting included:

Dennis Thompson, County Manager
Ron Sutphin, Assistant Planning Director
Wayne Draughn, Planning Board Chairman
C. L. White, Member of Land Use Plan Steering Committee
Joe Walker, Member of Land Use Plan Steering Committee
Jeff Hall, Local Ordinance Enforcement Officer
Debbie Dezern, Planning Department
Brenda Davis, Land Records Manager
Wayne Atkins, District Engineer, Department of 
Transportation

Chairman Harrell called the meeting to order and turned the 
meeting over to Wayne Draughn for presentation of the proposed 
subdivision regulations.

The Board went through a detailed review of the proposed 
regulations. The Board instructed the Steering Committee to in-
clude a proposal in the draft ordinance that all subdivision 
routes be developed to State standards, including paving.

Following discussion, upon motion of Gary York, seconded by 
Paul Johnson, the Board voted unanimously to instruct the County 
Manager to set a date for a public hearing on the proposed ordi-
nance.

The Board instructed the Planning Department to prepare 
recommendations on fees for processing subdivision proposals. 
The Board also instructed the Planning Department to consider a 
provision in the ordinance that every dwelling unit shall be 
placed upon a permanent foundation.

Upon motion of Jim Miller, seconded by Paul Johnson, the 
Board voted unanimously to authorize Dr. Harrell to sign the CBA 
Plan for FY 1999-2000, as presented by the Juvenile Crime Pre-
vention Council.

Upon motion of Gary York, seconded by Jim Miller, the Board 
voted unanimously to instruct the County Manager to prepare a 
proposed agreement securing office space for the magistrates.
Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to appoint Mary Wade as a member of the Nursing/Domiciliary Homes Community Advisory Committee.

Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to authorize the Sheriff to make an early purchase of cars, which are included in his budget, as a cost-saving measure.

Upon motion of Gary York, seconded by Paul Johnson, the Board voted unanimously to authorize the Sheriff to make an early purchase of Dell computers for his office.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to authorize the Sheriff to apply for a block grant in the amount of $24,511, to be matched with drug eradication funds.

The County Manager presented a bid on the Gilmer Street building in the amount of $80,000 submitted by the Holder Family Limited Partnership. The Board concluded that the $80,000 was too low and instructed the County Manager to reject the offer.

The County Manager presented a letter, which had been signed by Chairman Harrell, to Sam Erby, requesting paving of County Home Road serving the Fisher River Park.

There being no further business, the Board adjourned until September 7, 1999.

Dennis Thompson
County Manager
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on September 7, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioner Fred O’Neal and Paul Johnson. Commissioner Jimmy Miller was absent due to illness.

Others present for the meeting, at various times, were:
Dennis Thompson, County Manager
Angela Leonard, Clerk to the Board
Ron Sutphin, Assistant Planning Director
Fred Folger, County Attorney, entered the meeting at 6:20 p.m.
Eric Apple, Information Technology Director
Cathy Booker, Tax Department
John Shelton, Emergency Services Director
Betty Taylor, Assistant County Manager for Budget and Finance
Jeff Linville, Mount Airy News
Todd Merriman, Elkin Tribune
Dr. William Church, Superintendent Mount Airy City Schools
Janet Sherrill, Assistant Superintendent, Mount Airy City Schools
David Rowe, Mount Airy Board of Education
David Beale, Mount Airy Board of Education
Wendy Carriker, Mount Airy Board of Education
Richard Everhart, Surry County Soil Conservation District
Tony Goins, Mount Airy First Pentecostal Holiness Church Board Member
Albert Edwards, Pastor Mount Airy First Pentecostal Holiness Church
Jo Ann Snow, Director Yadkin Valley Economic Development District
Evelyn Thompson, YVEDDI Employee
Mr. and Mrs. Bill Thompson, Citizens
Rex Thompson, Citizen
Joel Jessup, Citizen
Kenneth Johnson, Citizen
Don Miner, Citizen
Floyd Culler, Citizen
John Lambert, Citizen
Ray and Lynn Lambert, Citizens
Dorothy Hicks, Citizen

Chairman Jim Harrell called the meeting to order. Commissioner Gary York delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the minutes of the August 16, 23 and 26, 1999 meetings.
Upon motion of Fred O'Neal, seconded by Paul Johnson, the Board voted unanimously to approve the following consent agenda items.

1. Approved the following refunds due to overpayment, payment in error, or not receiving services:
   - EMS – CIGNA Federal Insurance Benefits – NC, P.O. Box 10820, Newark, NJ, for patient Bertha Jewell, $57.66.
   - EMS – Partners National Health Plan of N.C., Inc., P.O. Box 24907, Winston-Salem, NC, for patient Kelly M. Bost, $115.
   - EMS – Wellpath, Suite 500, Chapel Hill, NC 27514 for patient #004533, $63.
   - Health and Nutrition Center – Carolyn Johnson, 219 McBride Road, Mount Airy, NC, $40.
   - Health and Nutrition Center – Bobby Watson, 1910 Siloam Road, Mount Airy, NC $10.
   - EMS – CIGNA Federal Insurance Benefits – NC, P.O. Box 10820, Newark, NJ, for patient Zella Hawks, $57.66.
   - EDS Federal Corporation, P.O. Box 300009, Raleigh, NC, for patient Zella Hawks, $14.41.

2. Approved the following proclamation to declare the fourth Saturday in September as Hunting and Fishing Day in Surry County:

   PROCLAMATION

   HUNTING AND FISHING DAY

   Hunting and fishing have always been an important part of the North Carolina tradition. While these activities may no longer be necessary for survival, as during the early days of Surry County, they are still relevant today. And most Americans believe that such activities continue to be popular. Their perceptions are right on target. For example, the number of women involved in the shooting sports has increased by more than 80% in the past ten years.

   But hunting and fishing are so much more than recreational pursuits. For over 100 years, hunters and anglers have been at the forefront of the conservation movement. Not content with vocalizing their support, they requested special fees and taxes on their equipment to pay for wildlife management, habitat restoration and other conservation programs. During that time, they raised over $21 billion, now adding some $3.5 million per day nationally. In 1996, North Carolina contributed nearly 30 million for licenses and wildlife stamp and excise taxes on sporting equipment.

   This financial support has provided the basis for scientific research, habitat restoration, and education which have led to the dramatic come back of wildlife in North Carolina such as wild turkey, river otters, tundra swans, and other waterfowl, alligators, shore birds, bald eagles and other raptors, and fur bearers.

   Of course dollars and cents alone do not represent the true worth of our outdoor traditions. Wealthier than any millionaire is one with greater awareness, understanding, and respect of the natural environment and its wildlife. Wealthier still are the ethical hunters and anglers who share this treasure with a youngster, friend or relative. We would like to urge hunters and anglers in Surry County to recognize this year's Hunting and Fishing Day observance by inviting a friend, family member or
co-worker to experience the outdoor traditions together and to continue our important work in wildlife conservation.

In recognition of past and current conservation achievements of ethical hunters and anglers in Surry County, we the Commission of Surry County do hereby proclaim Saturday, September 25, 1999 as Hunting and Fishing Day in Surry County.

ADOPTED by the Surry County Board of Commissioners, this the 7th day of September, 1999.

3. Agreed to follow the state’s Year 2000 Holiday Schedule.

4. Budget Amendment #3 to the FY 1999-2000 Budget Ordinance as follows:

**GENERAL FUND**

**Expenditures**

**Governing Body**

Increase line item 1054110-51010 (Salaries & Wages) by $23,320.00 to $43,426.00.

Increase line item 1054110-51300 (Social Security) by $1,446.00 to $2,888.00.

Increase line item 1054110-51310 (Medicare) by $339.00 to $667.00.

Increase line item 1054110-51330 (Retirement) by $1,166.00 to $3,560.00.

Increase departmental total by $29,351.00 to $299,701.00.

**Non-Departmental**

Decrease line item 1054199-51350 (Group Insurance) by $3,080.00 to $46,920.00.

Decrease line item 1054199-59520 (Salary Contingency) by $26,271.00 to $208,729.00.

Decrease departmental total by $29,351.00 to $795,649.00.

**Health Department Administration**

Create and increase line item 1055110-54075 (KB Reynolds Travel) by $923.00 to $923.00.

Increase departmental total by $923.00 to $1,057,965.00.

**Domestic Violence-Health**

Increase line item 1055114-51010 (Salaries and Wages) by $3,395.00 to $5,703.00.

Create and increase line item 1055114-51500 (Professional Services) by $2,500.00 to $2,500.00.

Increase line item 1055114-54010 (Travel/Training) by $622.00 to $1,185.00.

Increase departmental total by $6,517.00 to $9,955.00.

**Access II-Health**

Increase line item 1055117-51010 (Salaries and Wages) by $28,667.00 to $81,059.00.

Increase line item 1055117-51040 (Salary Reserve) by $1020.00 to $2791.00.

Increase line item 1055117-51300 (Social Security) by $2,108.00 to $5,356.00.

Increase line item 1055117-51310 (Medicare) by $493.00 to $1,253.00.
MEETING OF SEPTEMBER 7, 1999 CONTINUED

Increase line item 1055117-51350 (Group Insurance) by $1,700.00 to $6,386.00.
Increase departmental total by $33,988.00 to $119,885.00.

March of Dimes
Increase line item 1055141-51010 (Salaries & Wages) by $4,512.00 to $17,512.00.
Increase line item 1055141-51040 (Salary Reserve) by $161.00 to $581.00.
Increase line item 1055141-51300 (Social Security) by $332.00 to $1,138.00.
Increase line item 1055141-51310 (Medicare) by $78.00 to $267.00.
Increase line item 1055141-51330 (Retirement) by $268.00 to $268.00.
Increase departmental total by $5,351.00 to $21,151.00.

NC Cardiovascular Health
Increase line item 1055160-51010 (Salaries & Wages) by $5,994.00 to $38,328.00.
Increase line item 1055160-51040 (Salary Reserve) by $214.00 to $1,307.00.
Increase line item 1055160-51300 (Social Security) by $441.00 to $2,446.00.
Increase line item 1055160-51310 (Medicare) by $104.00 to $573.00.
Increase line item 1055160-51330 (Retirement) by $356.00 to $1,973.00.
Increase departmental total by $7,109.00 to $107,109.00.

Child Health Program
Increase line item 1055163-54010 (Travel) by $800.00 to $11,800.00.
Create and increase line item 1055163-54400 (Advertising) by $96.00 to $96.00.
Decrease line item 1055163-52010 (Supplies & Materials) by $96.00 to $5,904.00.
Increase departmental total by $800.00 to $558,039.00.

Infant Mortality Reduction
Create and increase line item 1055171-54400 (Advertising) by $180.00 to $180.00.
Decrease line item 1055171-52010 (Supplies & Materials) by $180.00 to $320.00.
The above action does not change departmental total.

Health Check Coordinator
Increase line item 1055177-51010 (Salaries & Wages) by $7,591.00 to $57,140.00.
Increase line item 1055177-51040 (Salary Reserve) by $270.00 to $1,950.00.
Increase line item 1055177-51300 (Social Security) by $558.00 to $3,639.00.
Increase line item 1055177-51310 (Medicare) by $131.00 to $852.00.
Increase line item 1055177-51330 (Retirement) by $450.00 to $2,935.00.
Increase line item 1055177-52010 (Supplies & Materials) by $6,373.00 to $9,073.00.
Increase line item 1055177-54010 (Travel/Training) by $2,500.00 to $5,500.00.
Increase line item 1055177-54350 (Printing) by $2,000.00 to $2,000.00.
Increase line item 1055177-56010 (Equipment) by $5,287.00 to $11,287.00.  
Increase departmental total by $25,160.00 to $101,913.00.

**Health Promotions**  
Increase line item 1055191-51010 (Salaries & Wages) by $10,122.00 to $55,434.00.  
Increase line item 1055191-51040 (Salary Reserve) by $360.00 to $1,891.00.  
Increase line item 1055191-51300 (Social Security) by $744.00 to $3,553.00.  
Increase line item 1055191-51310 (Medicare) by $174.00 to $831.00.  
Increase line item 1055191-51330 (Retirement) by $600.00 to $2,866.00.  
Increase line item 1055191-52010 (Supplies & Materials) by $1,290.00 to $4,790.00.  
Increase departmental total by $13,290.00 to $79,045.00.

**Dental Clinic**  
Increase line item 1055192-51010 (Salaries & Wages) by $8,435.00 to $93,435.00.  
Increase line item 1055192-51040 (Salary Reserve) by $300.00 to $3,173.00.  
Increase line item 1055192-51300 (Social Security) by $620.00 to $5,890.00.  
Increase line item 1055192-51310 (Medicare) by $145.00 to $1,378.00.  
Increase line item 1055192-51330 (Retirement) by $500.00 to $4,750.00.  
Increase line item 1055192-51500 (Professional Services) by $15,000.00 to $42,000.00.  
Increase line item 1055192-52010 (Supplies & Materials) by $13,605.00 to $20,605.00.  
Increase departmental total by $38,605.00 to $173,135.00.

**Migrant Farmworker Grant**  
Increase line item 1055195-51010 (Salaries & Wages) by $6,487.00 to $28,880.00.  
Increase line item 1055195-51040 (Salary Reserve) by $231.00 to $1,143.00.  
Increase line item 1055195-51300 (Social Security) by $477.00 to $2,163.00.  
Increase line item 1055195-51310 (Medicare) by $112.00 to $507.00.  
Increase line item 1055195-51330 (Retirement) by $385.00 to $1,505.00.  
Increase departmental total by $7,692.00 to $51,694.00.

**Migrant Health Translator**  
Create line item 1055196-51020 (Longevity Pay)

**Revenue**  
Increase line item 1045110-44500 (KB Reynolds Grant) by $923.00 to $923.00.  
Increase line item 1045114-44510 (Domestic Violence Grant) by $3,395.00 to $6,833.00.  
Increase line item 1045117-43324 (Access II-Health) by $33,988.00 to $119,885.00.  
Increase line item 1045141-43165 (March of Dimes-Health) by $5,351.00 to $21,151.00.  
Increase line item 1045160-43309-(NC Cardiovascular Health) by $7,109.00 to $107,109.00.
Increase line item 1045163-42355 (Child Health Care) by $800.00 to $86,308.00.
Increase line item 1045177-43321 (Health Check Coordinator) by $25,160.00 to $101,913.00.
Create and increase line item 1045114-44515 (Beacon Program) by $3,122.00 to $3,122.00.
Create and increase line item 1045191-42357 (Adult Health-Title XIX) by $1,290.00 to $1,290.00.
Create and increase line item 1045191-43170 (Substance Abuse) by $12,000.00 to $12,000.00.
Increase line item 1045192-43328 (Human Services Grant) by $38,605.00 to $75,605.00.
Increase line item 1045195-42359 (Migrant Farmworker Health) by $7,692.00 to $51,694.00.
Increase fund totals by $139,435.00 to $47,989,136.00.

Water/Sewer Fund
Expenditures
Create and increase line item 1154922-57151 (A. Pearson (1 of 5)) by $4,040.00 to $4,040.00.
Create and increase line item 1154922-57156 (D. Bray (1 of 5)) by $4,040.00 to $4,040.00.
Decrease line item 1154922-59675 (Water/Sewer Reserve) by $8,080.00 to $91,920.00.
The above action does not change fund totals.

Schools' Capital Outlay Fund
Expenditures
Increase line item 3655912-57169 (Elkin Building Removal) by $64,000.00 to $64,000.00.

Revenue
Increase line item 3645912-49860 (Trans from CR-Elkin Bldg) by $64,000.00 to $64,000.00.
Increase fund totals by $64,000.00 to $2,578,357.00.

Schools' Capital Reserve Fund
Expenditures
Increase line item 3755918-59159 (Trans to CO-Elkin Bldg Reserve) by $64,000.00 to $64,000.00.
Decrease line item 3755918-59615 (Emergency Reserve) by $64,000.00 to $436,000.00.
The above action does not change fund totals.

Chairman Harrell opened the floor for the open forum portion of the meeting asking for comments from the audience on any subject on which they wished to speak. Floyd Culler of New Home Church Road addressed the board about problems in a manufactured home park adjacent to his property. Albert Edwards, pastor of Mount Airy First Pentecostal Holiness Church, told the board that his church is concerned about maintenance of the roadside near the church on U.S. 52 and asked the Board what he could do to work with the Department of Transportation on the problem.

After those comments were received, the public forum session was closed and the Board continued with regular business.

Dr. William Church, Superintendent of Mount Airy City Schools, appeared before the board to request funding for the renovation of B.H. Tharrington Elementary School in two install-
ments of $1 million each. He also asked for permission to hire an architect to begin work on the project. The Board delayed acting on the request.

The County Attorney entered the meeting at this time.

Upon motion by Gary York, seconded by Fred O'Neal, the Board voted unanimously to approve the transfer of an $800,000.00 grant from the Clean Water Management Trust Fund to the Surry County Soil Conservation District and authorized the County Attorney to work with the District on the first conservation easement to determine how much legal work will be involved.

The Board also instructed Richard Everhart of the Soil Conservation District to develop a job description and requirements for a new position he had requested and report back to the Board at the next meeting.

Upon motion by Fred O'Neal, seconded by Gary York, the Board unanimously approved a request from Mount Airy First Pentecostal Holiness Church for tax exemption and waived the church's $3,051.08 bill for this year.

Commissioner Gary York recognized Dorothy Hicks for serving seven years on the Nursing-Domiciliary Homes Community Advisory Committee. Commissioner York presented her with a Surry County Volunteer pin and a certificate.

Commissioner York recognized John Lambert being awarded the rank of Eagle Scout, and presented him with a Surry County Seal pin and a certificate.

Commissioner Paul Johnson recognized members of the Westfield Boosters Club for their efforts to support the community and recreation. Certificates were prepared for all members, and certificates and Surry County Volunteer pins were presented to Joel Jessup and Kenneth Johnson, who were in attendance.

Members receiving certificates were: Tommy Jessup, Randy Beane, Diane Beane, Kim Jessup, Kevin Vaughn, Kerry Smith, Wesley George, Kevin Campbell, Eric Holt, Phillip Jessup, Doris Jessup, Terry Joyce, Mike Inman, Lori Ambrose, John Evans, David Johnson, Robert Johnson, Angie Johnson, Richard Hauser, Gary Arrington, Bruce Schneggenburger, Chris Johnson, Angela Jessup and Commissioner Johnson.

Upon motion by Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve Information Technology equipment requests presented by Eric Apple.

Following a discussion with Emergency Services Director John Shelton about an accident involving an ambulance last month, the Board by consensus instructed Shelton to proceed with renting another vehicle pending insurance settlement and the repair or replacement of the damaged vehicle.
On motion by Gary York, seconded by Paul Johnson, the Board unanimously approved allowing Emergency Services to buy a new vehicle for the shift supervisors as soon as the present vehicle is sold.

The Board also instructed John Shelton to prepare a spreadsheet comparing local Emergency Medical Service fees with those of comparable jurisdictions and present those fee comparisons for the Board's consideration at its next meeting.

Following discussion, Commissioner Gary York made a motion to allow the Fire Marshal to transfer funds from equipment into personnel to continue the part-time position of fire inspector.

Jim Harrell, Jr., seconded the motion, and the vote was as follows:

AYES: Jim Harrell, Jr., Paul Johnson, Gary York
NAYS: Fred O'Neal

The ayes carried; therefore, the motion passed.

The Board also requested that the Fire Marshal's office prepare a monthly report on the number of inspections and investigations carried out by the various staff members.

Assistant Planning Director Ron Sutphin presented information about impact fees and plat fees as related to subdivision and manufactured housing developments. The Board requested that he prepare a report on how much such fees would have generated, had they been in place during the past two years.

Upon motion by Jim Harrell, Jr., seconded by Fred O'Neal, the Board voted unanimously to reappoint Gail Ashburn, Buck Buckner and Charles Boles to the Natural Resources Committee.

Upon motion by Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve a Contract And Agreement To Provide Fire Protection And First Responder Services for Shoals Volunteer Fire Department. The contract is incorporated in the minutes by reference only and is on file at the County Manager's office until its expiration.

The Board by consensus approved the signing of a Consolidated Contract Between The State of North Carolina As Represented By The State Health Director And The Surry County Health Department For The Purpose Of Maintaining And Promoting The Advancement Of Health In North Carolina for the contract period of July 1, 1999 to June 30, 2000. The contract is incorporated in the minutes by reference only and is on file at the County Manager's office until its expiration.

Upon motion by Jim Harrell, Jr., seconded by Fred O'Neal, the Board unanimously approved waiving building inspection fees for the new Crossroads Behavioral Healthcare facility under construction in Elkin.
Upon motion by Paul Johnson, seconded by Gary York, the Board unanimously approved the following amendment to the personnel ordinance:

BE IT ORDAINED AND ENACTED that the Personnel Ordinance for Surry County, North Carolina, is amended by adding the following Section to Article IV, Recruitment and Employment:

Section 12. It is the policy of the Board of County Commissioners that the County should promote job readiness and career development among its employees. Toward that end, each Department of County Government is encouraged to prepare job readiness and career development plans for the Department. Such plans may be presented to the County Commissioners for review. If approved by the Board, each plan shall be included in an appendix to this Ordinance.

Because of Commissioner Miller’s absence, the amendment must be presented and voted on again at the next Board meeting before it can be passed.

Upon motion by Gary York, seconded by Fred O’Neal, the Board voted unanimously to increase the hourly rate for the attorney for the Social Services Board and the County Attorney from $85.00 to $90.00 per hour.

Upon motion by Paul Johnson, seconded by Gary York, the Board voted unanimously to approve an Easement between Cross Creek Apparel, Inc. and Surry County. The Deed of Easement is incorporated into these minutes by reference only and is on file in the County Manager’s office.

Upon motion by Gary York, seconded by Paul Johnson, the Board voted unanimously to approve a proposal for professional engineering services from Adams-Heath Engineering for development of a water and sewer project along the Route 89 corridor near the Interstate 77 and 74 interchanges.

Upon motion by Gary York, seconded by Paul Johnson, the Board voted unanimously to waive the landfill-tipping fee for the Pilot Auditorium Restoration Committee during its work at the Pilot Auditorium.

Upon motion by Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to seek a five-year lease agreement with Fred R. Snow, Jr., and Susan Snow for the property used as the Cody Creek Recycling Center.

By consensus the Board agreed to ask Local Ordinance Officer Jeff Hall to attend an upcoming meeting to review the proposed Automobile Salvage Yard And Junkyard Ordinance before it is presented for a public hearing.

Upon motion by Paul Johnson, seconded by Fred O’Neal, the Board unanimously approved a new Position Classification Plan.
The Board by consensus asked that Register of Deeds Dennis Cameron obtain prices for a technology consultant to work with his office.

Upon motion by Gary York, seconded by Paul Johnson, the Board unanimously approved an amendment to the lease agreement between Surry County and Victoria H. Cave to add office space consisting of four offices located at 124-C W. Kapp Street at a monthly rate of $450 for use by the Dobson Magistrate’s Office.

Upon motion by Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to authorize advertising for bids for a roll off truck for transporting roll off containers and white goods to the landfill.

Upon motion by Fred O’Neal, seconded by Gary York, the Board voted unanimously to confirm the appointment of Christopher Knopf as Planning Director.

Upon motion by Paul Johnson, seconded by Fred O’Neal, the Board voted unanimously to approve the requested transfer of annual leave hours from consenting employees in the Department of Social and Public Works Department to other employees who have exhausted their leave due to illness.

Upon motion by Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to defer a request from the sheriff for reclassification of an employee until after the personnel study is complete.

Upon motion by Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to approve payment as requested by Tax Administrator Ron Norman of bills from Computer Center Software for work that has been completed.

Following discussion with Betty Taylor, Assistant County Manager for Budget and Finance, Fred O’Neal made the motion to change carriers for the county’s workers’ compensation insurance to Reliance National Indemnity Co. Paul Johnson seconded the motion which passed on a unanimous vote.

There being no further business, the Board adjourned the meeting.

__________ ________________ ________________

Angela M. Leonard
Clerk to the Board
The Surry County Board of Commissioners convened the recessed meeting of October 4, 1999 at 6:30 p.m., on October 5, 1999, in the Commissioners Meeting Room of the Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., and Commissioners Jim Miller, Fred O’Neal and Gary York. Paul Johnson was unable to attend due to a conflict.

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

Dennis Thompson, County Manager
Angela Leonard, Clerk to the Board
Fred Folger, Jr., County Attorney
John Shelton, EMS Director
Todd Merriman, Elkin Tribune
Mark Rogers

Chairman Harrell called the meeting to order at 6:30 p.m. Commissioner Gary York delivered the invocation and led those present in the pledge of allegiance.

Upon motion of Jimmy Miller, seconded by Gary York, the Board voted unanimously to approve Budget Change #6 as follows:

**GENERAL FUND**

**Expenditures**

Emergency Medical Services
Increase line item 1054370-56010 (Equipment) by $52,500.00 to $112,640.00.
Increase departmental total by $52,500.00 to $2,627,214.00.

**Revenue**

Increase line item 1044000-49900 (Unencumbered Balance) by $23,000.00 to $3,917,337.00.
Increase line item 1044000-48200 (Surplus Property) by $29,500.00 to $39,500.00.

Increase fund totals by $52,500.00 to $48,071,499.00.

Upon motion of Fred O’Neal, seconded by Jimmy Miller, the Board voted unanimously to amend the motion of September 7, 1999, regarding the purchase of a new vehicle for Emergency Services, and to allow Emergency Services to proceed with the purchase immediately.

Following a discussion with Emergency Services Director John Shelton about ambulance fees, Fred O’Neal made the motion to increase base fees from $90 to $135, effective January 1, 2000. The motion was seconded by Gary York and the Board voted unanimously to approve the change.
Commissioner O’Neal requested that the Emergency Services Director provide the Board with a report on the number of out-of-county transfers, the destinations and the reasons. The report should cover transfers for three months from both Northern Hospital of Surry County and Hugh Chatham Memorial Hospital.

Gary York made the motion to adopt a resolution adding four members to the Northern Hospital of Surry County Board of Trustees, and establishing their terms. The motion was seconded by Fred O’Neal.

Jimmy Miller made a motion to amend the resolution to include a change to allow members of the hospital staff to serve on the Board of Trustees. That motion was seconded by Commissioner York and passed on a unanimous vote.

The Board then voted unanimously to approve the resolution as follows:

RESOLUTION

WHEREAS, the Board of County Commissioners is empowered to appoint citizens of Surry County to serve on the Board of Trustees of Northern Hospital of Surry County; and

WHEREAS, the current size of the Board of Trustees is nine members; and

WHEREAS, the Bylaws of the Board of Trustees establish the following standing committees:

Executive Committee
Finance Committee
Pension Committee
Professional Relations Committee
Bylaws Committee
Joint Conference Committee
Planning and Development Committee
Other such committees as the Board of Trustees may authorize.

AND WHEREAS, to assure that all Committees are adequately represented by Trustees and to further assure that volunteer service as Trustees does not become overly burdensome;

NOW, THEREFORE, THE SURRY COUNTY BOARD OF COMMISSIONERS RESOLVE that the membership of the Board of Trustees is hereby increased from nine members to thirteen members effective October 5, 1999.

AND FURTHER RESOLVE that in order to equalize the membership rotation pattern, one new appointee shall serve until September 30, 2000, one new appointee will serve shall serve until September 30, 2001, one new appointee shall serve until September 30, 2002, and one new appointee shall serve until September 30, 2003.

THE BOARD ALSO RESOLVES that membership requirements will be changed to allow members of the hospital staff to serve on the Board of Trustees in a voting capacity, but not to hold the office of chairman.
ADOPTED THIS the 5th day of October, 1999.

The Board chose three additional members for the Board of Trustees. Fred O'Neal nominated Doug Cook to serve a four-year term expiring September 30, 1999; Gary York nominated Andy Gillespie to serve a one-year term expiring September 30, 2000; Jimmy Miller nominated Dr. Charles Bokesch to serve a three-year term expiring September 30, 2002. The vote on the membership was unanimous.

An additional Board of Trustees member is to be selected by Paul Johnson and serve a two-year term expiring September 30, 2001.

Upon motion of Fred O'Neal, seconded by Jimmy Miller, the Board voted unanimously to reappoint Doug Holyfield to another one-year term on the Natural Resources Committee.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to appoint David Adkisson to the Nursing and Adult Care Home Advisory Committee, subject to Mr. Adkisson's acceptance.

The Board directed the Clerk to have a business card with all five Commissioners' names on it drawn up in-house to be included in the new employee packets.

Upon motion of Fred O'Neal, seconded by Jimmy Miller, the Board voted unanimously to approve a warranty deed for the transfer of a portion of the former Lowgap School property to Skull Camp Volunteer Fire Department, as approved by resolution at the September 20, 1999 meeting.

The Board received bids for the purchase of a roll-off truck to be purchased with white goods funds for use at the landfill and to transport white goods for reclamation. The bids which met specifications were as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amick Equipment</td>
<td>P.O. Box 1965</td>
<td>$87,736.00</td>
</tr>
<tr>
<td>Lodal-South, Inc.</td>
<td>2207 Fayetteville Road</td>
<td>$87,971.86</td>
</tr>
<tr>
<td>Triad Mack Sales &amp; Services</td>
<td>P.O. Box 446</td>
<td>$90,850.00</td>
</tr>
<tr>
<td>RDK Truck Sales &amp; Service</td>
<td>3214 Adamo Dr.</td>
<td>$92,775.55</td>
</tr>
<tr>
<td>Lodal-South, Inc.</td>
<td>Rockingham, NC 28379</td>
<td></td>
</tr>
</tbody>
</table>

Alternate bids were also received as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Address</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodal-South, Inc.</td>
<td>#1 $93,032.00</td>
<td></td>
</tr>
<tr>
<td>Amick Equipment</td>
<td>#2 $89,875.00</td>
<td></td>
</tr>
<tr>
<td>Triad Mack Sales &amp; Service</td>
<td>#1 $88,350.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#2 $89,500.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>#3 $89,600.00</td>
<td></td>
</tr>
</tbody>
</table>
Public Works Director Jerry Snow requested that the bid submitted by Lodal-Smith in the amount of $93,032.00 be accepted because the truck includes an engine brake and is available for immediate delivery.

Upon motion by Fred O'Neal, seconded by Jimmy Miller, the Board unanimously approved Mr. Snow's recommendation because of the savings of immediate delivery, which will enable Public Works to stop paying to have bins at the landfill emptied.

The Board discussed a proposed contract with Northwest Regional Library and directed the County Manager to remove portions of the agreement and return it to the Library Director so that the document can be made specific to Surry County.

County Attorney Fred Folger entered the meeting.

The Board discussed a health benefits plan for retired Commissioners and agreed to drop the proposal.

Chairman Harrell informed the Board that he and the County Manager had met with the School Superintendents and Chairs of the Boards of Education, and that the schools had estimated facilities needs at $70 to $80 million. He said that the school leaders had been directed to meet together and develop a realistic, prioritized list that combines the three systems needs. Another meeting has been set for October 26.

Chairman Harrell directed the Clerk to prepare a memorial resolution recognizing the late Elsie Sizemore for her work as a member of the YVEDDI Board of Directors.

Upon motion of Fred O'Neal, seconded by Jimmy Miller, the Board voted unanimously to go into closed session for the discussion of personnel matters and contract negotiations for the purchase of the Lowe's property in Mount Airy.

The Board came out of closed session at 9:00 p.m. and Chairman Harrell reconvened regular session.

Upon motion by Gary York, seconded by Jimmy Miller, the Board voted unanimously to reinstate a $1,500 annual contribution to each fire department serving the county.

Upon motion by Fred O'Neal, seconded by Gary York, the Board voted unanimously to accept Lowe's contract offer, subject to contract changes to be negotiated by the County Attorney, and to authorize the payment of $50,000 in earnest money.

Upon motion by Jim Harrell, seconded by Gary York, the Board unanimously approved the following personnel items:

- Approved a District Watershed Technician position, Grade 64, in the Natural Resources Conservation Office, and authorized recruitment for that position.
• Scheduled interviews for the position of Parks and Recreation Director on October 19 at 5 p.m.
• Added the position of Human Resource Officer to the Surry County Classification Plan at Grade 70, created the position in Administration, and authorized recruitment for that position.
• Approved an additional Social Worker III position (Child Protective Services Worker), Grade 68 in the Department of Social Services.
• Upgraded Dennis Hutchens from a temporary, part-time position to a permanent, full-time position with Buildings and Grounds.

Upon motion by Gary York, seconded by Jimmy Miller, the Board unanimously authorized the Chairman to sign the Notification of Grant from the North Carolina Board of Education, authorizing the release of state critical needs money to the Surry County Board of Education.

The Board discussed a request from Surry County Schools for an additional appropriation to fund a salary increase for non-certified personnel, but agreed to take no action at this time.

There being no further business, the Board adjourned the meeting.

______________________________
Angela M. Leonard
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on October 18, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Fred O’Neal, Jim Miller and Paul Johnson.

Others present for the meeting, at various times, were:
Dennis Thompson, County Manager
Angela Leonard, Clerk to the Board
Ron Sutphin, Assistant Planning Director
Fred Folger, County Attorney, entered the meeting at 6:40 p.m.
John Shelton, Emergency Services Director
Betty Taylor, Assistant County Manager for Budget and Finance
Jeff Linville, Mount Airy News
Todd Merriman, Elkin Tribune
Jo Ann Snow, Executive Director Yadkin Valley Economic Development District
Bobby Galyean, Sheriff’s Office
Mickey Estes, Sheriff’s Office
Dr. Marsha Bledsoe, Surry County Schools Superintendent
Betsy McNichols, Surry County Schools
Dennis Lawson, Westfield Elementary School Principal
Martha Smith, Pilot Mountain Middle School Principal
Patsy Turner, Shoals Elementary School Assistant Principal
Clark Manring, Custodian at Pilot Mountain Middle School
Otis M. “Bud” Oliver, Chief District Court Judge
Ottis Holt, Buildings and Grounds
Brenda Rose, County Extension Director
Sheriff Connie Watson
Dwayne Livengood, Sheriff’s Office
Graham Atkinson, Sheriff’s Office
Rob Johnson and Jon Long, Architects from Martin Boal
Anthony & Johnson
Ricky Bowman, District Attorney
Wayne Burton, Surry County Board of Education
Crystal Morphis, President of Surry County Economic Development Partnership, and members of the Partnership Board of Directors
Grant Goings, Elkin Town Manager
John W. Holcomb, Elkin Finance Director
Lewis Alexander, Elkin Town Attorney
Fred Eidson, Harold Lee Wagoner, J.L. Lowe Jr., Tom Gwyn, Elkin Board of Commissioners and Mayor
Richard Beard, Site Consultant
John Sizemore, Citizen, and family members
Wayne Peele, Citizen
Mike Hoyng, Citizen
Don Miner, Citizen
Other employees and volunteers honored for efforts in Hurricane Floyd
Chairman Jim Harrell called the meeting to order. Commissioner Paul Johnson delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the minutes of the October 4 and 5, 1999 meetings.

Upon motion of Fred O'Neal, seconded by Gary York, the Board voted unanimously to approve the following consent agenda items.

1. Approved the following refund due to overpayment of excise stamp:
   - Register of Deeds – James Wayne Tilley, 117 Smith Lane, Mount Airy, $10.

2. Approved setting Dennis Hutchens' position as Maintenance Mechanic I, Grade 58, Step 1, at a salary of $18,312, effective October 5, 1999.

3. Approved an amended Project Ordinance for Surry Community College adding $28,169.00 to the original Ordinance from unspent interest earnings as follows:

   CAPITAL PROJECT ORDINANCE
   AMENDMENT #1

   SURRY COMMUNITY COLLEGE
   EXPANSION OF ELECTRONICS-COMPUTER SCIENCE BUILDING
   ("E" BUILDING)

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

   Section 1: The project authorized by this ordinance is the expansion and renovation of the Electronics-Computer Science Building ("E" Building) of Surry Community College.

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

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

   General Obligation Bonds $1,028,169.00
   TOTAL REVENUES: $1,028,169.00

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

   Professional Services $72,000.00
   Construction & Site Development Costs $928,219.00
   Contingency $27,950.00
TOTAL APPROPRIATION: $1,028,169.00

Section 5: The Finance Officer is directed to report quarterly to the Board of Commissioners on the financial status of the 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 balance of appropriated funds which are unexpended at the conclusion of this project shall be reserved by the Board of County Commissioners for future projects.

Section 8: Copies of this capital 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 18th day of October, 1999.

4. Approved budget changes 7, 8, and 9 as follows:

**Change #7**

**GENERAL FUND**

Expenditures

<table>
<thead>
<tr>
<th>Department</th>
<th>Expenditure Description</th>
<th>Change from</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources Dept.</td>
<td>Create department 1054122 (Human Resources Dept.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-51010 (Salaries &amp; Wages)</td>
<td>$17,900.00</td>
<td>$17,900.00</td>
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<tr>
<td></td>
<td>Create line item 1054122-51020 (Longevity Pay)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Create line item 1054122-51040 (Salary Reserve)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-51300 (Social Security)</td>
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<td>$1,200.00</td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-51310 (Medicare)</td>
<td>$300.00</td>
<td>$300.00</td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-51330 (Retirement)</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
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<tr>
<td></td>
<td>Create and increase line item 1054122-51350 (Group Insurance)</td>
<td>$1,000.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-52010 (Supplies &amp; Materials)</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
</tr>
<tr>
<td></td>
<td>Create line item 1054122-53020 (Equipment Maintenance)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-54010 (Travel/Training)</td>
<td>$1,500.00</td>
<td>$1,500.00</td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-54200 (Telephone)</td>
<td>$500.00</td>
<td>$500.00</td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-54250 (Postage)</td>
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<tr>
<td></td>
<td>Create and increase line item 1054122-54350 (Printing)</td>
<td>$200.00</td>
<td>$200.00</td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-55500 (Dues &amp; Subscriptions)</td>
<td>$200.00</td>
<td>$200.00</td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-55650 (Miscellaneous)</td>
<td>$100.00</td>
<td>$100.00</td>
</tr>
<tr>
<td></td>
<td>Create and increase line item 1054122-56010 (Equipment)</td>
<td>$4,300.00</td>
<td>$4,300.00</td>
</tr>
</tbody>
</table>
Increase departmental total by $31,400.00 to $31,400.00.

Change #8

GENERAL FUND

Expenditures

Cardiovascular Disease Program
Increase line item 1055159-51010 (Salaries & Wages) by $12,273.00 to $29,397.00.
Increase line item 1055159-51300 (Social Security) by $872.00 to $1,934.00.
Increase line item 1055159-51310 (Medicare) by $204.00 to $452.00.
Increase line item 1055159-51330 (Retirement) by $703.00 to $1,559.00.
Increase departmental total by $14,052.00 to $37,924.00.

Health Check Coordinator
Decrease line item 1055177-52010 (Supplies & Materials) by $3,000.00 to $6,073.00.
Decrease line item 1055177-54010 (Travel/Training) by $1,752.00 to $3,748.00.
Decrease departmental total by $4,752.00 to $97,161.00.

Services' Programs
Increase line item 1055313-51010 (Salaries & Wages) by $37,130.00 to $1,280,890.00.
Increase departmental total by $37,130.00 to $3,408,435.00.

Revenue
Increase line item 1045159-42361 (Cardiovascular Disease) by $14,052.00 to $36,074.00.
Decrease line item 1045177-43321 (Health Check Coordinator) by $4,752.00 to $97,161.00.
Increase line item 1045313-42450 (Tanf) by $37,130.00 to $670,259.00.
Increase fund totals by $46,430.00 to $48,119,999.00.

Change #9

Capital Projects Fund

Expenditures

Emergency Services Bldg.
Create and increase line item 6054213-56550 (Buildings) by $1,200,000.00 to $1,200,000.00.
Decrease line item 6054213-56500 (Land) by $500,000.00 to $0.
Increase departmental total by $700,000.00 to $1,208,720.00.

Revenue
Increase line item 6044213-49882 (Trans from Bldg. Reserve) by $700,000.00 to $867,170.00.
Increase fund totals by $700,000.00 to $2,351,622.00.

County Building Reserve Fund
Expenditures

Increase line item 6254250-59177 (Trans to CP-EMS Bldg.) by $700,000.00 to $867,170.00.
Decrease line item 6254250-59178 (Trans to CP-Judicial) by $700,000.00 to $442,902.00.

The above action does not change fund totals.

5. Approved subdivision plats as recommended by the Planning Board, contingent upon meeting road requirements, for:
   - Laurel Bluff
   - Stella Coins

6. Approved tax releases for the month ending September 30, 1999 totaling $37,173.59; tax adjustments for the month ending September 30, 1999 totaling $20,725.29; tax discoveries for the month ending September 30, 1999 totaling $334,965.27; and tax refunds for the month ending September 30, 1999 totaling $6,649.47.

Chairman Harrell opened the floor for the open forum portion of the meeting asking for comments from the audience on any subject on which they wished to speak. There being none, Commissioner Gary York updated the Board on the Rural Prosperity Forum held October 11, 1999 at Surry Community College. He also asked that the Special Recognition portion of the agenda be moved to immediately after the open forum for future meetings.

After those comments were received, the public forum session was closed and the Board continued with regular business.

The Board agreed by consensus to have the County Manager write a letter endorsing a proposal for funding from the Rural Tourism Development Grants for The Rockford Preservation Society, Inc.

Following a discussion of continuing hurricane relief efforts in the eastern part of the State, the Board asked the County Manager to survey other counties to see how employees are being compensated for their assistance. The County Manager is to report back to the Board before a decision is made on the compensation of County employees who go to the affected area in their official capacity.

Upon motion by Gary York, seconded by Jimmy Miller, the Board voted unanimously to purchase a security camera system for the courthouse with money from the Building and Grounds contingency funds.

The County Manager informed the Board that Lowe's has signed the contract for the sale of its property in Mount Airy to the County at a cost of $1.2 million. He told the Board that groups that have already expressed interest in the building include Emergency Services, the Health Department, and Smart Start, and the relocation of the County's fitness center. A let-
ter from the City of Mount Airy was presented confirming that the site is properly zoned for its intended use.

Jon Long and Rob Johnson of Martin Boal Anthony and Johnson presented the firm’s design development package for the proposed Surry County Judicial Center.

County Attorney Fred Folger entered the meeting at 6:40 p.m.

After discussion of costs and alternatives for the judicial center, the Board agreed to endorse the Option “A” façade. Gary York made the motion to proceed with working drawings, go to bid on the project and have County staff look at financing options. The motion was seconded by Jim Harrell. Voting on the motion was as follows:

AYES: Jimmy Miller, Jim Harrell, Paul Johnson, Gary York
NAYES: Fred O’Neal

The vote was four to one, therefore the motion carried.

Gary York recognized County employees and volunteers associated with County agencies who have been involved in the hurricane relief efforts in the eastern part of the State. The Board by consensus adopted the following resolution:

RESOLUTION

WHEREAS, Hurricane Floyd descended upon North Carolina September 16, 1999, with the threat of tremendous property damage and loss of life across the state; and

WHEREAS, Surry County prepared for the storm by opening emergency shelters and providing additional emergency response personnel during the storm; and

WHEREAS, many employees of the County of Surry performed above and beyond their job descriptions to meet the needs of their displaced neighbors from the Eastern portion of the state who sought shelter in Surry County during the storm; and

WHEREAS, other Surry County employees and volunteers used their training and skills to help with recovery efforts in the affected areas of the state.

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Surry County commends the following County employees and volunteers for extending a neighbor’s helping hand and going beyond the call of duty during the aftermath of Hurricane Floyd:

Karen Allen
Jeni Beacham
Jeff Brewer
Sharon Burchette
Jimmy Combs
Steve Cox
Lori Ambrose
Jonathan Bledsoe
John Brewer
Melissa Butcher
Wayne Cooke
Mike Creed
Graham Atkinson
Linda Bowers
Garnett Brittle
Jeff Chandler
Bill Cosby
Matt Darisse
MEETING OF OCTOBER 18, 1999 CONTINUED

Unanimously adopted this the 18th day of October, 1999.

Commissioner Gary York presented a memorial resolution to the family of Elsie Sizemore and the Yadkin Valley Economic Development District Inc. The resolution read as follows:

RESOLUTION

WHEREAS, Elsie Sizemore served on the Yadkin Valley Economic Development District, Inc. Board of Directors from October 1972 until her death on October 4, 1999; and

WHEREAS, Mrs. Sizemore served on the Employment and Training Community Services Committee and the Personnel Committee at the time of her death, and had previously chaired the Personnel Committee and the Public Information Committee; and

WHEREAS, Mrs. Sizemore was a faithful, productive Board member and an advocate for the YVEDDI staff.

NOW, THEREFORE, BE IT RESOLVED that the Surry County Board of Commissioners wishes to publicly commend and remember Elsie Sizemore for her untiring execution of duties and for her professional manner, devotion, and sense of responsibility in performing those duties while serving the Citizens of Surry County.

BE IT FURTHER RESOLVED that the Clerk to the Board is directed to record this resolution in the official minutes of the County Commissioners and to furnish a copy to Mr. John Sizemore and the YVEDDI Board of Directors.

ADOPTED this the 18th day of October, 1999 by the SURREY COUNTY BOARD OF COMMISSIONERS.

Commissioner Gary York presented Certificates of Recognition to the principals and staff of Pilot Mountain Middle School, Shoals Elementary School, and Westfield Elementary School in observance of Pilot Mountain Middle School being named a School of Excellence in the State ABCs program. Certificates were accepted by Martha Smith, Pilot Mountain, Dennis Lawson, Westfield, and Patsy Turner, Shoals.

Mr. York also presented a Certificate of Recognition to Clark Manring who works at Pilot Mountain Middle School after
his diligence at the school was singled out during a visit to the school.

Crystal Morphis, President of Surry County Economic Development Partnership Inc., presented an update on the Partnership’s shell building proposal at Piedmont Triad West Industrial Park and on the Partnership’s activities during the last three months.

Upon motion by Fred O’Neal, seconded by Gary York, the Board voted unanimously to go into closed session to discuss personnel issues, industrial development, and to consult with the County Attorney.

The Board reconvened in regular session at 11:30 p.m. and recessed the meeting until 5 p.m. on October 19, 1999.

Angela M. Leonard
Clerk to the Board
The Surry County Board of Commissioners convened the recessed meeting of October 18, 1999, at 5:00 p.m., on October 19, 1999, in the Commissioners' Meeting Room of the Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, and Commissioners Jim Miller, Fred O’Neal, and Paul Johnson.

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

Dennis Thompson, County Manager
Angela Leonard, Clerk to the Board
Todd Merriman, Elkin Tribune

Chairman Harrell called the meeting to order at 5:00 p.m. Vice-Chairman Gary York made motion to go into closed session to interview candidates for the position of Parks and Recreation Director. The motion was seconded by Fred O’Neal and passed unanimously.

The Board came out of closed session at 9:00 p.m. and Chairman Harrell reconvened the regular session.

Upon motion by Jim Harrell, seconded by Paul Johnson the Board voted unanimously to approve the plats for Blue Ridge View Estates, Sections 1, 2, 3, 4, and 5, contingent upon meeting road requirements, as recommended by the Planning Board.

Upon motion by Gary York, seconded by Paul Johnson, the Board voted unanimously to declare a 1992 Chevrolet Caprice, SN 1GBL537XNR139179 as surplus and sell the vehicle to the Pilot Mountain Rescue Squad for $1.00.

Upon motion by Paul Johnson, seconded by Gary York, the Board voted unanimously to allow the County Manager to write a letter of support for the Pilot Mountain Auditorium Restoration Committee in the group’s efforts to obtain a $100,000.00 tourism grant.

The Board agreed to take no action on a grant assistance proposal from Cavanaugh & Associates, PA, until after a Parks and Recreation Director is hired.

Upon motion by Paul Johnson, seconded by Gary York, the Board voted unanimously to raise the cost for rabies vaccines during county rabies clinics from $6.00 to $7.00.
The Board reviewed information on an exotic animal ordinance prepared by Wayne Cooper, Environmental Health Supervisor, but took no action.

Upon motion by Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to approve the amended Waste Management Inc. contract as discussed at the October 4, 1999, meeting.

Paul Johnson made the motion to appoint Buck Golding to a two-year term on the Northern Hospital Board of Trustees. The motion was not seconded. Commissioner Fred O’Neal stated that the intent of additional members was that the new members come from the Commissioner’s representational districts.

Commissioner Johnson then moved for the appointment of Van Tucker to the Hospital board. The motion was seconded by Jim Miller and approved on a unanimous vote, pending Mr. Tucker’s acceptance of the position.

The Board agreed by consensus that such members as are able will meet with the Nursing and Adult Care Home Advisory Committee and/or the Regional and State Ombudsman on November 15, 1999 at 9 a.m. The Board will recess its November 1 regular meeting until that time so that concerns with that group may be addressed.

The Board by consensus approved the following meeting calendar for 2000, with county holidays designated by asterisks:

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
<th>Day</th>
<th>Time</th>
<th>Holiday</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>3</td>
<td>Monday</td>
<td>6 p.m.</td>
<td>*17 Martin Luther King Day</td>
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<tr>
<td></td>
<td>18</td>
<td>Tuesday</td>
<td>6 p.m.</td>
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</tr>
<tr>
<td>February</td>
<td>7</td>
<td>Monday</td>
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<tr>
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<td>21</td>
<td>Monday</td>
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<tr>
<td>March</td>
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<td>Monday</td>
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<td>Monday</td>
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<tr>
<td>April</td>
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<tr>
<td></td>
<td>18</td>
<td>Tuesday</td>
<td>6 p.m.</td>
<td>*21 Good Friday</td>
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<tr>
<td>May</td>
<td>1</td>
<td>Monday</td>
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<td>15</td>
<td>Monday</td>
<td>6 p.m.</td>
<td>*29 Memorial Day</td>
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<tr>
<td>June</td>
<td>5</td>
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<td>19</td>
<td>Monday</td>
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<tr>
<td>July</td>
<td>3</td>
<td>Monday</td>
<td>6 p.m.</td>
<td>*4 Independence Day</td>
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<td>17</td>
<td>Monday</td>
<td>6 p.m.</td>
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<tr>
<td>August</td>
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<td>21</td>
<td>Monday</td>
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<tr>
<td>September</td>
<td>5</td>
<td>Tuesday</td>
<td>6 p.m.</td>
<td>*4 Labor Day</td>
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<td>18</td>
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<tr>
<td>October</td>
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<td>16</td>
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<tr>
<td>November</td>
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<td>Monday</td>
<td>6 p.m.</td>
<td>*10 Veteran’s Day</td>
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<td>20</td>
<td>Monday</td>
<td>6 p.m.</td>
<td>*23-24 Thanksgiving</td>
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<tr>
<td>December</td>
<td>4</td>
<td>Monday</td>
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<tr>
<td></td>
<td>18</td>
<td>Monday</td>
<td>6 p.m.</td>
<td>*25-26 Christmas</td>
</tr>
</tbody>
</table>

Meetings are held in the Commissioners’ Meeting Room, Surry County Government Center, Dobson, N.C. * If a holiday falls on Monday, the Board meets on the following Tuesday.

This schedule is subject to change by vote of the County Commissioners.
Upon motion by Fred O’Neal, seconded by Paul Johnson, the Board unanimously approved the following resolution:

**RESOLUTION APPOINTING REVIEW OFFICER**

WHEREAS, S.L. 1997-309 (S875) makes a number of significant changes in the procedures for recording maps and plats; and

WHEREAS, the new G.S. 47-30.2 requires the Board of County Commissioners in each County, by resolution, to appoint a person to serve as Review Officer to review each plat before it is recorded and certify that it meets the statutory requirements for recording; and

WHEREAS, it is the desire of the Surry County Board of Commissioners to insure an expeditious review of all maps and plats as required by G.S. 47-30.2 before they are presented to the Register of Deeds for recording.

NOW, THEREFORE, BE IT RESOLVED, effective October 18, 1999, that Christopher Knopf, Planning Director, in the Surry County Planning & Development Department, is hereby appointed to perform all responsibilities as required for Review Officer under the appropriate North Carolina General Statutes. Ronald Sutphin and Debbie Dezern will also continue in the capacity of Review Officer.

BE IT FURTHER RESOLVED that a copy of this Resolution designating the Review Officers be recorded in the Surry County Register of Deeds Office and indexed in the name of the Review Officer.

ADOPTED this the 19th day of October, 1999.

Upon motion by Paul Johnson, seconded by Jim Miller, the Board voted unanimously to appoint Marie Ceasar to the YVEDDI Board of Directors replacing the late Elsie Sizemore as an alternate for Commissioner Johnson.

Upon motion by Gary York, seconded by Paul Johnson, the Board voted unanimously to make the following term adjustments to the Juvenile Crime Prevention Council to comply with state regulations:

**Terms ending June 30, 2000**
- Member of Faith Community (Nancy Buck)
- Member of Business Community (Jim Forest)
- Parks and Recreation Representative (Fonda Younger)
- Person Under Age 21 (Aaron Thompson)
- Non-Profit Representative (Clyde Stewart)
- Substance Abuse Professional (Paul Kelly)

**Terms ending June 30, 2001**
- BOCC Appointees (Rusty Slate, Ritchie Nance, J.T. Henson, Carolyn Johnson, Beth Hinshaw, Carston Holthouse, Ralena Molner)
- DSS Director Designee (Gary White)
- Chief District Judge Designee (Mike Hoyng)
• Juvenile Defense Attorney (Steve Dearmin)
• County Manager Designee (Betty Smith)
• School Superintendent Designee (Lydia Lovell)
• Chief of Police Designee (Kay Collins)
• Local Sheriff Designee (Graham Atkinson)
• Local Health Director Designee (Catrina Smith)
• Director of Area Mental Health Designee (Dr. Jan Riley)
• District Attorney Designee (John McGrath)
• Chief Court Counselor (Jack Moore)
• County Commissioner (Gary York)
• AMH/DD/SA Director Designee (Kaye McCormick, advisor)

Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to appoint Chris Knopf, Planning Director, as the Planning Department’s representative to Pilot View Resource Conservation and Development, Inc.

Upon motion by Gary York, seconded by Paul Johnson, the Board voted unanimously to go into closed session to discuss personnel and industrial incentives.

The Board reconvened in regular session at 10:30 p.m. Upon motion by Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to apply for an Industrial Development Fund Grant of $100,000.00 as requested by the Surry County Economic Development Partnership, Inc.

There being no further business, the Board adjourned the meeting.

_____________________________
Angela M. Leonard
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on November 1, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Fred O’Neal, Jim Miller and Paul Johnson.

Others present for the meeting, at various times, were:
Dennis Thompson, County Manager
Angela Leonard, Clerk to the Board
Chris Knopf, Planning Director
Debbie Dezern, Planning Department
Ron Sutphin, Assistant Planning Director
Wayne Draughn, Chairman of the Planning Board
John Shelton, Emergency Services Director
Jonathan Bledsoe, Central Communications
Roger Shore, Central Communications
Betty Taylor, Assistant County Manager for Budget and Finance
Jeff Linville, Mount Airy News
Todd Merriman, Elkin Tribune
Sherry Wilson, Winston-Salem Journal
Jo Ann Snow, Executive Director Yadkin Valley Economic Development District, and other YVEDDI Employees
Ellen Ring, Citizen
Richard Davidson, Citizen
Thomas Craven, Citizen
Steve Hiatt, Citizen
Gene Troy, Jr., N.C. Human Relations Commission
Steve Halasz, Sheriff’s Department
Bud Cameron, Register of Deeds
Gray Bryant, Building Codes Administrator
Sandra Allen, Citizen
Dean Burgess, Director Area Agency on Aging
Don Miner, Citizen
Mike Hoyng, Citizen

Chairman Jim Harrell called the meeting to order. Commissioner Jim Miller delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the minutes of the October 18 and 19, 1999 meetings.

Upon motion of Gary York, seconded by Jim Miller, the Board voted unanimously to approve the following consent agenda items.

1. Approved the following refund due to overpayment of account:
   - EMS – Spencer E. Lowe, 108 Waite Road, Lowgap, NC -- $135.00
2. Approved a request from the Sheriff’s Office to purchase two drug dogs at a cost of $5,000.00 each, with the cost to be paid out of drug forfeiture funds.

3. Approved having the County Manager sign documents to close the Waste Management project and transfer deeds for the recycling/convenience centers to the county.

4. Adopted the following reimbursement resolution:

REIMBURSEMENT RESOLUTION

WHEREAS, the County of Surry, North Carolina (the "County") intends to issue in the future certain tax-exempt obligations in an aggregate principal amount not to exceed $3,000,000 (the "Obligations") to finance (i) the acquisition of approximately 12.903 acres of real property located off Highway 601 in the Town of Mount Airy, North Carolina (the "Land") and (ii) the acquisition, construction and equipping of an emergency medical services facility (the "EMS Facility") to be located on the Land; and

WHEREAS, the County has made and needs to make certain additional expenditures relating to the Land and the EMS Facility, including without limitation acquisition of the Land, site work, architectural and design services, survey and title work, grading and other related work and services, prior to the issuance of the Obligations, but desires to preserve the ability of the County to reimburse itself for all such expenditures from the proceeds of the Obligations when they are issued by the County; and

WHEREAS, the County desires in this Resolution to declare its official intent in accordance with Income Tax Regulation Section 1.150-2 to reimburse itself for all such expenditures from the proceeds of the Obligations;

NOW, THEREFORE, BE IT RESOLVED, that the County hereby declares its official intent to reimburse itself from the proceeds of the Obligations, when issued, for all expenditures made by the County with respect to the Land and the EMS Facility and which were made on or subsequent to the occurring date 60 days prior to the date of the adoption of this Resolution.

5. Approved Budget Changes #10 and #11 as follows:

Change #10

The Board of County Commissioners approved an amendment to the 1999-2000 Budget Ordinance at their meeting on November 1, 1999.

GENERAL FUND

Expenditures

Regional Response Team
Increase line item 1054332-51030 (Salaries & Wages Part-Time) by $800.00 to $800.00.
Increase line item 1054332-51300 (Social Security) by $50.00 to $50.00.
Increase line item 1054332-51310 (Medicare) by $15.00 to $15.00.
Increase line item 1054332-52010 (Supplies & Materials) by $17,079.00 to $17,079.00.
Increase line item 1054332-54010 (Travel/Training) by $1,000.00 to $1,000.00.
Increase line item 1054332-56010 (Equipment) by $1,808.00 to $1,808.00.
Decrease line item 1054332-55650 (Miscellaneous) by $40,510.00 to $1,490.00.
Decrease departmental total by $19,758.00 to $22,242.00.

Buildings & Grounds-County
Decrease line item 1054190-59620 (County Buildings Reserve) by $2,770.00 to $29,553.00.
Decrease departmental total by $2,770.00 to $114,053.00.

Sheriff’s
Increase line item 1054310-56010 (Equipment) by $11,608.00 to $265,548.00.
Increase line item 1054310-56080 (Equipment-More 98) by $120,000.00 to $120,000.00.
Increase line item 1054310-56081 (More 98-50% Match) by $20,000.00 to $20,000.00.
Rename line item 1054310-56060 (Equipment–LLEBG 98) to (Equipment-LLEBG).
Increase line item 1054310-56060 (Equipment-LLEBG) by $24,511.00 to $24,511.00.
Decrease line item 1054310-51050 (Personnel Expansion) by $8,838.00 to $82,499.00.
Increase departmental total by $167,281.00 to $2,514,185.00.

Community Policing Grant
Decrease line item 1054314-51040 (Salary Reserve) by $772.00 to $2,448.00.
Increase line item 1054314-52010 (Supplies & Materials) by $1,000.00 to $6,904.00.
Decrease line item 1054314-55610 (Dental Reimbursement) by $2,000.00 to –0–.
Decrease line item 1054314-56010 (Equipment) by $29,915.00 to $64,785.00.
Decrease departmental total by $31,687.00 to $206,713.00.

Communications Center
Increase line item 1054325-52010 (Supplies & Materials) by $3,600.00 to $10,230.00.
Decrease line item 1054325-56010 (Equipment) by $3,600.00 to $18,124.00.
The above action does not change departmental total.

Domestic Violence-Health
Decrease line item 1055114-52010 (Supplies & Materials) by $3,438.00 to $2,265.00.
Decrease departmental total by $3,438.00 to $6,517.00.

Access II-Health
Create line item 1055117-51030 (Salaries & Wages Part-Time).

March of Dimes Grant
Decrease line item 1055141-51010 (Salaries & Wages) by $4,512.00 to –0–.
Decrease line item 1055141-51030 (Salaries & Wages Part-Time) by $1,535.00 to $11,465.00.
Decrease line item 1055141-51300 (Social Security) by $425.00 to $713.00.
Decrease line item 1055141-51310 (Medicare) by $100.00 to $167.00.
Decrease line item 1055141-51330 (Retirement) by $268.00 to –0–.
Decrease departmental total by $6,840.00 to $14,311.00.

Revenue
Increase line item 1044000-48500 (Insurance Refunds) by $1,808.00 to $6,808.00.
Decrease line item 1044332-42301 (Regional Response Team) by $32,566.00 to $9,434.00.
Create and increase 1044332-42310 (EPA Hazmat Reimbursement) by $5,000.00 to $5,000.00.
Create and increase 1044332-44114 (Hazmat Fees) by $6,000.00 to $6,000.00.
Increase line item 1044310-42337 (Cops More 98 Grant) by $120,000.00 to $120,000.00.
Rename line item 1044310-42336 (LLEBG 98 Grant) to (LLEBG Grant)
Increase line item 1044310-42336 (LLEBG Grant) by $24,511.00 to $24,511.00.
Decrease line item 1045114-44510 (Domestic Violence Grant) by $3,438.00 to $3,395.00.
Decrease line item 1045141-43165 (March of Dimes Grant) by $6,840.00 to $14,311.00.
Increase line item 1044000-49900 (Unencumbered Balance) by $8,469.00 to $3,925,806.00.
Increase fund totals by $102,788.00 to $48,222,787.00.

Sheriff’s Narcotics Fund
Expenditures
Increase line item 1854311-52500 (Supplies-Narcotics) by $25,000.00 to $25,500.00.
Increase line item 1854311-54050 (Travel-Narcotics) by $1,000.00 to $1,000.00.
Increase line item 1854311-56020 (Equipment-Narcotics) by $15,000.00 to $15,000.00.
Rename line item 1854311-56061 (LLEBG 98 Match) to (LLEBG Match)
Increase line item 1854311-56061 (LLEBG Match) by $2,451.00 to $2,451.00.
Increase line item 1854311-56082 (More 98-50% Match) by $20,000.00 to $20,000.00.

Revenue
Increase line item 1844311-42330 (US Equitable Sharing) by $60,000.00 to $61,000.00.
Increase line item 1844311-43355 (NC Controlled Sub Tax) by $3,451.00 to $3,951.00.
Increase fund totals by $63,451.00 to $64,951.00.

Change #11
The Board of County Commissioners approved an amendment to the 1999-2000 Budget Ordinance at their meeting on November 1, 1999.
GENERAL FUND
Expenditures

Pre-Trial Release-County
Create and increase line item 1054305-51720 (Contracted Services) by $3,700.00 to $3,700.00.
Decrease line item 1054305-51500 (Professional Services) by $2,700.00 to $56,424.00.
Decrease line item 1054305-56010 (Equipment) by $1,000.00 to $0.00.
The above action does not change departmental total.

Pre-Trial Release (GCC#2)
Increase line item 1054306-52010 (Supplies & Materials) by $410.00 to $1,760.00.
Increase line item 1054306-54010 (Travel/Training) by $219.00 to $1,001.00.
Decrease line item 1054306-51500 (Professional Services) by $629.00 to $22,977.00.
The above action does not change departmental total.

Criminal Justice Partnership
Increase line item 1054317-52010 (Supplies & Materials) by $1,350.00 to $5,850.00.
Increase line item 1054317-54060 (Travel-NWPCOG) by $400.00 to $4,042.00.
Decrease line item 1054317-51720 (Contracted Services) by $1,900.00 to $30,500.00.
Increase line item 1054317-54250 (Postage) by $150.00 to $250.00.
The above action does not change departmental total.

Criminal Justice Discretionary
Increase line item 1054318-52010 (Supplies & Materials) by $8,000.00 to $8,000.00.
Increase line item 1054318-56010 (Equipment) by $10,000.00 to $10,000.00.
Increase line item 1054318-56600 (Other Improvements) by $9,793.00 to $9,793.00.
Increase departmental total by $27,793.00 to $27,793.00.

Pre-Trial Release (CJP)
Increase line item 1054319-51500 (Professional Services) by $13,410.00 to $76,035.00.
Increase line item 1054319-52010 (Supplies & Materials) by $5,741.00 to $10,991.00.
Increase line item 1054319-54010 (Travel/Training) by $2,186.00 to $3,311.00.
Create and increase line item 1054319-56010 (Equipment) by $5,250.00 to $5,250.00.
Increase departmental total by $26,587.00 to $95,587.00.

Revenue
Increase line item 1044318-42345 (Crim Justice Discretionary) by $27,793.00 to $27,793.00.
Increase line item 1044319-42347 (Pre-Trial Release (CJP)) by $26,587.00 to $95,587.00.
Increase fund totals by $54,380.00 to $48,277,167.00.
Chairman Harrell opened the floor for the open forum portion of the meeting asking for comments from the audience on any subject on which they wished to speak. Ellen Ring, President of the Stony Knoll Homeowners Association, and other subdivision residents Richard Davidson and Thomas Craven, as well as Sandra Allen, a Shoals resident, spoke against the new addresses proposed as part of the county-wide enhanced 911 system. The subdivision residents said that their neighborhood was sequentially numbered without room for additional development and that numbers should not be changed. Mrs. Allen opposed the change because she also said that County and Health regulations would not allow another residence closer to the end of the road and because her address had been painted on rocks of sentimental value.

Planning Director Chris Knopf explained that allowing variances to the new addressing system at this time would possibly corrupt the whole system and that the U.S. Postal Service plans to readdress the county in two years if the county does not go forward with the new addresses.

After those comments were received, the public forum session was temporarily closed to allow the Board to continue with regular business and a scheduled public hearing.

Assistant Planning Director Ron Sutphin presented information about the proposed Amendment to the Subdivision Regulations of Surry County and changes made since the last public hearing. Surveyors asked about specifics of the Ordinance.

Following the public hearing, the Commissioners agreed to make the following changes in the ordinance as presented by the Planning Board and the Planning Department staff:

- Section 1:5 Subdivisions #5 in the exceptions under the definition, take out the word "decedent's" and make the previous word "an" to read "an estate"
- Section 3:7 Phasing, the addition of the word "planned" and that "other required public facilities be platted and sized as part of the phase" to clarify the timetable for the development of services
- Section 4:2 Storm Drainage Improvements, the removal of 4(b) under Easements, which referred to noting responsibility for storm drainage maintenance on final plats
- Appendix under C. Map Information, "Floodway and floodway fringe field survey boundaries" and "Location of floodway and floodway fringe from Flood Hazard Boundary Maps and cross-section elevations" are both removed from the items which may be required under "Preliminary/Final Plat"

Upon motion by Gary York, seconded by Fred O'Neal, the Board voted unanimously to approve the changes and adopt the ordinance as discussed. The changes are incorporated into the ordinance and adopted as follows:

"Subdivision Regulations Ordinance"
Surry County, North Carolina

Article I. General Provisions

Section 1:1 Title
This Ordinance shall be known as the Subdivision Regulations Ordinance of Surry County, North Carolina.

Section 1:2 Authority

This Ordinance is adopted under the authority and provisions of the General Statutes of North Carolina Chapter 153A, Article 18, Part 2, Subdivision Regulations.

Section 1:3 Jurisdiction

These regulations shall govern all subdivisions of land within the Territorial Jurisdiction of Surry County, which shall include all land within Surry County outside the subdivision jurisdiction of any municipality.

Section 1:4 Purpose

The purpose of this Ordinance is to establish procedures and standards for the development and subdivision of real property within the jurisdiction of Surry County, NC, in order to:

1. Promote orderly growth and development consistent with the goals, objectives and policies of the Surry County Land Use Plan.

2. Provide for suitable residential and nonresidential subdivisions with adequate streets, utilities, and appropriate building sites.

3. Provide for the distribution of population and traffic in a manner which shall avoid congestion and overcrowding.

4. Provide for the coordination of streets within subdivisions with existing or planned streets and with other public facilities.

5. Provide for the dedication or reservation of rights-of-way or easements for street and utility purposes.

6. Provide for the dedication or reservation of adequate spaces for public lands and buildings.

7. Protect and enhance environmental quality.

8. Provide for the dedication or provision of facilities for adequate storm water drainage.

9. Provide proper land records for the protection of the public, and for better identification and permanent location of real property boundaries.

Section 1:5 Subdivision Defined

For the purposes of this Ordinance “Subdivision” shall mean all divisions of a tract or parcel of land into two or more lots, building sites, or other divisions for the purpose of sale or building development (whether immediate or future), and shall include all divisions of land involving the dedication of a new street or a change in existing streets; but the following shall not be included within this definition nor be subject to the regulations of this Ordinance:
1. The combination or recombination of portions of previously subdivided and recorded lots where the total number of lots is not increased and the resultant lots are equal to or exceed the standards of this Ordinance.

2. The division of land into parcels greater than ten (10) acres where no street right-of-way dedication is involved.

3. The public acquisition by purchase of strips of land for the widening or opening of streets.

4. The division of a tract in single ownership whose entire area is no greater than two acres into not more than three lots, where no street right-of-way dedication is involved, and where the resultant lots are equal to or exceed the standards of this Ordinance.

5. The division of land ordered by a court of jurisdiction in the settlement of an estate.

Section 1:6 Compliance

From and after the adoption of this Ordinance, no real property lying within the jurisdiction of this Ordinance shall be subdivided except in conformance with all applicable provisions of this Ordinance. In addition, after the effective date of this Ordinance, no plat for the subdivision of land within the jurisdiction of this Ordinance shall be filed, accepted for recording or recorded, nor shall the Clerk of Superior Court order the recording of a plat until it has been submitted and approved in accordance with the provisions of this Ordinance with the exception of the exemptions listed in Section 1:5.1-5 and/or G.S. 47-30, as amended.

Section 1:7 Subdivision Administrator and Codes Enforcement Officer

A Subdivision Administrator who shall be appointed by the Board of County Commissioners shall administer this Ordinance. The Subdivision Administrator shall be a full-time employee of the Department of Planning and Development, and shall administer and enforce the provision of this Ordinance, and have such other specific powers and duties as are set forth in this Ordinance. The Director of Planning and Development shall also be appointed by the Board of County Commissioners for the purpose of an appeal process, if a disagreement is reached by the owner-surveyor-developer and the primary Subdivision Administrator. To insure proper Ordinance administration the Subdivision Administrator will employ enforcement assistance from the Surry County Codes Enforcement Officer.

Section 1:8 Coordination of Plans

All plans, plats, and supporting documents to be submitted in connection with the procedures set forth in this Ordinance shall be submitted first to the Subdivision Administrator. The Planning Board shall develop and maintain a set of standards for the Subdivision Administrator to follow and serve as a basis for the type, size, graphic media, number of copies, information to be shown, and other such matters in regard to the maps, and documents required to be submitted in the administration of this Or-
dinance. Such standards may also include: standards for street, storm drainage, and utility construction plans. A listing of such standards may be appended to this Ordinance and are presumed to be necessary to satisfy the requirements of this Ordinance. However, it is recognized that each development is unique, and therefore, the Subdivision Administrator may exercise judgment in requiring less or more information, and submittals according to the needs of the particular case.

The following agencies will be given an opportunity to make recommendations concerning any subdivision plan prior to final plat/plan approval:

1. The District Highway Engineer as to proposed streets, highways, and drainage systems.

2. The County Health Director or his designee as to proposed water or sewerage systems.

3. The Director, NC Division of Environmental Management as to Development Standards in the Mitchell River Outstanding Resource Water Area for subdivisions proposed for that area.


5. The Surry County Fire Marshall.

Section 1:9 Administrative Fee

The Board of Commissioners shall set a fee schedule for the administration of this Ordinance. The Subdivision Administrator shall be responsible for collecting such fees. All fees relating to recording of documents shall be borne directly by the Subdivider, and be paid directly to the Register of Deeds.

Section 1:10 General Definitions

Unless specifically defined in this Section, words used in this Subdivision Ordinance shall have their respective customary dictionary definitions. For the purpose of these regulations certain words, terms, or phrases used herein are interpreted and defined as follows:

1. Words used in the "present tense" shall include the "future tense".

2. Words used in the "singular" shall include the "plural" and words used in the "plural" shall include the "singular".

3. The words "shall" and "will" always indicate MANDATORY.

4. The words "should" and "may" always indicate OPTIONAL.

5. The word "Lot" includes the words "plot", "tract" and/or "parcel".

6. The word "building" includes the word "structure".

7. The word "person" includes a "firm", "association", "organization", "partnership", "trust", "company", "corporation", and/or "individual".
8. The word "use" includes the terms "arranged", "designed", and/or "intended" for a use, activity, and/or purpose.

9. The term "Board of Commissioners" shall always indicate the BOARD OF COMMISSIONERS OF SURRY COUNTY, NORTH CAROLINA.

10. The term "County Manager" shall always indicate the COUNTY MANAGER OF SURRY COUNTY, NORTH CAROLINA.

11. The term "Planning Board" shall always indicate the SURRY COUNTY PLANNING BOARD OF SURRY COUNTY, NORTH CAROLINA.

12. The term "Board of Adjustment" shall always indicate the SURRY COUNTY PLANNING BOARD.

13. Dedication: A gift, by the owner, or a right to the use of land for a specified purpose or purposes. Because a transfer of property rights is entailed, dedication must be made by written instrument, and is completed with a written acceptance.

14. Easement: grant of one or more of the property rights by the property owner of a portion of land for a specified purpose and use by the public, a corporation, or other entities.

15. Flag Lot: A lot with less lot width than a conventional lot and composed of a narrow "flagpole" strip extending from the street and a much wider "flag" section usually lying behind a conventional lot.

16. Lot: A separate and distinct unit of land described by either a metes and bounds description and/or subdivision plat of record and/or probated will. Lot includes a portion of a subdivision, or any other parcel of land, intended as a unit for transfer of ownership or for development or both.

17. Plan Unit Development (PUD): A planned unit development is "a land development project comprehensively planned as an entity via a unitary site plan which permits flexibility in building siting, mixtures of housing types and land uses, usable open spaces, and the preservation of significant natural features."

18. Private Sewage Disposal System: Any non-public wastewater system approved by the Health Department or other appropriate governmental agency.

19. Public Sewage Disposal System: A system of wastewater collection, treatment, and disposal owned and operated by a sanitary district, a metropolitan sewage district, a water and sewer authority, a municipality or public utility, constructed and operated in compliance with applicable requirements of the NCDNR.

20. Public Water System: A system for the provision to the public of piped water for human consumption if such systems has at least 15 service connections or regularly serves an average of at least 25 individuals daily at least 60 days out of the year. Such term includes:

   (i) Any collection, treatment, storage, and distribution facility under control of the operator of such system and used primarily in connection with such system; and
(ii) Any collection or pre-treatment storage facility not under such control which is used primarily in connection with such system.

A public water system is either a "community water system" or a "non-community water system."

(i) "Community water system" means a public water system which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

(ii) "Non-community water system" means a public water system which is not a community water system.

20. Reserve Strip: A strip of land (usually only a few feet wide) owned privately, and set aside around a subdivision in order to prevent access to adjacent property by way of subdivision streets.

21. Storm, Ten (10) Year: The surface runoff resulting from a rainfall of an intensity expected to be equaled or exceeded, on the average, once in ten (10) years and of a duration which will produce the maximum peak rate of runoff for the watershed of interest under average antecedent wetness conditions.

22. Storm, Twenty-five (25) Year: The surface runoff resulting from a rainfall of an intensity expected to be equaled or exceeded, on the average, once in twenty-five (25) years and of a duration which will produce the maximum peak rate of runoff for the watershed of interest under average antecedent wetness conditions.

23. Storm, One-Hundred (100) Year: The surface runoff resulting from a rainfall of an intensity expected to be equaled or exceeded, on the average, once in one hundred (100) years and of a duration which will produce the maximum peak rate of runoff for the watershed of interest under average antecedent wetness conditions.


25. Subdivision: See Section 1:5.

26. Street, Private: A vehicular travelway, with direct access off a public street, not dedicated as a public street.

27. Street, Public: A public right-of-way for vehicular travel which has been constructed and then dedicated to and accepted by the North Carolina Department of Transportation for public use or which has been otherwise obtained by such agency for such use, or which is proposed to be constructed and then dedicated to and accepted by such agency as a public right-of-way for vehicular traffic for public use pursuant to this Ordinance. Street classifications are as follows:

28. Arterial Street: A Federal and/or State highway designed primarily for the movement of large volumes of vehicular traffic from one area to another; a thoroughfare.
29. Collector Street: A public way designed primarily to connect residential streets with arterial streets and/or to provide direct connection between two or more arterial streets, and which may be designed to carry significant volumes of vehicular traffic having neither origin nor destination on the street.

30. Commercial/Industrial Street: A public way designed primarily to connect minor commercial/industrial streets with arterial streets and/or to provide direct connection between having neither origin nor destination on the street.

31. Minor Street: A public way used primarily for providing direct access to abutting properties, and which does not have collector street characteristics. Minor Streets are further classified as:
   a. Residential: Those streets whose primary function is to provide direct access to residential property.
   b. Commercial-Industrial: Those streets whose primary function is to provide direct access to commercial-industrial property.
   c. Cul-de-sac: A short minor street having one end open to traffic and the other end permanently terminated with a vehicular turnaround.
   d. Street, Half: A proposed vehicular travelway intended to be developed by constructing one-half of a required width of a street with the remainder to be provided at some future date.


Article II. Subdivision Review Procedure

Section 2:1 Approval Levels

The Subdivision review procedure shall consist of two levels of required approval:

Preliminary Plan (Tentative Final - including required Construction Plans); and, Final Plat.

Preliminary Plan approval shall be a prerequisite to Final Plat approval. Where required, Construction Plans must be approved prior to the submission of the Final Plat.

Section 2:2 Subdivision Types

The subdivision review procedure shall consist of two types of subdivisions: Minor Subdivisions, and Major Subdivisions:

Minor Subdivisions: A minor subdivision is a subdivision which contains five or fewer lots, each lot fronting with access on a State maintained street or road.

Major Subdivisions: Any subdivision that is not a minor subdivision, as defined above.
Section 2:3 Approval Authority

The approval authority for the levels and types of subdivision approval shall be as follows:

Minor Subdivisions:

The Subdivision Administrator shall review all minor subdivisions for approval.

(If the Subdivision Administrator and/or the owner-developer-surveyor cannot resolve all problems, any final plat/plan shall be taken to the Director of Planning and Development for review and approval or disapproval. At such time a resolution cannot be reached, either party may choose to take the final plat/plan to the Planning Board for final approval or disapproval at their next regular meeting.)

Major Subdivisions:

Preliminary Plats/Plans shall be submitted to the Planning Board for approval.

Final Plats/Plans shall be submitted to the Planning Board after approval of the Preliminary Plats/Plans for approval.

Upon recommendation of the Planning Board, the Board of County Commissioners shall review Final Plats/Plans for approval and/or disapproval.

Section 2:4 Plan and Plat Requirements

Plans, plats, supporting documents, and material for the levels of subdivision approval shall be submitted in the form as provided for by GS 47-30, as amended, and this Ordinance.

Although not required, it is recommended that the subdivider hold a pre-submittal conference with the Subdivision Administrator in order to determine the subdivision approval track and supporting document requirements for the particular case.

Section 2:5 Plan and Plat Submittal and Review Periods

Plans and plats, in the proper form, may be submitted to the Subdivision Administrator for review and consideration of approval, or submission to the Planning Board, according to the following schedule: (Note: The Subdivision Administrator may refuse to accept the submission of any plans, plats, or supporting documents which in his opinion do not meet the standards for such submittals as contained in this Ordinance.)

Minor Subdivisions: May be submitted at any time. The Subdivision Administrator shall approve, approve conditionally, or deny the approval of the preliminary plans within fifteen (15) days of receipt. Approval, conditional approval, or denial shall be in written and/or drawn form, and dated.

Preliminary Plans: Major Subdivisions: May be submitted at any time provided, however, in order to be eligible to be placed on an agenda of a Planning Board meeting, such submittal shall have been filed with the Subdivision Administrator at least
fifteen (15) calendar days, or at the end of the previous busi-
ness day (if the date falls on a weekend or holiday) prior to
that meeting. The Planning Board shall recommend approval, ap-
proval with conditions, or denial of the preliminary plan within
sixty (60) days of its first consideration. The recommendation
shall be in written and/or drawn form, and dated.

Final Plats: Major Subdivisions: Shall be submitted within one
year (12 months) of the Preliminary approval. The Planning Board
shall recommend approval, approval with conditions, or denial of
the final plan within sixty (60) days of its first consideration
of the final plat. The recommendation shall be in written and/or
drawn form, and dated. After all improvements are complete, up-
on recommendation of the Planning Board, the final plat/plan
shall be submitted to the Board of County Commissioners for
their approval, approval with conditions, or denial at their
next regular meeting.

Section 2:6 Appeals

An aggrieved person may appeal any decision of the Subdivision
Administrator to the Director of Planning and Development by
filing written notice with the Planning Director within thirty
(30) days of the Subdivision Administrator's action, or the Ad-
ministrator's failure to act, if the Administrator failed to act
within the allotted time. If said person is unsatisfied with
the decision of the Director of Planning and Development, the
appeal shall be taken to the Planning Board at their next regu-
larly scheduled meeting, with said Board acting as the Board of
Adjustment, and shall have the same authority as the Subdivision
Administrator in regard to the subject level of subdivision re-
view and approval.

Section 2:7 Effects of Approvals: Prerequisites

Section 2:7.1 Preliminary Plan approval shall constitute tenta-
tive approval of the final subdivision plat if the final subdi-
vision plat is in substantive agreement with the preliminary
plan, and shall entitle the subdivider to proceed to prepare
street, storm drainage, flood control, erosion control, and
utility construction plans, if applicable, and/or to proceed to
prepare the final plat. Approval of construction plans shall
entitle the subdivider to proceed with construction of subdivi-
sion improvements for the preliminary plan.

Section 2:7.2 Final Plat approval shall entitle the subdivider
to record the final subdivision plat. A final subdivision plat
must be recorded in the Office of the Register of Deeds within
fourteen (14) working days of its approval by the Board of Coun-
ty Commissioners. Three (3) recorded copies, must be submitted
to the Planning Department by the owner, developer, surveyor, or
representative, before any lot sale can occur, or any building
permits are issued. No final subdivision plat shall be regarded
as finally approved until such plat has been signed, dated by
the Subdivision Administrator, and the plat meets the require-
ments for recording as defined in G.S. 47-30, as amended. The
subdivider shall pay all recording costs.

No final subdivision plat shall be approved for recording until
all required subdivision improvements have been installed, in-
spected and approved by the Subdivision Administrator and the
Code Enforcement Officer. In addition, no final subdivision
plat shall be approved for recording unless such plat is in substantial agreement, as determined by the Subdivision Administrator, with the approved preliminary plan. Final subdivision plats not in substantial agreement shall be resubmitted as preliminary plans as provided for herein.

After the final subdivision plat is recorded, and copies returned to the Surry County Planning Department, lots as shown on the plat may be sold or otherwise conveyed by reference to the recorded plat.

Approval and recording of the final subdivision plat shall constitute dedication by the subdivider of the right-of-way of each public street, and utility and drainage easement shown on such plat. Such dedication, however, does not constitute acceptance by the public of such right-of-way, nor does it constitute acceptance for maintenance, or for other purposes of the improvements within such rights-of-way and easements such as pavements, sidewalk, drainage facilities and other utility lines. In addition, land designated on an approved and recorded final plat as public open space and similar public purposes shall be considered to be offered for dedication until Surry County has by resolution accepted such dedication, and such land is deeded to Surry County. Until such dedication has been accepted, land so offered may be used for open space purposes by its owner or his designees, and Surry County shall be held harmless of any liability involving such land. Land so offered for dedication shall not be used for any purpose inconsistent with the proposed public use without the express approval of the Board of Commissioners of Surry County.

Article III. Subdivision Design Standards

Section 3:1 General

All proposed subdivisions subject to the regulation of this Ordinance shall comply with this Article and shall be so planned as to facilitate the most advantageous development of the entire community, and shall bear a reasonable relationship to the Land Use Plan and any applicable Thoroughfare Plan. The Board of Commissioners may deny approval of any subdivision, which the Board finds, does not meet one or more of the stated purposes of this Ordinance as set forth in Section 1.4.

The general design of the subdivision shall take advantage of and be adjusted to the contour of the land so as to produce usable building sites and streets of reasonable gradients. Subdivision plans shall be drawn in consideration of the suitability of the land and its capability to support and maintain the proposed development. Due consideration shall be given to such factors as water supply watershed requirements, outstanding resource waters, topography, rock outcrops, flood damage prevention, erosion control, wetland preservation, storm water management, solar energy, tree preservation, noise and pollution control, habitat for endangered species, areas of historical,archaeological or architectural significance, (including cemeteries as referenced in GS 14-148, 14-149, 70-27, 70-29, 70-30 and other such statutes that may relate as amended) and land use relationships in addition to other factors including those prescribed by this Ordinance.

The subdivider shall be required to reference the North Carolina State Environmental Policy Act, found in the North Carolina Ad-
ministrative Codes through the Department of Administration for any development which deals with an environmental analysis. This document can be referenced through the Office of the North Carolina Department of Environmental and Natural Resources (NCDENR) when the development pertains to land use, water quality, wastewater disposal, and/or any other environmental issues as dealt with through this state agency.

North Carolina General Statutes 136-102.6 "Compliance of Subdivision Streets With Minimum Standards of the Board of Transportation Required of Developers" requires that new public streets outside of city limits be in accordance with the Minimum Right-Of-Way and Construction Standards established by the Board of Transportation for acceptance on the State highway system. It is the intent of the Subdivision Ordinance to complement, and not to conflict with the requirements of NCDOT as stated in NCGS 136-102.6. In all cases the most restrictive limitation or requirement, or the requirement causing the highest standard of improvement shall govern.

Section 3:2 Subdivision Names, Street Names, and Addressing

In no case shall the name of a proposed subdivision duplicate or be phonetically similar to an existing subdivision name within the jurisdiction unless the proposed subdivision lies adjacent to or is in close proximity to the existing subdivision.

Proposed streets, which are obviously in alignment with others already existing or proposed and named shall bear the names of the existing or proposed ones. In no case shall the names of proposed streets duplicate or be phonetically similar to other existing street names in the jurisdiction irrespective of the addition of a prefix, suffix or word such as street, avenue, place, drive or court. Private streets or drives shall use the suffixes of lane, way, or trail. All proposed street names shall be reviewed and approved by the Surry County Director of Planning and Development. Road/street signs costs shall be the responsibility of the Subdivider. Installation of the road sign shall meet County and State specifications.

Upon receiving a building permit the subdivision lot number and future E-911 addressing number shall be posted and visible in accordance with the Surry County Addressing Ordinance as (see Appendix).

Section 3:3 Streets

The proposed street system shall extend existing and projected streets at not less than the required minimum width and shall be in conformance with the following criteria:

1. Conformance with Thoroughfare Plan: The location and design of streets shall be in conformance with any applicable Thoroughfare Plan. Where conditions warrant, right-of-way width and pavement width in excess of the minimum street standards may be required. In any case where any part of a subdivision lies within the corridor of a Thoroughfare shown on a NCDOT Roadway Corridor Official Map adopted pursuant to North Carolina General Statutes Chapter 136, Article 2E, no subdivision approval shall be granted with respect to the property in the Roadway Corridor. Provided, however, no subdivision plat approval shall be delayed by
the provision of the Roadway Corridor Official Map procedure for more than three (3) years from the date of its original submittal.

2. **Street Classification:** The final determination of the classification of streets in a proposed subdivision shall be made by the NCDOT. All streets shall be planned, designed and dedicated as public streets unless otherwise specifically provided for in this Ordinance.

3. **Conformance with Adjoining Street System:** The planned street layout of a proposed subdivision shall be compatible with existing or proposed streets and their classifications on adjoining or nearby tracts.

4. **Reserve Strips, and Half Streets:** Reserve strips adjoining street rights-of-way for the purpose of preventing access to or from adjacent property (except those required to prevent access to major thoroughfares), and half-streets shall not be permitted under any condition.

5. **Intersections:** Streets shall be designed so as to intersect as nearly as possible at right angles, and no street shall intersect any other street at an angle of less than seventy-five (75) degrees. Streets crossing natural areas or streams shall cross at or near to right angles as possible within limits of topographic conditions. Offset intersections are to be avoided.

6. **Cul-de-sacs:**
   
a. Cul-de-sacs shall be provided with a turn-around-meeting NCDOT standards. Cul-de-sacs may be designed to utilize: circular, T, L, and Y-shapes by following the diagrams in the Appendix or to meet NCDOT standards. A temporary cul-de-sac may be installed within eighteen (18) months as part of the plat approval if the Subdivider intends to phase the development.
   
b. Cul-de-sacs should not be used to avoid connection with an existing street, to avoid the extension of a thoroughfare or collector street, or to avoid connection to adjoining property.

7. **Marginal Access Streets:** Where a tract of land to be subdivided adjoins a thoroughfare, the subdivider may be required to provide a marginal access street parallel to the thoroughfare, or provide for through lots on a local street for the lots to be developed adjacent to the thoroughfare. Where through lots are established, such lots may be prevented from having direct access to the thoroughfare by driveways.

8. **Utilities, Street Lights and Storm Drainage:** Street utilities, street lights, sidewalks, storm drainage, and other such facilities are to be placed within the street right-of-way and shall be placed in accordance with NCDOT Standards for Construction in public rights-of-way. This section is also applicable to private streets.

9. **Pavement, Curb and Gutter Pavement:** Curb and gutter to be placed in public streets shall be placed in accordance with NCDOT Standards for Construction in public rights-of-
way. This section is also applicable to private streets.

10. **Street Design Criteria:** All street designs and construction within public street rights-of-way shall be in accordance with NCDOT Standards for Street Design and Construction in Public Rights-of-way. The following criteria shall be used to identify whether a street is to be identified as public or private:

   a. All roads declared public with the intent to dedicate to the NCDOT or future maintenance shall conform to the minimum standards set forth in the most recent edition of "Minimum Construction Standards for Subdivision Road" as published by the NC Department of Transportation, Division of Highways.

   b. Private roads, which will be maintained by the property owners, shall comply with the following construction standards:

      Private Driveway: A roadway serving no more than three (3) lots, building sites, or other divisions of land and not intended for public ingress and egress. Each private driveway shall have access to a state maintained road. Private driveways shall be so designated with a minimum forty-five (45) deeded right-of-way specifications, and shown on the final plat of the subdivision.

11. **Water and Sewer Design Criteria:** All public systems shall be approved for construction by the appropriate agency of the State of North Carolina.

Section 3:4 *Lots*

The size, shape and orientation of lots shall be appropriate for the location of the proposed subdivision, for the type development contemplated, and in consideration of the method of providing water and sewer facilities to the lots.

The configuration of lots in subdivisions designed for non-residential purposes may be omitted on plans and plats. The final lot sizes may be determined and platted on a lot by lot basis provided each meet the minimum requirements. Every lot shall have sufficient area, dimensions, and shape to permit a principal building to be constructed thereon in conformance with the applicable provisions. Such buildable area shall lie at or be elevated to least two (2) feet above the one hundred (100) year flood elevation as provided for in the Surry County Flood Damage Prevention Ordinance. Lots shall be designed so as to provide positive drainage away from building sites. Lot boundaries shall be made to coincide with natural and pre-existing man-made drainage-ways to the extent practicable to avoid the creation of lots that can be built upon only by altering such drainage-ways. Lotting arrangements shall be made with due consideration given to not disturbing wetlands, rock outcrops, and other such natural features. Sidelines of lots should be at or near right angles or radial to street lines. All lots must have public street access and frontage meeting the requirements set forth herein. Parcels created through the subdivision process which are not intended for building purposes shall be so designated and perpetually bound as "not-buildable" unless subsequently released through the subdivision process.
Section 3:5 Minimum Dimensional Requirements for Lots:

1. No lot or building area in a Watersupply Watershed shall be less than the minimum required lot size or built-upon area for the watershed classification requirement.

2. No lot or building area in an Outstanding Resource Water Watershed shall be less than the minimum required lot size or built-upon area for the watershed.

3. All other lots shall have a minimum area of 30,000 square feet but in no case less than may be required by Health Department regulations. If lots are serviced by both municipal water and sewer the lot size may be reduced to a minimum of 20,000 square feet. Where lots are prepared according to Section 3:10 of Plan Unit Developments - Conservation (PUD-C) lots may have a minimum of 20,000 square feet with a 30,000 square feet overall density, provided that proper septic system and water supply maintenance plan is feasible. Accessory buildings and dwellings located on the same lot requiring water and sewage disposal, shall meet the same minimum lot requirements provided herein.

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<tr>
<th>Minimum Lot Area</th>
<th>Requirements</th>
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<tbody>
<tr>
<td>30,000 square feet</td>
<td>Well, Septic</td>
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<tr>
<td>20,000 square feet</td>
<td>Municipal water &amp; sewer</td>
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<tr>
<th>PUD-C Minimum Lot Area</th>
<th>Requirements</th>
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<tr>
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<td>Septic, Well</td>
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<td>30,000 square feet density</td>
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4. All lots shall have a minimum width of at least seventy-five (75) feet measured along the building setback line, and a lot frontage on a public street of at least thirty-five (35) feet. A mean lot width of 75 feet and a mean lot depth of 110 feet.

5. Flag lots are permitted subject to the following conditions:
   a. The minimum flagpole width shall be twenty-five (25) feet, and the maximum depth of the flagpole shall be three hundred (300) feet.
   b. The lot area, lot width, setbacks, and other dimensional requirements of the lot shall be met by the flag portion of the lot.
   c. No more than two (2) flag lots will be allowed per subdivision. Additional lots may be approved if no acceptable alternative is available.
   d. Where the two (2) flag lots are contiguous a private forty-five- (45) foot recorded easement and road shall be shared by each lot. The private street shall be built according to the standards of Section 3:3. A driveway permit shall be obtained from the NCDOT and submitted as documentation.

6. Building Setback Lines: The minimum setback from property lines shall be as follows:
   a. From the front property line (R/W) . . . . 40 feet (a 50
foot right-of-way shall be assumed where no recorded right-of-way exists.)

b. From the side property line ............. 12 feet
c. From the rear property line ............. 25 feet
d. From the side property line which abuts a street 25 feet
e. Minimum distance between buildings ........ 16 feet

7. In Plan Unit Development - Conservation (PUD-C) the density of dwelling units per acre shall not exceed the density of lots per acre that would otherwise be permitted above.

Section 3:6 Easements

To provide for electric, telephone, gas service, community antenna television distribution systems, water and sewer lines, and other such facilities within the subdivision, appropriate utility easements not to exceed thirty (30) feet shall be provided on the final plat. In addition, storm drainage easements may be required in order to carry out the storm drainage improvements as required in Section 4:2.

Section 3:7 Phasing

Subdivisions may be designated to be constructed, planned, and platted in phases. Provided, however, the Planning Board shall not approve a phasing plan when such phasing will not provide for adequate public facilities to support any such phase or phases independent of the overall subdivision plan. In approving phases, the Planning Board shall require that additional streets, water and sewer facilities, or other required public facilities be platted and sized as part of the phase or phases in order to ensure that sufficient public facilities will be in place to support such phase or phases independent of any future subdivision development.

Section 3:8 Subdivision Entrance Markers And Landscaped Medians

Subdivision entrance markers and landscaped medians shall be subject to the approval of NCDOT.

Section 3:9 Connection to State Streets

An approved NCDOT driveway permit is required to connect to any state system street.

Section 3:10 Residential Subdivisions Foundation Requirements

In Subdivisions which are to be developed for residential use, all dwelling units, whether built on site or manufactured off site, shall be placed on permanent, enclosed brick, stone, or masonry block (with stucco finish) foundations, and shall be taxed as real estate. Any dwelling unit which is permitted and approved for occupancy, and which is subsequently moved off site, shall be subject to all moving permits, which are enforced by Surry County, and failure to secure moving permits shall be a violation of this Ordinance.

Section 3:11 Planned Unit Developments - Conservation (PUD-C)
Planned Unit Developments - Conservation, shall be developed in accordance with the following provisions:

1. PUD-C Option; Procedures. The developer may elect to proceed with his subdivision development under the PUD-C option. Written notice of intent to proceed under the PUD-C option shall be directed to the Subdivision Administrator on a preprinted form provided by the Surry County Planning & Development Department indicating the developer’s willingness to meet those objectives and to abide by other ordinance requirements set forth herein. The completed form together with any supporting documentation and the developer’s application shall be delivered to the secretary of the Subdivision Administrator. The application document shall clearly indicate developer’s intention to proceed under the PUD-C option. Developer’s detailed development plan must be consistent with the objectives outlined in this ordinance.

2. The PUD-C Objectives: The PUD-C designs are methods of preserving the rural community character sometimes lost in conventional development approaches. To accomplish this goal, greater flexibility and creativity in the design of such development is required. Specific objectives of cluster development and open space preservation are as follows:

   a. To preserve areas of the County with productive soils for continued agricultural and forestry.

   b. To minimize site disturbance and erosion through retention of existing vegetation and avoiding development on steep slopes.

   c. To preserve open land, including those areas containing unique and sensitive features such as natural areas and wildlife habitats, steep slopes, streams, wetlands, and floodplains.

   d. To preserve scenic views and elements of the County’s rural character, and to minimize perceived density by minimizing views of new development from existing roads and existing development.

   e. To provide for the active and passive recreational needs of the developments residents.

   f. To provide greater efficiency in the siting of services and infrastructure by reducing road length, utility extensions, and the amount of impervious surface for development.

   g. To create compact neighborhoods accessible to open space amenities and with a strong identity.

3. For Planned Unit Developments - Conservation septic system and repair areas, and water systems may be located in common areas, provided that appropriate measurements are taken to ensure maintenance through a Homeowners’ Association. Such designs must be obtained, and approval of such areas must be obtained from the Environmental Health Department.

4. Planned Unit Developments - Conservation (PUD-C) shall be exempt from the minimum lot size requirements of Subsection
3:4.1, not to be less than 20,000 square feet, provided that the overall density of dwelling units is 30,000 square feet. If public water and sewer is used then dwelling units can be 20,000 square feet provided that 25 percent of total project remains in open space. Lots in a PUD-C shall either front upon a public street or a private street as described and conditioned in (1) above or common open space, which adjoins either, a public or private street as provided for above. PUD-C shall also be exempt from the side property line setback as contained in Subsection 3:4.1(6) provided that buildings are attached on a common property line. PUD-C shall be subject to the provisions and declarations of the North Carolina Unit Ownership Act, and such documents shall be submitted as part of the plan review process.

1. PUD-C Minimum Area Requirements. Each development shall be developed on a tract not less than five (5) acres in size.

2. PUD-C Lot and Density Requirements. Clustering shall be permitted upon submission of an acceptable open space preservation plan as physically indicated on the detailed development plan.

3. Notwithstanding the development standards set out in this ordinance, the cluster development shall be exempt from the minimum lot size requirements of Section 3:5 and 3:10, except for the Watershed and Outstanding Resource Water, and the developmental standards and other requirements herein are met.

4. The PUD-C Lot Requirements. Each lot or space shall consist of no less than 20,000 square feet per building lot with an overall density of 30,000 square feet. The following criteria shall be used to determine the location of each lot.

   a. Development should be buffered from direct view by a vegetative buffer or an earth berm constructed to reflect the topography of the surrounding area, or located out of sight on slopes below existing ridge lines.

   b. Each lot shall be located so as to minimize the visual impact of the development.

   c. Each lot shall not include wetlands, transition areas, and flood plains.

   d. Each lot shall not include areas with excessive slopes of greater than > twenty (20) percent.

   e. Roadways shall follow existing contours to minimize the extent of cuts and fills.

   f. The minimum common open space shall be contiguous.

5. On-Site Inspection. Prior to the submission of the preliminary detailed development plan, the developer shall schedule a mutually convenient time to walk the property with the Subdivision Administrator, Codes Enforcement Officer, and Health Department Representative. The purpose of this visit is to familiarize staff with the property’s special features, and to provide them an informal opportunity to offer guidance to the applicant regarding the tentative location of the build-
ing lots, open space areas, buffering requirements, and street locations.

Prior to scheduling the on-site visit, the applicant shall have prepared a preliminary site or sketch plan that shall show the basic concept of meeting the clustering and open space preservation section and other requirements set forth herein.

NOTE: APPENDIX CONTAINS INFORMATION ON HOW TO DESIGN A CONSERVATION DEVELOPMENT "DESIGNING RESIDENTIAL DEVELOPMENTS THAT CONSERVE OPEN SPACE". PLEASE USE THIS MATERIAL OR OTHER MATERIALS THAT YOU DEEM NECESSARY TO MEET THE PUD-C DEVELOPMENT OBJECTIVES AND OTHER SECTIONS THIS ORDINANCE.

Article IV. Required Improvements

The subdivider shall install the following improvements and such improvements shall be at no cost to Surry County. No improvements shall be installed until construction plans have been approved by such agency as may be appropriate or as required by law. The subdivider shall furnish to the Subdivision Administrator a written statement certifying that all required improvements have been installed, and have been inspected and approved by the appropriate agency prior to final plat approval. The Subdivision Administrator shall not approve any final plat for recording without receiving the written certificate from the subdivider. Written statements from the appropriate regulatory agency, or a certification from the subdivider's engineer or professional land surveyor, as appropriate, may serve as the written certification of required improvements.

Section 4:1 Street Improvements

All subdivision streets to be developed under this Subdivision Ordinance shall meet NCDOT standards for subdivision streets so that they may be accepted into the State’s street system when all conditions of acceptance have been met. Until such time that the State accepts a subdivision street, the maintenance of the street shall be the responsibility of the property owners or the developers, and shall not be the responsibility of Surry County.

All proposed streets shall be cleared and developed to the full width of the right-of-way, and improved with a pavement width and side ditch section as required for the particular classification of street in accordance with NCDOT standards. All grading and pavement (curb and gutter, if provided), shall be designed and installed in accordance with NCDOT standards and the approved construction plan referenced in the North Carolina Department of Transportation Division of Highways Subdivision Roads: Minimum Construction Standards, as amended.

In addition, street paving, in accordance with the above conditions, shall be installed in the following situations:

1. Any existing street segment that has not been accepted for maintenance by the NCDOT, and that is to serve as the required frontage for one or more lots created pursuant to this Ordinance, shall be improved and dedicated to the public, as provided for above, in such a way that the street segment meets the standards of this Ordinance for the particular classification of street, including right-of-way
width. Such street segment shall be directly connected to the existing public street system by way of at least one public street maintained by the NCDOT. No subdivision shall be permitted on any street that is isolated by not being connected directly to the public street system.

2. The NCDOT may require pavement and widening for turning lanes along any existing or proposed street that forms a significant entrance to a proposed subdivision, where in the opinion of the Board such improvements are necessary in order for safe vehicular movement into and out of the proposed subdivision.

3. In cases where a street is stubbed into adjoining property for future extension and such street serves as the frontage for one or more lots which are not corner lots, the Board of Commissioners may require the pavement of a temporary turn-around in a form similar to a Cul-de-Sac or L, Y, and T-intersection turn-around on such street where in their opinion such turn-around is necessary for the public convenience, safety and service. Temporary easements for such purposes may be required.

4. The subdivision developer, and the NCDOT shall submit a joint notarized statement to the Planning Board through the Subdivision Administrator, stating the road meets required construction compliance as stated in this Ordinance, in compliance with Subdivision Roads: Minimum Construction Standards, as amended.

Section 4:2 Storm Drainage Improvements: A comprehensive storm drainage system shall be planned and implemented for each subdivision. The general storm drainage plan shall be shown on the preliminary plan. Detail plans where required shall be submitted as part of the construction plan requirement. Where easements are required, they shall be noted on the Final Plat.

Storm drainage plans shall be considered on an individual basis depending upon the situation within a given subdivision. The requirements of the Flood Damage Prevention Ordinance shall apply to storm drainage design where applicable. Generally the following standards shall apply:

1. Types of drainage ways requiring treatment
   a. Those draining one (1) acre of land or more.
   b. Those carrying storm water runoff from public streets with existing or proposed.
   c. Those carrying storm water runoff from large impervious surfaces other than streets.

2. Design Storms
   a. Open drainage channel - 25 year storm
   b. Enclosed systems - 10-year storm for collectors and 25 year storm for street crossing conduits and immediate downstream areas.
   c. 100 year storm where required by Flood Damage Prevention Ordinance.
3. Types of Treatment
   a. Enclosed subsurface drains
   b. Open, unimproved channel
   c. Open, improved channel

4. Easements
   a. Maintenance easements may be required depending upon
      the size of the drainage way and the maintenance re-
      sponsibility.

Section 4:3 Drinking Water Improvements: In any case where a
public drinking water system and/or supply system is proposed to
be installed in a subdivision as part of the plan approval pro-
cess, such system shall be considered to be a "Required Improve-
ment" within the context of this Article, and such system shall
be required to be installed by the subdivider. This requirement
includes both facilities within the subdivision and off-site fa-
cilities, which are essential to providing the service to the
property.

Section 4:4 Sanitary Sewerage Improvement: In any case where a
public sanitary sewerage system and/or treatment system is pro-
posed to be installed in a subdivision as part of the plan ap-
proval process, such system shall be considered to be a "Re-
quired Improvement" within the context of this Article, and such
system shall be installed by the subdivider. This requirement
includes both facilities within the subdivision and off-site fa-
cilities, which are essential to providing the service to the
property.

Section 4:5 Septic Tank System: In any case where septic tanks
are proposed to be installed in a subdivision as part of the
plan approval process, such system shall be considered to be a
"Required Improvement" within the context of this Article. Per-
mits must be submitted as a portion of the construction improve-
ment plan before final plat approval can occur.

Section 4:6 Street Name Signs: The subdivider shall purchase
street name signs from the County. The County will install the
signs at appropriate locations in accordance with the standards
and specifications of Surry County and the NCDOT. The subdivid-
er may, however, with the approval of the Subdivision Adminis-
trator of design and material, install a different street name
sign type at no cost to the County. In such case, the subdivid-
er or his successors or assignees shall be responsible for re-
placing such signs in instances of loss, damage or deteriora-
tion; otherwise, the County will replace such signs with its
standard sign.

Section 4:7 Traffic Control Signs and Markings: The subdivider
shall install traffic control signs and pavement markings in ac-
cordance with the standards and specifications of the North Car-
olina Department of Transportation.

Section 4:8 Monuments: The subdivider shall install such monu-
ments and other property markers as are required by North Car-
olina General Statutes Chapter 39, Article 5A and as are speci-
fied by the "Standards of Practice for Land Surveying" in North
NOTE: Electric power, telephone, cable television, natural gas lines, and other utilities which are proposed to be installed in the subdivision, and which are required to be shown on construction plans are not "Required Improvements" within the context of this Article. Since the installation of such improvements are by agreement between the subdivider and the appropriate utility company, the execution of such agreements between the subdivider and the utility companies are deemed to satisfy the construction and installation requirements of this Ordinance as long as they are installed in the public right-of-way or easement in accordance with NCDOT standards for such installations.

Article V. Legal Provisions

Section 5:1 Interpretation, Purpose, Conflict In Interpreting and Applying the Provisions of this Ordinance

Provisions shall be held to be the minimum requirements for the promotion of the public safety, health, convenience, prosperity and general welfare. It is not intended by this Ordinance to interfere with or abrogate or annul any easements, covenants, or other agreements between parties; provided, however, that where this Ordinance imposes a greater restriction or imposes higher standards than those required by other ordinances, rules, regulations, or by easements, covenants, or agreements, the provisions of this Ordinance shall govern so that, in all cases, the most restrictive limitation or requirement, or the requirement causing the highest standard of improvement, shall govern.

Section 5:2 Repeal and Reenactment of Existing Subdivision Ordinance

The rewriting of this Ordinance in part carries forth by reenactment some of the provisions of the existing Subdivision Ordinance of Surry County and it is not intended to repeal but rather to reenact and continue in force such existing provisions so that all rights and liabilities that have been accrued are preserved and may be enforced. All provisions of the Subdivision Ordinance which are not reenacted herein are hereby repealed. All suits at law or in equity and/or all prosecutions resulting from the violation of the Subdivision Ordinance in effect, which are now pending in any of the courts of this State or of the United States, shall not be abated or abandoned by reason of the adoption of this Ordinance, but shall be prosecuted to their finality the same as if this Ordinance had not been adopted; and any and all violations of the existing Ordinance, prosecutions for which have not been instituted, may be filed and prosecuted; and nothing in this Ordinance shall be so construed as to abandon, abate, or dismiss any litigation or prosecution now pending and/or which may have been instituted or prosecuted.

Section 5:3 Effect Upon Outstanding Preliminary and Final Plats

Nothing herein contained shall require any change in any preliminary plat which has received approval by Surry County prior to the time of the adoption of this Ordinance provided that such preliminary plat has been prosecuted to completion and a final plat recorded in the Office of the Register of Deed within the twelve (12) months allow for recording after the plat has received final approval from the County Board of Commissioners af-
ter the time of the adoption of this Ordinance.

If the final plat of all or part of the area shown on any previously approved preliminary plat is not recorded in the Office of the Register of Deeds within the six (6) months allowed for recording after the plat has received final approval from the County Board of Commissioners after the time of the adoption of this Ordinance, such non-recorded area shall be subject to all the provisions of this Ordinance.

After the effective date of this Ordinance, any final plat to be recorded based upon any outstanding preliminary plat shall follow the final plat approval procedures of this Ordinance including the Guarantee of Installation provisions.

In addition, nothing herein contained shall require any change in any final plat which has received approval by Surry County prior to the time of the adoption of this Ordinance provided that such final plat is prosecuted to completion in accordance with the terms of approval. In the event of default or the failure of the subdivider to perform in accordance with the conditions as approved, Surry County may, at its option, take lawful action pursuant to the Subdivision Ordinance in existence at the time of the final plat approval or this Ordinance.

Section 5:4 Effect Upon New Territory Added to Jurisdiction

At any time when new territory is added to the Jurisdiction of this Ordinance, such new territory shall immediately become subject to the provisions of this Ordinance. Any proposed subdivision or any subdivision in progress within such new territory shall proceed only in accordance with the following:

1. Any subdivision for which a final plat has been recorded in the Register of Deeds Office pursuant to the approval of another local government, but which is subject to an outstanding guarantee to such local government for the installation of subdivision improvements, shall remain under the subdivision control of such local government until such time as such subdivision shall have been prosecuted to completion.

2. All other subdivisions shall meet all of the requirements of this Ordinance and it shall be the responsibility of the subdivider of any proposed subdivision or subdivision in progress to receive approval as provided for in this Ordinance before proceeding with any development. The subdivider shall arrange a conference with the Subdivision Administrator who shall determine the level and type of approval required and provides the Subdivider with an approval track for the particular case.

Section 5:5 Modifications

The Board of Commissioners may modify the requirements of this Ordinance where, because of the size or shape of the tract to be subdivided, its topography, the condition or nature of adjoining areas, or the existence of other unusual physical conditions, strict compliance with the provisions of this Ordinance would cause an unusual and unnecessary hardship on the subdivider, or where in the opinion of the Board of Commissioners, a modification will result in equal or better performance. In granting modifications, the Board may require such conditions as will se-
cure, insofar as practicable, the objectives or requirements modified. In no case however, shall the Board, acting pursuant to this Section, modify the terms or requirements of the Zoning Ordinance, the Flood Damage Prevention Ordinance, the Water Supply Watershed Ordinance, or any other ordinance. Violation of any condition shall constitute a violation of this Ordinance. A modification granted as part of a plan approval is to be reviewed annually to ensure that the conditions are being met. Each condition goes with the land.

Section 5:6 Amendment

The Surry County Board of Commissioners may from time to time amend the terms of this Ordinance after a public hearing has been held and notice given as required by North Carolina General Statutes 153A-323. However, any proposed amendment shall be submitted to the Planning Board for review and recommendation prior to Board of Commissioners action. The Planning Board shall have sixty (60) days from the date such amendment is first submitted for review to the Board to make its recommendation. If the Planning Board fails to make its recommendation within the specified time, it shall be submitted to the Board of County Commissioners for review.

Section 5:7 Variance:

The Board of Adjustment may authorize a variance from these regulations when, in its opinion, undue hardship may result from strict compliance. In granting any variance, the Board of Adjustment shall make the findings required below, taking into account the nature of the proposed subdivision, the existing use of land in the vicinity, the number of persons to reside or work in the proposed subdivision, and the probable effect of the proposed subdivision upon traffic conditions in the vicinity. No variance shall be granted unless the Board of Adjustment finds:

1. That there are special circumstances or conditions affecting said property such that the strict application of the provisions of this ordinance would deprive the applicant of the reasonable use of his land,

2. That the variance is necessary for the preservation and enjoyment of a substantial property right of the petitioner,

3. That the circumstances giving rise to the need for the variance are peculiar to the parcel and are not generally characteristic of other parcels in the jurisdiction of this Ordinance, and

4. That the granting of the variance will not be detrimental to the public health, safety, and welfare, or injurious to other property in the territory in which said property is situated.

Section 5:8 Violations; Penalties

After the effective date of this Ordinance, no subdivision plat of land within the jurisdiction of this Ordinance shall be filed or recorded until it has been submitted to and approved by the appropriate approval authority.

The Register of Deeds shall not file or record a plat of subdivision of land subject to this Ordinance that has not been ap-
MEETING OF NOVEMBER 1, 1999 CONTINUED

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proved in accordance with this Ordinance nor shall the Clerk of
Superior Court order or direct the recording of a plat if the
recording would be in conflict with the provisions of this Ordinance.
After the effective date of this Ordinance, any person who, being the owner or agent of the owner of any land within the jurisdiction of this Ordinance, thereafter subdivides his land in
violation of this Ordinance or transfers or sells land by reference to, exhibition of, or any other use of a plat showing a
subdivision of the land before the plat has been properly approved under this Ordinance and recorded in the Office of the
Register of Deeds shall be guilty of a misdemeanor.
The description by metes and bounds in the instrument of transfer or
other document used in the process of selling or transferring
land shall not exempt the transaction from such penalty.
The County may bring action for injunction of any illegal subdivision, transfer, conveyance, or sale of land, and the court
shall, upon appropriate findings, issue an injunction and order
requiring the offending party to comply with the Subdivision Ordinance.
Any person, firm or corporation who violates any provisions of
this ordinance shall, upon conviction, be guilty of a misdemeanor and shall be fined not exceeding fifty ($50) dollars or imprisoned not exceeding thirty (30) days. Each day that a violation continues to exist shall be considered to be a separate offense, provided the violation is not corrected within thirty
(30) days after notice of the violation has been given, as provided by G.S. 14-4.
Additionally, violation of this ordinance subjects offenders to
a civil penalty that may be enforced through the issuance of citations by the Surry County Inspections or Planning Departments.
The County may recover this penalty in a civil action in the nature of a debt if the offender does not pay the penalty within
seventy-two (72) hours after being cited for a violation.
In
addition, failure to pay the civil penalty within seventy-two
(72) hours may subject the offender to criminal charges.
The following civil penalties are established for violations under this section:
Warning citation. . . . Correct violation within ten (10) days
First citation. . . . . . . . . . . . . . . . . . . . . $25.00
Second citation for same offense . . . . . . . . . . . .$50.00
Third and sequential citations for same offense. . . . .$50.00
These civil penalties are in addition to any other penalties,
which may be imposed by a court of law from violation of the
provisions of this ordinance.
All monetary civil penalties must be paid to the Surry County
Planning and Development Department through the Subdivision Administrator, and forwarded to the Surry County Finance Department.
Section 5:9 Validity
If any section, subsection, sentence, clause, or phrase of this
Ordinance is for any reason held to be invalid, such decision
shall not affect the validity of the remaining portions of this
Ordinance. The Board of Commissioners hereby declares that it


would have passed this Ordinance and each section, subsection, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

Section 5:10 Effective Date

This Ordinance shall become effective upon its adoption by the Board of Commissioners of Surry County, North Carolina."

APPENDIX

MAPPING STANDARDS
Surry County
Subdivision Ordinance

The following are the Standards of Maps to be submitted as part of the subdivision process for both preliminary/final plat/plan requirements, and construction plans where applicable. These standards are intended to be general and the subdivider may be required to file fewer or more maps, or provide less or more information depending upon the circumstances of the particular case. As a general rule, the requirements for the preliminary plan can be considered to be more general in application whereas those for the final plat can be considered more specific in application.

A. Number and Type of Map to be Submitted

**PLANNING BOARD & BOARD OF COMMISSIONERS**
**INITIAL REVIEW**
**COUNTY FILE**

Plat/Plans Review

<table>
<thead>
<tr>
<th>Minor:</th>
<th>4 prints (Subd. Administrator)</th>
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</thead>
<tbody>
<tr>
<td>Major:</td>
<td></td>
</tr>
<tr>
<td>Preliminary Plats/Plans</td>
<td>14 prints (Planning Board)</td>
</tr>
<tr>
<td>Final Plats/Plans:</td>
<td>14 prints (Planning Board)</td>
</tr>
<tr>
<td></td>
<td>10 prints (BOCC)</td>
</tr>
</tbody>
</table>

All maps shall be drawn to scale. Prints may be blueline or blackline and map size shall be dimension of 18" X 24". All plats/plans shall be pursuant to the requirements set forth in G.S. 47-30, as amended.

Construction Plans: 1 set to Surry County, see NCDOT, and other approval agency as to number required.

All plans shall be drawn to scale. The scale shall be not less than 1" = 200'. Construction plans shall be at a scale of not less than 1" = 50'. Prints may be blueline or blackline and map size shall be dimension of 24" X 36". The final plat prints for County file shall be copies of the final plat as presented for recording.

(Consult Surry County Register of Deeds for Record Map requirements.)

B. Construction Plans (Submit to NCDOT and other appropriate
agency with copy to Surry County.):

1. Plan and profile showing streets with complete design showing all horizontal curve data, vertical curve data, super elevation, etc., and DOT approvals such as driveway permits, etc.

2. Storm drainage design and calculations with size, material, grade, length, and cove on all pipes, size, type, and location of all catch basins.

3. Location of all flood boundaries, temporary and permanent erosion control methods, and proposed fill.

4. Utility system plan and profile to show size, material, cover, and grade on all mains; size, depth and type of all manholes, location of all hydrants and cleanouts, location of all services and meter boxes, and location of easements.

5. Distribution systems of electric, telephone, natural gas, cable antenna television, and other services in right-of-way.

6. A copy of the approved State Erosion Control Plan, and approval letter prior to beginning construction.

C. Map Information (if applicable):

<table>
<thead>
<tr>
<th>Information</th>
<th>Preliminary/ Final Plat</th>
<th>Construction Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title Block:</td>
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<tr>
<td>Name of development</td>
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<tr>
<td>Name of map or plan (sketch plan, preliminary plan, etc.)</td>
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</tr>
<tr>
<td>Owner's name with address and daytime phone #</td>
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</tr>
<tr>
<td>Location (including address, city, township, county, &amp; state)</td>
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<tr>
<td>Date(s) map(s) prepared or revised</td>
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<tr>
<td>Scale of drawing in feet per inch (drawing shall not be at scale of not less than 1&quot; equal to 200')</td>
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<tr>
<td>Bar Graph Scale</td>
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<tr>
<td>Name, address, &amp; telephone # of preparer of map</td>
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</tr>
<tr>
<td>Developer's name, address, and daytime phone number (if different from owners)</td>
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<tr>
<td>Zoning district(s), and water supply &amp; watershed within the property &amp; adjacent properties</td>
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<td>X</td>
</tr>
</tbody>
</table>
Plat book & page, or deed book & page references X
Names of adjoining property owners (or sub-divisions or developments of record with plat book & page, and/or deed book & page reference) X
Tax map, block & parcel(s) # X X
Vicinity map showing location of site relative to surrounding area X X
Corporate limits, county lines, and other jurisdiction lines, if any, on the tract X X
North arrow & orientation X X
Floodway and floodway fringe field survey boundaries X
Boundaries of the tract to be Subdivided or developed: X X
Distinctly and accurately represented & showing all distances; as required in G.S. 47-30, as amended. X
Tie at least one corner to NC grid and provide grid coordinates where at least one of two control monuments needed are within 2000 feet of the boundary or tie to nearest street intersections. X
Showing locations of intersecting boundary lines of adjoining properties X X
Location and descriptions of all monuments, markers and control corners X
Existing property lines on tract to be sub-divided. If existing property lines are to be changed, label as "old property lines" and show as dashed lines X X
Dimensions, location and distance from buildings to closest property lines; buildings to remain on final. X X
The name and location of any property or building on the National Register of Historic Places or locally designated historic property X X
Railroad lines and rights-of-way X X
Water courses, ponds, lakes or streams X X
Marshes, swamps and other wetlands X

Areas to be dedicated or reserved for the public or a local jurisdiction X

Areas designated as common area or open space under control of an Owners Assoc. X

Location of floodway & floodway fringe from Flood Hazard Boundary Maps and cross-section elevations X

Existing and proposed topography of tract and 100 feet beyond property showing existing contour intervals of no greater than 10 feet and labeling at least two contours per map and all others at 10 foot intervals from sea level X

Proposed lot lines & dimensions; show bearings and distances on final X

Acreage for all lots. X

Site Calculations Including:

Acreage in total tract X

Acreage in public greenways and other open space X

Total number of lots proposed X

Linear feet in streets X

Area in newly dedicated right-of-way X

Lots sequenced or numbered consecutively X

Street Data Illustrating:

Existing and proposed rights-of-way within and adjacent to property showing: X

R/W Lines X

Total R/W width dimension X

R/W width dimension from centerline of existing public streets X

Cul-de-sac R/W radius from centerpoint X

Existing and Proposed Streets Showing:

Pavement or curb lines X

Pavement width dimensions
(face-to-face)(or EP to EP) X X
Cul-de-sac pavement radius from centerpoint X X
Existing & proposed street names (Must label public or private) X X
Location, dimension & type of all easements (Existing and proposed) X X
Utility Layout Plan: Showing connections to existing systems, utility company's name, line sizes, material of lines, location of fire hydrants, blowoffs, valves, manholes, catch basins, force mains, etc. for the following types of utility lines: (not to substitute for constructions plans) X
Sanitary sewer X
Water distribution X
Storm sewer X
Natural gas, electric, cable TV (Show right-of-way for Utility easements only in land subdivisions) X
Plan for providing water and sewer service graphic or narrative form X

C. Certifications, Notes and Approval Blocks

The following certificates, notes, and approval blocks shall appear on the appropriate plans and plats in substantially the following formats:

1. Minor Subdivision:

Certificate of Subdivision Administrator Approval

Approved for recording by Surry County, N.C. Subdivision Administrator on this the _______ day of _________, ________ pursuant to authority of Article _______ of the Subdivision Ordinance. Must be recorded within fourteen (14) days of this date.

______________________ ______________
Subdivision Administrator  Date

2. Major Subdivision (Final Plat/Plan):

Certificate of Survey and Accuracy

I, ___________________________, certify that this map was drawn under my supervision) from an actual survey made under my supervision (deed description recorded in Book __________, page __________, etc.) (other); that the boundaries not surveyed are clearly indicated as drawn from information found in Book __________, page __________; that the ratio of precision as calculated is 1:_____; that this map was prepared in accordance
with G.S. 47-30 as amended. Witness my original signature, registration and seal this ______ day of ____________, A.D., ______.

Seal or Stamp ___________________________
Surveyor
Registration # (maximum allowable error: 1:10,000)

NCDOT Construction Standards Certification

I hereby certify that the streets as indicated hereon are approved by the North Carolina Division of Highways and will be accepted as a part of the State system at such time as meeting all State requirements.

Date ___________________ District Engineer

Or

This subdivision plat has been reviewed and is along existing rural paved road S.R. ______
_________________________ in Surry County, not requiring any work.

Date ___________________ District Engineer

Or

NOTE: NCDOT Engineer has authority to review all subdivision that will front an existing state road. For subdivision private drive ways, the NCDOT requires review, and a driveway permit.

Or

Street Disclosure Statement

The streets shown hereon are dedicated to the private use of purchasers of lots within the subdivision. There is no intention by recordation of the subdivision plat to dedicate the streets and roadways therein to public use. The responsibility for improvements and maintenance of such streets and roadways shall be the of the abutting lot owners and their successors in interest. There is not commitment by the North Carolina Department of Transportation, Surry County, or any other governmental body to assume responsibility for maintenance.

It is hereby disclosed that Surry County school buses are not permitted to travel on private streets.

Onsite Water and/or Sewer Note: (Where appropriate)

Note: (ALL the LOTS) or (LOTS # ______) as shown on this plat are proposed to be served with on-site water and/or sewer systems. The lots as shown meet the minimum size prescribed by the Surry County Health Department for such system(s).

Or

Individual lots have been evaluated and the Health Department has issued improvement permits.
No signature required.

Special Flood Hazard Area Note: (Word to represent actual situation)

Reference: Floodway Panel # _____________
Flood Zone: _____________
Date: _____________ (of Panel)

(If part of the property is in a Special Flood Hazard Area it shall be scaled, and shown graphically on the Plat.)

G.S. 47-30 f (11) a-e Certification

I certify that this survey creates a subdivision of land within Surry County, which has an ordinance regulating parcels of land. [GS 47-30(f)(11) a-e]

Date ___________________________ Surveyor

NOTE: If survey is other that GS 47-30 (f)(11) a-e the provision must be included. Interpretation of this provision is from the Institute of Government.

Approving Authority Signature

I, ___________________________, Chairman of the Surry County Board of Commissioners, hereby certify that the said Board duly approved the final plat of the subdivision shown hereon, on the ________ day of ______________, ________.

Chairman, Surry County Board of Commissioners

NOTE: If plat is from any other governmental agency other than the Surry County’s jurisdiction such as a municipality, the plat must have the signature of the agency designated to review plats and contain any statement that is required by that particular governmental body. This must be completed before a Review Officer can approve the plat for recording.

Review Officer Certification G.S. 47-30

I, ___________________________, Review Officer of Surry County, certify that the map or plat to which this certification is affixed meets all statutory requirements for recording.

Date ___________________________ Review Officer

NOTE: The above is not all the required certifications, however they are the most typically used as defined in the subdivision regulations and G.S. 47-30 Review Officer.

Following approval of the Ordinance, Chairman Harrell reopened the Public Forum and the discussion of 911 address changes resumed.
County Manager Dennis Thompson recommended that since the group’s case was apparently not going to be resolved during the meeting that the Planning Department and 911 Consultant review the case and make a response to the Board. Chairman Harrell asked that Emergency Services join in that response and that the matter be discussed further at the December 6, 1999 meeting.

Gary York recognized Shirley Edmonds for her work with the Surry Community College Chorus on behalf of the Foothills Food Pantry for Make A Difference Day. He presented Ms. Edmonds with a certificate and a Surry County Ambassador pin.

Upon motion by Paul Johnson, seconded by Fred O’Neal, the Board voted unanimously to employ Catrina Smith as Parks and Recreation Director at a pay grade of 70 Step 4 effective November 15, 1999.

Dean Burgess, Director of the Area Agency on Aging, presented information about local aging programs and introduced the people heading many of those programs.

Gene Troy, Jr., of the N.C. Human Relations Commission, brought the Board information on the role of Human Relations Commissions in the state and how one could be formed in Surry County.

 Upon motion by Gary York, seconded by Fred O’Neal, the Board voted unanimously to appoint Gambill Aldridge, Robbie Earnhart and Wanda McAllister to two-year terms on the Natural Resource Committee. The terms will expire September 30, 2001.

Upon motion by Jim Miller, seconded by Gary York, the Board voted unanimously to work with Cavanaugh & Associates, P.A., in pursuing a state grant for Fisher River Park and seeking other potential grant sources at a cost of $3,000 to be drawn from nondepartmental contingency funds.

The Board received Certification from Municipal Engineering that the Elkin and Mount Airy landfills have been closed in accordance with State regulations.

Commissioner Jim Miller commended Public Works for the department’s efforts in closing out the old landfills.

By consensus, the Board authorized the County Public Works Department to demolish the old classroom building on the old Westfield School property.

Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to allow Public Works to pave the three recycling/convenience centers acquired from Waste Management, if the money can be found in the department’s budget.
Upon motion by Fred O'Neal, seconded by Gary York, the Board voted unanimously to release to the schools budgeted County funds to make payment to the charter school.

The Board directed County Manager Dennis Thompson to work with the Board of Elections to pursue a referendum for the proposed Pine Ridge Fire District after receiving verification that more than 35 percent of the District’s resident real estate owners support the proposed district.

Upon motion by Jim Miller, seconded by Gary York, the Board voted unanimously to provide an additional $13,975 for the Lovills Creek Channel Improvement Project Phase IV due to sewer line relocation. The money is to come from funds budgeted for completing and maintaining the project.

Upon motion by Fred O'Neal, seconded by Gary York, the Board voted unanimously to accept the Lowes property at the contract price of $1,200,000 and authorized payment for the property and closing costs.

Upon motion by Gary York, seconded by Fred O'Neal, the Board voted unanimously to contract with Dennis P. Altic, A.I.A., for design of the new Emergency Services building.

By consensus, Jim Miller and Fred O'Neal were named as a subcommittee to look at the Lowes property and the building needs and work with Altic as needed on the redesign. Commissioner O'Neal requested that an inventory be developed of the agencies interested in space in the building.

The Board also directed the County Manager to invite the three architects interested in the renovation of the property to attend the November 15 board meeting and present their proposals. The County Manager was also directed to officially notify Northern Hospital of Surry County that the County will not be taking the property which the Hospital had offered to sell the County.

Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to pay employees whose assistance in an official capacity is requested for Hurricane Relief. The County will then seek reimbursement from FEMA (Federal Emergency Management Administration) for the wages.

Upon motion by Gary York, seconded by Paul Johnson, the Board rejected an offer of $81,000 for the Gilmer Street property.

Chairman Harrell gave a brief presentation on his meeting with school officials and said that they are interested in making a presentation to the Board on building needs after the first of the year.
Upon motion by Fred O’Neal, seconded by Jim Miller, the Board went into closed session to discuss several personnel issues.

_________________ ________________ ________________

The Board reconvened in regular session at 11:00 p.m.

Upon motion by Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve the following personnel requests:

- Approve the Sheriff’s request to employ of James Melton in the Jail at Grade 60 Step 6.
- Approve one-step merit increases for Robert Coleson and Sean Gibson as requested by John Shelton in Emergency Services, moving both to Grade 66 Step 6.
- Approved promoting Bonnie Simmons from Secretary III to Building Codes Inspector I Grade 65 Step 1 putting her on the road for one-half day for the next six months as she completes her training.
- Authorized the hiring of a new Building Code Inspector at Grade 65 Step 7, based on qualifications, as requested by Gray Bryant, Building Codes Administrator.

_________________ ________________ ________________

The Board recessed the meeting until 9 a.m. on November 15, 1999.

______________________________
Angela M. Leonard
Clerk to the Board
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on November 15, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Fred O’Neal, Jim Miller and Paul Johnson.

Others present for the meeting, at various times, were:
Dennis Thompson, County Manager
Angela Leonard, Clerk to the Board
Fred Folger, County Attorney
Chris Knopf, Planning Director
Ron Sutphin, Assistant Planning Director
John Shelton, Emergency Services Director
Roger Shore, Central Communications
Betty Taylor, Assistant County Manager for Budget and Finance
Bill Marion, Public Works Department
Mike Sawyer and John Hedrick, Northwestern Regional Library
David Swann, Crossroads Behavioral Healthcare
Eric Apple, Information Technology Director
Jerry Holder, Information Technology Department
Gray Bryant, Building Codes Administrator
Ottis Holt, Buildings and Grounds Department
Dennis Altic, Architect
Richard Atkinson, Jim Powell and Ron Niland, Atkinson, Dyer and Watson Architects
Rob Johnson and Jon Long, Martin Boal Anthony and Johnson Architects
Charles Gillespie, Rabies Control
Gary Snow, Sons of Confederate Veterans
Todd Merriman, Elkin Tribune
Sherry Wilson, Winston-Salem Journal
Wayne Davis, Citizen
Don Miner, Citizen

Chairman Jim Harrell called the meeting to order. Commissioner Gary York delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve the minutes of the November 1, 1999 meeting.

Upon motion of Fred O’Neal, seconded by Gary York, the Board voted unanimously to approve the following consent agenda items.

1. Approved the following refunds due to overpayment of account, not receiving service, or payment on the wrong account:
   - EMS – CGLIC-MEDICARE, P.O. Box 10820, Newark, NJ for patient Susie Bowman – $117.07.
   - EMS – Daniel C. Lowe, 1568 Haystack Road, Mount Airy – $130.00.
MEETING OF NOVEMBER 15, 1999 CONTINUED


6. Health and Nutrition Center – Jesus Valenzuela, Route 3, Box 371, Dobson – $75.00.

7. Health and Nutrition Center – Talmadge E. Jenkins, 104 Hickory Tree Lane, Dobson – $75.00.


2. Approved a resolution for a referendum on the levying of a tax for the Pine Ridge Fire District as follows:

RESOLUTION FOR REFERENDUM ON PINE RIDGE FIRE DISTRICT TAX

WHEREAS, the Board of Commissioners of Surry County, North Carolina, at its regular scheduled meeting of November 1, 1999, received petitions signed by more than 35 percent of the resident freeholders of the Pine Ridge Fire District located in Surry County, North Carolina, requesting that the County Commissioners of Surry County order a special election to be held in said Fire District which lies in said county for the purpose of submitting to the qualified voters of the Pine Ridge Fire District the following question:

“Shall the qualified voters of the Pine Ridge Fire District approve the levying and collection of a special tax on all taxable property in said district by the County Commissioners for fire protection in the Pine Ridge Fire District, said tax so levied in said district, not being in excess of 15 cents on the $100 valuation in accordance with Article III, Chapter 69, of the General Statutes of the State of North Carolina”; and

WHEREAS, the office of the Tax Supervisor of Surry County has determined that the requisite number of freeholders in said district have signed said petition to meet the 15 percent requirement of North Carolina General Statutes 69-25.1 and based upon information from the office of the Tax Supervisor of Surry County; and the Board of Election of Surry County that the signatures affixed to said petition are of sufficient number of registered voters within said district and are genuine; and

WHEREAS, the said Pine Ridge Fire District as described in the petitions submitted to the Surry County Board of Commissioners is as follows:

Beginning at Point (1), which point is the northwest corner of the Franklin Fire Tax District on the North Carolina/Virginia boundary line, located approximately 3,255 feet west of the intersection of Road 1623 with the Virginia/North Carolina boundary line; then in a southeasterly direction, with the Franklin Fire Tax District boundary, to the center of the intersection of Road 1602 and Road 1623, to Point (2); thence in a southeasterly direction to Road 1622 to Point (3), 0.3 miles south of the intersection of Road 1621 and Road 1622; thence in a southerly direction to Road 1620 to Point (4), 0.5 miles southeast of the intersection of Road 1618 and Road 1620; thence in a southerly direction to the intersection of N. C. Highway 89 and Road...
1618, Point (5); thence in a southeasterly direction to the intersection of Road 1331 and Road 1350 to Point (6); thence in a southeasterly direction to Point (7), located on Road 1363, 0.9 miles southeast of the intersection of Road 1363 and Road 1350; thence in a southeasterly direction to the intersection of the Franklin Fire Tax District boundary and the White Plains Fire Tax District boundary, Point (8); thence in a westerly direction to Road 1356 to a point where the White Plains Fire Tax District boundary intersects with Road 1356, Point (9); thence in a westerly direction to the intersection of Road 1356 and Road 1350, Point (10); thence in a southerly direction, following Road 1350 to a point on Road 1350 where Cook's Creek passes under Road 1350 to Point (11), and including all parcels adjacent to Road 1350 between Points (10) and (11); thence in a westerly direction to Road 1400, 0.1 miles southeast of the intersection of Road 1400 and Road 1401, to Point (12); thence in a southwesterly direction to Point (13), which point is located 0.5 miles south of the intersection of Road 1400 and Road 1401; thence in a northwesterly direction to a point at the intersection of the Little Fisher River and the Beaver Dam Creek to Point (14); thence following the Beaver Dam Creek as it meanders generally in a northwesterly direction to where the Beaver Dam Creek contacts the western most right-of-way of Interstate 77 to Point (15); thence in a northeasterly direction following the western most right-of-way of Interstate 77 to a point on Road 1397 where Road 1397 intersects with the western most right-of-way of Interstate 77 to Point (16); thence in a northeasterly direction following the western most right-of-way of Interstate 77 to a point located southwest of the intersection of N. C. Highway 89 and Interstate 77 to Point (17); thence in a southwesterly direction to the intersection of N. C. Highway 89 and Road 1397 to Point (18), and including all properties adjacent to N. C. Highway 89 between Points (17) and (18); thence in a northerly direction to the intersection of Road 1397 and Road 1614, Point (19); thence in a northerly direction to a point on Road 1397, point being located 0.8 miles northeast of the intersection of Road 1397 and Road 1605, Point (20); thence in a northwesterly direction to the intersection of Road 1602 and Road 1605, Point (21); thence in a southwesterly direction to a point on Road 1602 where an unnamed creek passes under Road 1602, 0.4 miles west of the intersection of Road 1602 and Road 1605 to Point 22; thence following an unnamed creek as it meanders in a northwesterly direction to a point on the North Carolina/Virginia boundary at North Carolina State Grid E1,461,000 and N1,027,410, Point (23); thence in a generally northeasterly direction with the North Carolina/Virginia boundary to Point (1), the beginning.

NOW, THEREFORE, BE IT RESOLVED that the Board of Elections of Surry County is hereby requested pursuant to N. C. General Statutes 163-284.1 to call for and conduct an election in the Pine Ridge Fire District pursuant to the provisions of N.C. General Statutes, Chapter 69, Article III for the purpose of having the qualified voters vote and determine:

"Shall the qualified voters of the Pine Ridge Fire District approve the levying and collection of a special tax on all taxable property in said district by the County Commissioners for fire protection in the Pine Ridge Fire District,
said tax so levied in said district, not being in excess of 15 cents on the $100 valuation in accordance with Article III, Chapter 69, of the General Statutes of the State of North Carolina”; and

That said election is requested to be held not later than June 1, 2000.

This the 15th day of November, 1999.

3. Adopted a resolution approving the release of state funds to the Northwest Piedmont Council of Governments as follows:

RESOLUTION APPROVING THE RELEASE OF STATE FUNDS TO THE NORTHWEST PIEDMONT COUNCIL OF GOVERNMENTS

WHEREAS, in North Carolina, the Lead Regional Organizations, as voluntary organizations serving municipal and county governments, have established productive working relationships with the cities and counties across this state; and

WHEREAS, the General Assembly recognized this need through the appropriation of $864,270.00 to help the Lead Regional Organizations assist local governments with grant applications, economic development, community development, and to support local industrial development activities and the activities deemed appropriate by their local governments; and

WHEREAS, these funds are not intended to be used for payment of member dues or assessments to a Lead Regional Organization or to supplant funds appropriated by the member governments; and

WHEREAS, in Region I, funds in the amount of $48,014.97 will be used to provide grantwriting and technical assistance to member governments for community and economic development; to disseminate economic, demographic, and mapping information on the region to member government, media, business, developers, human service providers, and the general public; and to supplement funding for the Northwest Piedmont Development Corporation which is certified by the Small Business Administration to package loans for small businesses in the Region.

NOW, THEREFORE, BE IT RESOLVED that the Surry County Board of Commissioners requests the release of its share of these funds, $8,705.42, to the Northwest Piedmont Council of Governments at the earliest possible time in accordance with the provisions of Chapter 443, Senate Bill 352, Section 16.5 of the 1997 Session Laws.

ADOPTED this 15th day of November, 1999.

4. Approved a Memorandum of Understanding with the State Board of Elections concerning personnel. The memorandum is incorporated into the minutes by reference only and a copy is on file in the office of the County Manager until its expiration.

5. Approved an agreement with the Workforce Development Board as requested by the Northwest Piedmont Job Training Consortium. The contract is incorporated into the minutes by reference only and a copy is on file in the office of the County Manager until its expiration.
6. Approved Budget Changes #12 and #13 as follows:

**Change #13**

The Board of County Commissioners approved an amendment to the 1999-2000 Budget Ordinance at their meeting on November 15, 1999.

**GENERAL FUND**

**Expenditures**

**Learn and Serve Grant**
Create and increase line item 1054953-54010 (Travel/Training) by $500.00 to $500.00.
Increase line item 1054953-55150 (Insurance & Bonding) by $25.00 to $25.00.
Decrease line item 1054953-51720 (Contracted Services) by $1,323.00 to $1,377.00.
Decrease line item 1054953-52010 (Supplies & Materials) by $215.00 to $5,450.00.
Decrease line item 1054953-54300 (Utilities) by $38.00 to $582.00.
Decrease departmental total by $1,051.00 to $7,934.00.

**NC Cardiovascular Health**
Create line item 1055160-51020 (Longevity Pay).

**Revenue**
Decrease line item 1044953-43360 (Learn and Serve Grant) by $1,051.00 to $7,934.00.
Create and increase line item 1045313-42452 (Tanf to SSBG) by $38,100.00 to $38,100.00.
Decrease line item 1045313-42380 (Social Serv Block Grant) by $38,100.00 to $219,251.00.
Increase line item 1045313-42405 (Work First) by $302,658.00 to $302,658.00.
Decrease line item 1045313-42450 (Tanf) by $302,658.00 to $367,601.00.
Decrease fund totals by $1,051.00 to $48,276,116.00.

7. Approved Kaye's Subdivision, as recommended by the Planning Board, contingent upon several additional approvals and road name changes.

8. Approved tax releases for the month ending August 31, 1999 totaling $47,168.00; tax adjustments for the month ending August 31, 1999 totaling $14,279.89; tax refunds for the month ending August 31, 1999, totaling $2,625.59; and tax discoveries for the month ending August 31, 1999 totaling $47,023.71. These items are incorporated into the minutes by reference only and a copy is on file in the office of the County Manager.

9. Approved tax releases for the month ending October 31, 1999 totaling $35,591.90; tax adjustments for the month ending October 31, 1999 totaling $6,874.05; tax refunds for the month ending October 31, 1999 totaling $9,027.31; and tax discoveries for the month ending October 31, 1999 totaling $32,846.46. These items are incorporated into the minutes by reference only and a copy is on file in the office of the County Manager.
10. Approved the Tax Director's Charge to collect July 1999 motor vehicle renewal taxes totaling $234,932.02. This item is incorporated into the minutes by reference only and a copy is on file in the office of the County Manager.

Chairman Harrell opened the floor for the open forum portion of the meeting asking for comments from the audience on any subject on which they wished to speak. No public comments were received; however, Commissioner Fred O'Neal commended the local residents who organized a horse show to benefit the Surry Children's Center at Fisher River Park on Saturday.

After those comments were received, the public forum session was closed and the Board continued with regular business.

Gary Snow representing the Sons of Confederate Veterans appeared before the Board for approval of the location of a Civil War Memorial on the Courthouse lawn. Commissioners agreed by consensus that the granite memorial could be placed on the south side of the Courthouse across the walk from an existing war memorial.

Mike Sawyer, Northwestern Regional Librarian, and John Hedrick representing the Northwestern Regional Library Board presented the library's semi-annual report.

After their report, the Board agreed to go forward with approving a contract with the regional library. Upon motion by Jim Miller, seconded by Gary York, the Board voted unanimously to approve the contract. The contract is incorporated into the minutes by reference only and is on file in the office of the County Manager until its expiration date.

The Board delayed action on requests from the Mount Airy-Surry County and Elkin airports for funding until a report can be received about existing funds and how they are being expended.

The Board delayed action on a request from the Jones Family Resource Center to allow for the removal of a breezeway until Commissioner Jim Miller could examine the structure.

The Board by consensus set January 12, 2000 as the date for a joint meeting with representatives of the three school systems to review facilities' needs.

Upon motion by Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to instruct the County Manager and Tax Director to research a potential tax overpayment by Raymond L. Robertson due to incorrect measuring of his residence. The County Manager was directed to report back to the Board with a recommended refund amount, subject to the legality of the refund.
The Board directed the County Manager to examine proposals for installing doors with panic bars at the Courthouse and to report back on the proposals at a future meeting.

Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to set a fee of $150.00 for Public Works to charge for the burial of old mobile homes.

Upon motion by Gary York, seconded by Paul Johnson, the Board voted unanimously to extend the exclusive listing of the Gilmer Street property with Bobbie Collins until midnight on February 25, 2000.

The Board received two quotes for replacing the air conditioning unit at the Agriculture Building:

Jerry Fore Enterprises Inc.  Carrier Corporation
1803 West Pine St.  810 Trollingwood-Hawfield Road
Mount Airy, NC  Mebane, NC
$4,628.00  $7,534.00

Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to award the contract to the low bidder, Jerry Fore Enterprises.

Upon motion by Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to allow employees in the Tax Office to transfer 80 hours of annual leave to another employee who has exhausted her leave due to health problems.

The Board directed County Manager Dennis Thompson to explore the possibility of purchasing a 1.7-acre tract east of the Cave property now owned by the County for future development as part of the justice center.

Upon motion by Gary York, seconded by Jim Miller, the Board voted to proceed with accepting $790,000.00 from the Clean Water Management Trust Fund for Surry County streams, based on the recommendation of County Manager and County Attorney after reviewing the agreement.

Upon motion by Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to adopt the following resolution setting a salary scale for the Register of Deeds:

RESOLUTION

WHEREAS, GS 153A-92 provides that the County Commissioners shall fix or approve the schedule of pay for the Register of Deeds; and

WHEREAS, the statute empowers the County Commissioners to establish a salary scale for the Register of Deeds, and numerous counties have established such salary scales; and
WHEREAS, an established salary scale allows the County Commissions to set the salary of the Register of Deeds at an appropriate level to recognize the professional background and job-related experience that a newly-elected Register of Deeds brings to the position;

NOW, THEREFORE, BE IT RESOLVED, that the Surry County Commissioners hereby establish a salary scale for the Surry County Register of Deeds, and that the salary scale is equivalent to grade 76 on the salary scale for the County’s classified employees.

BE IT FURTHER RESOLVED that the filing fee for the office of the Register of Deeds shall be based upon step one of the salary scale.

Upon motion by Gary York, seconded by Fred O’Neal, the Board voted unanimously to set a public hearing for 6:30 p.m. November 29, 1999 to consider amending the county’s Watershed Protection Ordinance to set more stringent requirements for development.

County Attorney Fred Folger entered the meeting at 7:08 p.m.

The Board agreed to have Joyce Engineering appear at a future meeting and present a proposal to provide engineering services for the next cell at the landfill.

Upon motion by Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to purchase a new county-wide radio network and supporting computer hardware and software to be Y2K compliant. Funds for the upgrade will come from the 911 Fund and include $76,937.52 for the radio system and another $8,000 to be spent on computers.

Upon motion by Gary York, seconded by Jim Miller, the Board voted unanimously to approve upgrading the Inspections Department’s computer system with new networking, computers, laptops and printers. The system upgrade at a total cost of $53,396.51 will be funded from the productivity account.

Upon motion by Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve a resolution appointing subdivision administrators as follows:

RESOLUTION APPOINTING SUBDIVISION ADMINISTRATORS

WHEREAS, the new Subdivision Ordinance requires the Board of County Commissioners in Surry County, by resolution, to appoint a person or persons to serve as Subdivision Administrator(s) to review each plat before it is recorded and certify that it meets the statutory requirements for recording and the requirements of the Subdivision Ordinance; and

WHEREAS, it is the desire of the Surry County Board of Commissioners to insure an expeditious review of all maps and plats
as required by G.S. 47-30.2 before they are presented to the Register of Deeds for recording.

NOW, THEREFORE, BE IT RESOLVED, effective November 15, 1999, that Christopher Knopf, Planning Director, and Ron Sutphin, Jr., Assistant Planning Director, in the Surry County Planning & Development Department are hereby appointed to perform all responsibilities as required for Subdivision Administrator.

BE IT FURTHER RESOLVED that a copy of this Resolution designating the Subdivision Administrators be recorded in the Surry County Register of Deeds Office and indexed in the name of the Subdivision Administrator.

ADOPTED this the 15th day of November, 1999.

_________________ ________________ ________________
Upon motion by Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to approve the payment of membership dues for the Clerk to the Board to the North Carolina Association of County Clerks and the International Institute of Municipal Clerks. Funds for payment are to be taken from the budget of the Governing Body, Dues and Subscriptions.

_________________ ________________ ________________
Upon motion by Gary York, seconded by Jim Miller, the Board voted unanimously to approve paying fees for the Clerk to the Board to attend the 2000 Annual City and County Clerk’s School January 26-28, 2000 in Sheraton Imperial Hotel and Convention Center Research Triangle Park. Funds for payment are to be taken from the Budget of the Governing Body, Travel.

_________________ ________________ ________________
Upon motion by Gary York, seconded by Fred O’Neal, the Board voted unanimously to appoint David Hayes, Hugh Campbell and Phil Wagoner to two-year terms on the Natural Resource Committee expiring September 30, 2001.

_________________ ________________ ________________
The County Attorney left the meeting at 8 p.m.

_________________ ________________ ________________
Upon motion by Jim Harrell, seconded by Jim Miller, the Board voted unanimously to appoint Ron Baczurik to the Criminal Justice Partnership as a representative of Crossroads Behavioral Healthcare replacing Paul Kelly for a term expiring June 30, 2001.

_________________ ________________ ________________
The Board heard presentations on architectural services for the renovations of the Lowes building in Mount Airy from Dennis Altic, Architect; Richard Atkinson and Jim Powell of Atkinson, Dyer, Watson; and Rob Johnson and Jon Long of Martin Boal Anthony and Johnson.

_________________ ________________ ________________
Upon motion by Fred O’Neal, seconded by Jim Miller, the Board went into closed session to discuss several personnel issues.

_________________ ________________ ________________
The Board reconvened in regular session at 10:00 p.m.
There being no further business, the Board recessed the meeting until 6:30 p.m. on November 29, 1999.

Angela M. Leonard
Clerk to the Board
The Surry County Board of Commissioners met in recessed session at 9:00 a.m., on November 15, 1999. The meeting was held in the Room 335, Surry County Government Center, Dobson, North Carolina.

Present for the meeting were Commissioner Fred O'Neal, County Manager Dennis Thompson, Clerk to the Board Angela Leonard, Julie Meashey and Pam Sutherland, Regional Ombudsmen for the Northwest Piedmont Area Agency on Aging, and Wendy Sause, State Long-Term Care Ombudsman with the Division of Aging.

Commissioner O'Neal called the meeting to order.

Wendy Sause explained the Nursing Home and Adult Care Home Community Advisory Council program as an advocacy program for residents of long-term care facilities. She said that the regional ombudsmen work with the county volunteer committees to pull together facilities operators and other groups and resolve complaints. The group has no regulatory powers, but works with the regulatory agencies when complaints cannot be resolved.

Ms. Sause said that the ombudsmen provide information and assistance to the general public about residents' rights and long-term care issues, and technical assistance and training to the CAC volunteers. Ombudsmen also assist in handling complaint investigations to insure that the volunteers keep within the set investigation parameters and follow proper legal protocol. They may also file complaints against regulatory agencies if complaints are not resolved when brought to the attention of those agencies, she stated.

Commissioner O'Neal shared some of the concerns that had been brought to him by CAC members about what seems to be a lack of responsiveness in dealing with complaints.

Pam Sutherland said that some of the same are shared by the ombudsmen and that there appear to be some problems in working with the local Department of Social Services to address the complaints.

Ms. Sause explained the complaint system, which has complaints brought to the committee chairperson or the ombudsmen, and a committee of three assigned to investigate the complaint. Once the investigation is complete, the paperwork is turned in to the ombudsmen. If the complaint is not resolved, then it is brought to the Department of Social Services. The exception is abuse and neglect complaints, which are immediately turned over to DSS.

Commissioner O'Neal requested that the Agency on Aging keep the Board informed about the issues with DSS and whether there is any improvement in the communication and responsiveness of the agency. He also requested a quarterly written report on how complaints are resolved so that the Board may evaluate problems.
There being no further business, the meeting was adjourned.

Angela M. Leonard
Clerk to the Board
The Surry County Board of Commissioners met in recessed session at 6:30 p.m., on November 29, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Jim Harrell, Jr., Vice-Chairman Gary York, Commissioners Fred O’Neal, Jim Miller and Paul Johnson.

Others present for the meeting, at various times, were: Dennis Thompson, County Manager Angela Leonard, Clerk to the Board Chris Knopf, Planning Director Todd Merriman, Elkin Tribune

Chairman Jim Harrell called the meeting to order. Commissioner Gary York delivered the invocation and led those present in the Pledge of Allegiance.

Chairman Harrell declared the meeting a public hearing to receive comments on a proposed amendment to the Surry County Watershed Protection Ordinance. There being no public comment, the public hearing was closed.

Upon motion by Jim Miller, seconded by Gary York, the Board voted unanimously to approve the amendment as follows:

AMENDMENT TO THE SURRY COUNTY WATERSHED PROTECTION ORDINANCE

The Surry County Board of Commissioners do enact and ordain:

The Surry County Watershed Protection Ordinance is amended as follows:

Section 202C of the Surry County Watershed Protection Ordinance is amended by deleting: “A minimum 30-foot vegetative buffer for development activities is required along all perennial waters, including streams, rivers, and impoundments, indicated on the most recent versions of USGS 1:24,000 scale topographic maps; provided that nothing in this Subsection shall prevent artificial streambank or shoreline stabilization.”

And in lieu thereof, insert the following sentence: “A minimum vegetative buffer, 30 feet wide or the width of the stream, up to 35 feet, whichever is greater, for development activities, is required along all perennial waters including streams, rivers, and impoundments, indicated on the most recent versions of USGS 1:24,000 scale topographic maps; provided that nothing in this Subsection shall prevent artificial streambank or shoreline stabilization.”

This amendment shall become effective upon adoption. Adopted this 29th day of November, 1999.
Upon motion by Jim Harrell, seconded by Paul Johnson, the Board unanimously approved the following resolution and asked the Clerk to contact Mrs. Roth's next of kin for a presentation of the resolution:

MEMORIAL RESOLUTION
FOR
ROXIE ROTH

WHEREAS, Roxie Roth was elected to the Surry County Board of Commissioners in November, 1970, and was the first woman elected to a post on the Board; and,

WHEREAS, Mrs. Roth was subsequently elected as Chair of the Board of Commissioners, serving seven years in that post before leaving the Board in December 1978; and,

WHEREAS, during Mrs. Roth's tenure with the Board, Surry County carried out several major projects, including the remodeling of the County Courthouse, the creation of a county-operated ambulance service, and the construction of the Surry County Jail; and,

WHEREAS, many of these projects, with few changes, have served the County well for more than 20 years; and,

WHEREAS, Mrs. Roth remained active in her community, her church, and local politics, committed to helping the people of Surry County until her death on November 11, 1999 at age 98;

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners of Surry County wishes to publicly commend and remember Roxie Roth for her untiring execution of duties and for the professional manner, the devotion, and the sense of responsibility in performing those duties while serving the Citizens of Surry County.

BE IT FURTHER RESOLVED that the Clerk to the Board is directed to record this resolution in the official minutes of the County Commissioners.

ADOPTED this the 29th day of November, 1999 by the SURRY COUNTY BOARD OF COMMISSIONERS.

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It was the consensus of the Board to schedule the election of officers for the December 6 meeting during the County Manager’s time.

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Upon motion by Jim Harrell, seconded by Jim Miller, the Board voted unanimously to reappoint Ken Cox to the Natural Resource Committee for another two-year term ending September 30, 2001.

_________________ ________________ ________________

Upon motion by Fred O’Neal, seconded by Paul Johnson, the Board voted unanimously to accept an additional $5,000 allocation from the Office of Juvenile Justice with half the money to be used for training for the Juvenile Crime Prevention Council
and half to be used to expand the restitution program of the Surry Friends of Youth.

The Board discussed the possibility of seeking state assistance for the paving of County Home Road to Fisher River Park. Chairman Harrell indicated that half of the money might be obtained from the local Department of Transportation funds but the County would have to seek the remaining $70,000 from the General Assembly.

The Board discussed recent changes in the Nursing-Adult Care Home Community Advisory Committee. The resignations of Mary Ruth Lewis, Charles Cook and Donna Barker were accepted by consensus.

Upon motion by Paul Johnson, seconded by Gary York, the Board voted unanimously to go into closed session to interview candidates for the position of Human Resource Officer and personnel issues related to committees.

The Board reconvened in regular session.

Upon motion by Gary York, seconded by Jim Miller, the Board voted unanimously to have Paul Johnson serve as the Board's voting delegate to the Northwest Piedmont Council of Governments.

Upon motion by Gary York, seconded by Fred O'Neal, the Board voted unanimously to appoint Sandra Snow as the Surry County Human Resource Officer at Grade 70, Step 5, effective December 1, 1999.

Upon motion by Jim Harrell, seconded by Jim Miller, the Board voted unanimously to replace Teresa Howell on the Productivity Committee with an appointment to be made at a later date.

There being no further business, the Board recessed the meeting until 7:00 p.m. on November 30, 1999, to allow Commissioners to attend the water and sewer meeting at Gentry Middle School.

Angela M. Leonard
Clerk to the Board
SURRY COUNTY BOARD OF COMMISSIONERS  
Meeting of December 6, 1999

The Surry County Board of Commissioners met in regular ses-

sion at 6:00 p.m., on December 6, 1999. The meeting was held in

the Commissioners Meeting Room, Surry County Government Center,

Dobson, North Carolina.

Board members present for the meeting were Chairman Jim

Harrell, Jr., Vice-Chairman Gary York, Commissioners Fred

O’Neal, Jim Miller and Paul Johnson.

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

Dennis Thompson, County Manager
Angela Leonard, Clerk to the Board
Fred Folger, County Attorney
Chris Knopf, Planning Director
Ron Sutphin, Assistant Planning Director
Betty Taylor, Assistant County Manager for Budget
and Finance
Sheriff Connie Watson
Jim McHone, Chief Deputy
Dr. Walter Linz, Health Director
Susan Gregory, Angela Scott, Jan White and other employees
of the Health and Nutrition Center
Pat Barfield and other members of the Board of Health
Bud Cameron, Register of Deeds
Ann Stewart, Deputy Register of Deeds
Cynthia Gillispie, Deputy Register of Deeds
Clark Marion, Planning Department
Rob Johnson, Martin Boal Anthony and Johnson
Architects
William Cram, Rick Ott, and Nick Montez, M. B. Kahn Con-
struction Co.
Sherry Wilson, Winston-Salem Journal
Linda Marion and other Shoals Fire Department First Re-
sponders
Ed Smith, Shoals Fire Department
Floyd Jones, Principal Mount Airy High School
Brandon Collins, Citizen
Mr. and Mrs. Lee Collins, Citizens
Ray Collins, Citizen
Cory Taylor, Citizen
Tom York, Citizen
Katherine Edmonds, Citizen
Hallie Mabe, Citizen
Don Miner, Citizen

Chairman Jim Harrell called the meeting to order. Commis-

sioner Fred O’Neal delivered the invocation and led those pre-

sent in the Pledge of Allegiance.

Gary York presented a Certificate of Recognition and a Sur-

ry County Ambassador pin to Hallie Mabe, a volunteer at the Pi-

lot Mountain Recreation Center, recognizing her dedication to

the center.
Upon motion of Fred O’Neal, seconded by Jim Miller, the Board voted unanimously to approve the minutes of the November 15 and 29, 1999 meetings.

Upon motion of Gary York, seconded by Fred O’Neal, the Board voted unanimously to approve the following consent agenda items:

1. Approved the following refunds due to overpayment of account, not receiving service, or payment on the wrong account:
   - Health and Nutrition Center – Pauline Perez, 1486 Pine Ridge Road, Mount Airy – $75.00.
   - Inspections Department – Larkin Hancock, 108 Running Creek Trail, Dobson – $494.00.
   - Inspections Department – Mitch Mayes Sr., Cody Trail, Dobson – $100.00.
   - Health and Nutrition Center – Maverick Dimmette, 104 Oak Lane, State Road – $20.00.
   - Public Works Department – (Accounts with credit balances)
     a. Barber Construction, Jack Barber, Rt. 2, Box 413, Dobson – $55.00.
     b. Centel, Accounts Payable 2202, 14111 Capital Blvd., Wake Forest – $27.00.
     c. Cash Carry Stores, Inc., P.O. Box 308, Elkin – $40.48.
     d. Dalton & Howlett, 177 Holly Hill Drive, Mount Airy – $0.38.
     e. Hardy Brothers Trucking, Rt. 1, Box 58, Siloam – $39.00.
     f. Hunter James Inc., P.O. Box 1435, Pilot Mountain – $30.90.
     g. Lyon Construction Inc., John Lyon, P.O. Box 16152, Winston-Salem – $101.22
     h. Toast Auto Sales, Craig Cassell, 121 Puckett St., Mount Airy – $7.50.
     i. TCB Enterprises, Jim Dockins, 856 S. Franklin Road, Mount Airy – $15.90.
     j. Ethel and Johnny Slate, 1384 W. Pine St., Mount Airy – $22.88.
     l. Reeves Community Center, P.O. Box 1232, Mount Airy – $30.00.
     m. Intex Corp., P.O. Box 1580, Pilot Mountain – $4.86.
     n. North Smith Roofing, 1296 Welcome Baptist Church Road, Mount Airy – $9.01.
     o. Mount Airy Packaging Company, 413 South Franklin Road, Mount Airy – $28.80.
     p. Mount Airy Veterinary Hospital, 1106 S. South St., Mount Airy – $17.10.
     r. Mount Airy Housing Authority, P.O. Box 767, 302 Virginia St., Mount Airy – $46.14.
     s. Mayberry Heating, Dennis Sechrist, 180 City View Dr., Mount Airy – $10.00.

2. Approved secondary road resolutions for Cottage Drive, Hunting Creek Lane, and Nettle Knob Trail, which had been ap-
proved previously following petitions and which had expired before action by the Department of Transportation.

3. Approved the transfer of $400.00 to assist in financing the employees’ annual Christmas dinner.

4. Approved a $2,500.00 recreation incentive grant for the Flat Rock Ruritan Club from Parks and Recreation Department funds.

5. Approved Budget Changes #14 and #15 as follows:

Change #15

The Board of County Commissioners approved an amendment to the 1999-2000 Budget Ordinance at their meeting on December 6, 1999.

GENERAL FUND

Expenditures

Non-Departmental

Decrease line item 1054199-59510 (General Fund Contingency) by $3,000.00 to $71,100.00.

Decrease line item 1054199-59600 (Productivity/Efficiency Reserve) by $53,397.00 to $18,683.00.

Decrease departmental total by $56,397.00 to $571,282.00.

Automated Systems Services

Increase line item 1054210-56010 (Equipment) by $1,747.00 to $36,484.00.

Increase departmental total by $1,747.00 to $162,407.00.

Inspections

Increase line item 1054350-51720 (Contracted Services) by $4,160.00 to $11,160.00.

Increase line item 1054350-52010 (Supplies & Materials) by $4,377.00 to $10,377.00.

Increase line item 1054350-56010 (Equipment) by $43,113.00 to $84,113.00.

Increase departmental total by $51,650.00 to $524,941.00.

School Age Child Care Program

Increase line item 1054952-51030 (Salaries & Wages Part-Time) by $6,435.00 to $6,435.00.

Increase line item 1054952-51300 (Social Security) by $399.00 to $399.00.

Increase line item 1054952-51310 (Medicare) by $94.00 to $94.00.

Increase line item 1054952-52010 (Supplies & Materials) by $1,532.00 to $1,532.00.

Increase line item 1054952-54010 (Travel/Training) by $1,500.00 to $1,500.00.

Create and increase line item 1054952-51510 (Prof Services-Drug Screening) by $40.00 to $40.00.

Increase departmental total by $10,000.00 to $10,000.00.

NC Cardiovascular Health

Increase line item 1055160-54010 (Travel/Training) by $2,500.00 to $5,000.00.

Decrease line item 1055160-52010 (Supplies & Materials) by $2,500.00 to $43,346.00.
The above does not change departmental total.

Family Planning
Create and increase line item 1055164-55300 (Refunds) by $29.00 to $29.00.
Decrease line item 1055164-51500 (Professional Services) by $29.00 to $11,471.00.
The above action does not change departmental total.

Recreation
Increase line item 1056120-51500 (Professional Services) by $3,000.00 to $8,000.00.
Increase departmental total by $3,000.00 to $340,753.00.

Revenue
Increase line item 1044952-43361 (School Age Child Care Prog.) by $10,000.00 to $10,000.00.
Increase fund totals by $10,000.00 to $48,286,116.00.

6.Approved the submission of petitions and resolutions for NCDOT Road Maintenance Additions for Brook Avenue, Woodbridge Drive, Bridgewater Road, Stone Bridge Road, Calvary Drive and Timmons Drive, as submitted by the Planning Department.

Chairman Harrell opened the floor for the open forum portion of the meeting asking for comments from the audience on any subject on which they wished to speak. No public comments were received; however, Commissioner Gary York addressed the Board regarding a meeting held at J.S. Gentry Middle School November 30 to inform citizens of the Highway 89 corridor about plans for a potential public water and sewer project for the area.

After those comments were received, the public forum session was closed and the Board continued with regular business.

Upon motion by Jim Miller, seconded by Gary York, the Board voted unanimously to approve a request from Sheriff Connie Watson to create a training officer position as a lieutenant at Salary Grade 69 and reclassify one deputy’s position (position number 431022) to that of a sergeant at Grade 67 due to duties being performed. Sheriff Watson said that promotions within the department would create a vacancy at the level of deputy and that he would be filling that slot. The changes will be funded within the Sheriff’s Office budget.

Upon motion by Gary York, seconded by Paul Johnson, the Board voted unanimously to postpone action on a request from the Shoals Volunteer Fire Department for additional funds for the First Responder Program until the December 20 meeting. The delay will allow the First Responders to work with Emergency Services to try to obtain some of the needed equipment.

Planning Director Chris Knopf informed the Board that representatives of the Stoney Ridge Homeowners Association had withdrawn their objections to 911 address changes. Assistant Planning Director Ron Sutphin and homeowner Sandra Allen discussed the remaining issue of an address change at the Allen residence. The Board by consensus agreed not to grant a variance.
for the Allens, but to assist them in changing their address markers due to the extreme sentimental value.

County Attorney Fred Folger entered the meeting at 7 p.m.

William Cram and Rick Ott of M.B. Kahn Construction Co. presented information about their company’s work in construction management and how it might be beneficial to the judicial center project.

Gary York recognized Brandon Collins for his lifesaving efforts on behalf of a fellow student at Mount Airy High School. Commissioner York also recognized Floyd Jones, Mount Airy High School Principal, as the Mount Airy Schools Principal of the Year. Ann Stewart and Cynthia Gillispie of the Register of Deeds office were each recognized for achieving certification as Deputy Register of Deeds. Commissioner York presented each honor recipient with a certificate and a Surry County pin.

The Board discussed the need for an informational publication and directed the Clerk to work on this project and report back to the Board.

Upon motion by Fred O’Neal, seconded by Gary York, the Board voted unanimously to appoint Dr. Terry Warren to a three-year term on the Board of Health ending December 31, 2002.

Upon motion by Paul Johnson, seconded by Jim Miller, the Board voted unanimously to appoint Glenn Pruitt and Randy Lawson to three-year terms on the Board of Health ending December 31, 2002.

After discussion of the Recreation Advisory Committee, the Board agreed to make appointments to that committee at the December 20 meeting.

Dr. Walter Linz, Health Director, presented the results of a County Employee Wellness Survey. No action was taken.

By consensus of the Board no action was taken on Dr. Linz’ request for adoption of a Continuing Education/Career Development Plan. The Board indicated that several departments are pursuing plans and that action would be delayed in an effort to adopt one plan serving multiple departments.

Dr. Linz requested that an additional Environmental Health Specialist be hired to deal with the increasing workload and the possibility of another employee leaving the Department. Gary York made the motion to hire an additional Environmental Health Specialist at Grade 67 to be funded from salary contingency funds. The motion was seconded by Paul Johnson. Voting on the motion was as follows:
AYES: Jimmy Miller, Jim Harrell, Paul Johnson, Gary York
NAYS: Fred O'Neal

The vote was four to one, therefore the motion carried.

Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve the shift of funds within the Health and Nutrition Center budget to allow for the purchase of a new computer. Funds are to be moved from 5110-51500 to 5110-56010.

Upon motion by Fred O'Neal, seconded by Jim Miller, the Board voted unanimously reclassify Anna Smith (position number 516206) from OSSOG III Grade 57 Step 10 to Computing Support Tech I Grade 61 at Step 3 in the Health and Nutrition Center with no additional funding.

County Manager Dennis Thompson explained the procedures for the election of officers for 2000. The County Manager called for nominations for Chairman of the Board. Commissioner Fred O'Neal nominated Commissioner Gary York to serve as Chairman of the Board for 2000. The County Manager asked for other nominations. There were none and the Board voted unanimously to elect Gary York as Chairman.

The County Manager then asked for nominations for Vice-Chairman. Commissioner Gary York nominated Fred O'Neal as Vice-Chairman. The County Manager asked for other nominations. There were none and the Board voted unanimously to elect Fred O'Neal as Vice Chairman.

The County Manager turned the meeting over to Chairman Gary York.

The Board discussed the number of properties that have been appealed to the State due to the revaluation process and whether additional legal counsel might be beneficial. County Attorney Fred Folger, Tax Director Ron Norman, and the County Manager were instructed to meet and report back to the Board at the next meeting.

Upon motion by Fred O'Neal, seconded by Jim Harrell, the Board voted unanimously to have M.B. Kahn Construction Co. prepare a formal proposal for providing services on the judicial center project, and directed the architects to cooperate in providing information for this proposal.

Upon motion of Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve an appropriation of $1,745.00 for the Parks and Recreation Department for the purchase of a Parks and Recreation Software Package with funds to be taken from the Productivity account.

Upon motion of Jim Harrell, seconded by Paul Johnson, the Board voted unanimously to develop a recommendation for a Com-
plete Count Committee to assist in Census 2000 and not to exclude the idea of paid staff if needed.

By consensus the Board asked that the Chairman and County Manager develop plans for a planning session with department heads to be discussed further at the December 20 meeting.

Upon motion by Jim Harrell, seconded by Fred O'Neal, the Board voted unanimously to set a public hearing for December 20 to consider incentives for economic development.

The Board raised no objection to allowing officials from the Board of Elections to travel to Rock Island, Ill., to visit the Fiddler and Chamber Co. as research for new voting machines.

Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to allow the transfer of 88 hours of annual leave from various Public Works employees to another Public Works employee to be used as sick leave.

Upon motion by Jim Harrell, seconded by Jim Miller, the Board voted unanimously to transfer 73.13 hours of sick leave earned Joy Pleasants at the Department of Correction to her new position with the Department of Social Services.

Upon motion by Jim Miller, seconded by Jim Harrell, the Board voted to allow the purchase of three generators account at a cost of $1,749.00 each from Building and Grounds contingency funds, to be placed at the courthouse, government center and agriculture building as a Y2K contingency. Commissioner Fred O'Neal abstained from the vote.

The Board discussed recent water and sewer agreements with the City of Mount Airy for extending service lines to Cross Creek Apparel at Holly Springs and in the Piedmont Triad West Industrial Park. Jim Harrell made the motion to fund half of the cost of extending the lines in the park, without making it contingent upon the City paying half of the Cross Creek extension. Jim Miller seconded the motion. Voting on the motion was as follows:

AYES: Jimmy Miller, Jim Harrell, Paul Johnson, Gary York
NAYS: Fred O'Neal

The vote was four to one, therefore the motion carried.

County Manager Dennis Thompson reminded the Board of the outstanding offer on the Gilmer Street Building, which the Board had not accepted. The Board proposed a counter-offer of $100,000.

Upon motion by Jim Harrell, seconded by Paul Johnson, the Board voted unanimously to allow the Public Works Department to
construct another scale house at the landfill, using funds already in the department budget.

Upon motion by Jim Harrell, seconded by Fred O’Neal, the Board voted unanimously to approve a proposal from Adams-Heath Engineering to proceed with a grant application and development of a 20-year water-sewer capital improvement plan for the County, with costs to be paid from the water-sewer account.

Upon motion by Jim Harrell, seconded by Paul Johnson, the Board voted unanimously to abolish the county’s Nursing-Adult Care Homes Community Advisory Committee, to review potential members, re-establish the committee at the December 20 meeting, and request in-county training from the regional ombudsman from the Area Agency on Aging in January. The Clerk was directed to send each commissioner a list of current membership and interested applicants.

By consensus the Board directed the County Manager to contact the State Department of Environment and Natural Resources to determine the status of the County’s application for a demolition permit for the Elkin landfill.

There being no further business, the Board adjourned the meeting.
The Surry County Board of Commissioners met in regular session at 6:00 p.m., on December 20, 1999. The meeting was held in the Commissioners Meeting Room, Surry County Government Center, Dobson, North Carolina.

Board members present for the meeting were Chairman Gary York, Vice-Chairman Fred O’Neal, Commissioners Jim Miller, Jim Harrell, Jr., and Paul Johnson.

Others present for the meeting, at various times, were:
Dennis Thompson, County Manager
Angela Leonard, Clerk to the Board
Chris Knopf, Planning Director
Ron Sutphin, Assistant Planning Director
Ron Norman, Tax Administrator
Angie Crews, Director of Elections, and staff members
Hugh Campbell, Chairman of the Board of Elections, and other Board members
Scott Bell, Fidlar and Chambers
Eric Apple, Information Technology Director
Fred Folger, County Attorney, entered the meeting at 6:20 p.m.
John Shelton, Emergency Services Director
Betty Taylor, Assistant County Manager for Budget and Finance
Phillip Brenneis, Mount Airy News
Sherry Wilson, Winston-Salem Journal
David Swann, Director Crossroads Behavioral Healthcare
Catrina Smith, Director Parks and Recreation, and other department staff members
Jeff Cockerham, Local YVEDDI Transportation Director
Bruce Childress, Steve Pratt, Benjamin Pratt, Keenen Altic, and other members of Boy Scout Troop 529
Butch Joyce, Jan McHargue, and Julian Foscue of Joyce Engineering
Ed Smith, Linda Marion, and other representatives of Shoals Volunteer Fire Department First Responders
Crystal Morphis, President of Surry County Economic Development Partnership, and members of the Partnership Board of Directors
Grant Goings, Elkin Town Manager
Lewis Alexander, Elkin Town Attorney
Tom Gwyn, Elkin Mayor, and members of the Elkin Board of Commissioners
Richard Beard, Site Consultant
Don Miner, Citizen
Mary Margaret Odum, Citizen
Larry Scott, Citizen, and neighbors on Cleve Street

Chairman Gary York called the meeting to order. Commissioner Jim Miller delivered the invocation and led those present in the Pledge of Allegiance.

Upon motion of Jim Harrell, seconded by Fred O’Neal, the Board voted unanimously to approve the minutes of the December 6, 1999 meeting.
Upon motion of Paul Johnson, seconded by Jim Harrell, the Board voted unanimously to approve the following consent agenda items.

1. Approved the following refunds due to overpayment:
   - EMS – Sandra A. Snow, 100 Windsor Park, Dobson, $25.00.
   - EMS – C & O Employees’ Hospital Association, 511 Main St. 2nd Floor, Clifton Forge, VA, for patient James Fairburn, $367.00.
   - EMS – Qualchoice of North Carolina, P.O. Box 340, Winston-Salem, for patient Wayne E. Gammons, $217.00.

2. Approved allowing several employees to transfer 112 hours of annual leave to a Public Works employee for use as sick leave.

3. Approved establishing fees for a Fluoride Varnish Program to be administered in the Pediatric Clinic of the Health and Nutrition Center with a $43 fee for the initial visit and $35 for periodic screenings.

4. Approved a six-month lease extension for offices located in the Dean Bray Building in Mount Airy at a cost of $900 per month, and a month-to-month extension after that time until the offices are relocated.

5. Approved a two-year lease agreement for the Surry Central Investors Building in Dobson, where the District Court Judges offices, are located at a cost of $350 per month.

6. Approved payment of $7,500.00 to Martin Starnes and Associates for work on the property tax project.

7. Approved budget changes 16, 17, and 18 as follows:

   **Change #17**

   The Board of County Commissioners approved an amendment to the 1999-2000 Budget Ordinance at their meeting on December 20, 1999.

   **GENERAL FUND**

   **Expenditures**

   **Building & Grounds-County**
   Decrease line item 1054190-59620 (County Buildings Reserve) by $9,876.00 to $19,677.00.
   Decrease departmental total by $9,876.00 to $104,177.00.

   **County Facilities-Shared**
   Increase line item 1054191-56010 (Equipment) by $875.00 to $4,375.00.
   Increase departmental total by $875.00 to $116,792.00.

   **Court Facilities-Shared**
   Increase line item 1054192-56010 (Equipment) by $875.00 to $4,375.00.
   Increase departmental total by $875.00 to $116,392.00.
Agriculture Building
Create and increase line item 1054194-56600 (Other Improvements) by $4,628.00 to $4,628.00.
Create and increase line item 1054194-56010 (Equipment) by $1,749.00 to $1,749.00.
Increase departmental total by $6,377.00 to $23,577.00.

Admin/Social Services Bldg.
Increase line item 1054196-56010 (Equipment) by $1,749.00 to $12,349.00.
Increase departmental total by $1,749.00 to $191,800.00.

Sheriff’s
Increase line item 1054310-51360 (Unemployment Insurance) by $476.00 to $476.00.
Increase departmental total by $476.00 to $2,514,661.00.

Emergency Medical Services
Increase line item 1054370-51360 (Unemployment Insurance) by $3,198.00 to $3,198.00.
Increase departmental total by $3,198.00 to $2,631,912.00.

Social Services Admin
Increase line item 1055312-51360 (Unemployment Insurance) by $381.00 to $558.00.
Increase departmental total by $381.00 to $610,887.00.

Non-Departmental
Decrease line item 1054199-59520 (Salary Contingency) by $12,883.00 to $130,996.00.
Decrease line item 1054199-59600 (Productivity/Efficiency Res) by $1,745.00 to $16,938.00.
Decrease line item 1054199-59700 (Reserve for St Unemployment) by $4,055.00 to $10,945.00.
Decrease departmental total by $18,683.00 to $552,599.00.

Environmental Health
Increase line item 1055181-51010 (Salaries & Wages) by $11,883.00 to $234,351.00.
Increase line item 1055181-54030 (Out of County Travel) by $1,000.00 to $4,000.00.
Increase departmental total by $12,883.00 to $325,489.00.

Health Dept. Administration
Increase line item 1055110-51010 (Salaries & Wages) by $5,241.00 to $561,736.00.
Increase line item 1055110-51300 (Social Security) by $372.00 to $34,972.00.
Increase line item 1055110-51310 (Medicare) by $87.00 to $8,187.00.
Increase line item 1055110-51330 (Retirement) by $300.00 to $28,300.00.
Increase line item 1055110-51350 (Group Insurance) by $4,700.00 to $48,700.00.
Increase line item 1055110-52020 (Medical Supplies) by $8,400.00 to $62,400.00.
Decrease line item 1055110-51040 (Salary Reserve) by $4,700.00 to $14,780.00.
Increase departmental total by $14,400.00 to $1,072,365.00.

Smart Start-Health
Increase line item 1055113-51010 (Salaries & Wages) by $2,588.00 to $52,885.00.
Increase line item 1055113-51300 (Social Security) by $184.00 to $3,303.00.
Increase line item 1055113-51310 (Medicare) by $43.00 to $773.00.
Increase line item 1055113-51330 (Retirement) by $149.00 to $2,664.00.
Increase line item 1055113-52010 (Supplies & Materials) by $27,500.00 to $33,000.00.
Increase line item 1055113-54010 (Travel/Training) by $1,836.00 to $7,000.00.
Decrease line item 1055113-54250 (Postage) by $800.00 to $700.00.
Decrease line item 1055113-56010 (Equipment) by $1,000.00 to $2,000.00.
Decrease line item 1055113-53020 (Equipment Maintenance) by $500.00 to $500.00.
Increase departmental total by $30,000.00 to $130,000.00.

Cancer Control Program
Create and increase line item 1055158-57550 (Medical Assistance) by $600.00 to $600.00.
Increase departmental total by $600.00 to $27,126.00.

Child Service
Create and increase line item 1055178-54400 (Advertising) by $86.00 to $86.00.
Decrease line item 1055178-52010 (Supplies & Materials) by $86.00 to $5,914.00.
The above action does not change departmental total.

Intensive HV Grant
Create department 1055179 (Intensive HV Grant)
Create and increase line item 1055179-51500 (Professional Services) by $7,030.00 to $7,030.00.
Create and increase line item 1055179-52010 (Supplies & Materials) by $700.00 to $700.00.
Create and increase line item 1055179-54010 (Travel/Training) by $4,700.00 to $4,700.00.
Create and increase line item 1055179-54350 (Printing) by $70.00 to $70.00.
Increase departmental total by $12,500.00 to $12,500.00.

School Based Health
Create and increase line item 1055126-51350 (Group Insurance) by $2,601.00 to $2,601.00.
Decrease line item 1055126-51010 (Salaries & Wages) by $2,601.00 to $27,705.00.
The above action does not change departmental total.

Recreation
Increase line item 1056120-56010 (Equipment) by $1,745.00 to $4,745.00.
Increase departmental total by $1,745.00 to $342,498.00.

Revenue
Increase line item 1045110-48900 (Miscellaneous) by $14,400.00 to $79,400.00.
Increase line item 1045113-43163 (Smart Start-Health) by $30,000.00 to $130,000.00.
Create and increase line item 1045158-48900 (Miscellaneous) by $600.00 to $600.00.
Create and increase line item 1045179-43304 (Intensive HV Grant) by $12,500.00 to $12,500.00.
Increase fund totals by $57,500.00 to $48,343,616.00.

**Change #18**

The Board of County Commissioners approved an amendment to the 1999-2000 Budget Ordinance at their meeting on December 20, 1999.

**GENERAL FUND**

**Expenditures**

**Clean Water Grant**
- Create department 1054965 (Clean Water Grant)
- Create line item 1054965-51010 (Salaries & Wages)
- Create line item 1054965-51300 (Social Security)
- Create line item 1054965-51310 (Medicare)
- Create line item 1054965-51330 (Retirement)
- Create line item 1054965-51350 (Group Insurance)
- Create and increase 1054965-51500 (Professional Services) by $150,000.00 to $150,000.00.
- Create and increase line item 1054965-51720 (Contracted Services) by $200,000.00 to $200,000.00.
- Create line item 1054965-52010 (Supplies & Materials)
- Create line item 1054965-54010 (Travel/Training)
- Create line item 1054965-56010 (Equipment)
- Increase departmental total by $350,000.00 to $350,000.00.

**Buildings & Grounds-County**
- Decrease line item 1054190-59620 (County Buildings Reserve) by $10,000.00 to $9,677.00.
- Decrease departmental total by $10,000.00 to $94,177.00.

**Co. Office Building-Mt. Airy**
- Create department 1054326 (Co. Office Bldg.-Mt. Airy)
- Create and increase line item 1054326-52010 (Supplies & Materials) by $2,000.00 to $2,000.00.
- Create and increase line item 1054326-53010 (Buildings & Grounds Maint) by $1,000.00 to $1,000.00.
- Create and increase line item 1054326-54300 (Utilities) by $7,000.00 to $7,000.00.
- Increase departmental total by $10,000.00 to $10,000.00.

**Revenue**
- Create and increase line item 1044965-43356 (Clean Water Grant) by $350,000.00 to $350,000.00.

Increase fund totals by $350,000.00 to $48,693,616.00.

8. Approved subdivision plats as recommended by the Planning Board, contingent upon meeting road and other requirements, for:
   - Mark A. Quesinberry
   - Chad Leftwich
   - Hugh Everett Jenkins

9. Releases for the month ending November 30, 1999 totaling $49,127.32; adjustments for the month ending November 30, 1999 totaling $5,991.95; refunds totaling $6,190.14; discoveries for the month ending November 30, 1999 totaling $8,617.40.
10. The Tax Director’s Charges to collect August 1999 motor vehicle renewals totaling $239,728.96.

11. Two refund requests, which were filed late, and which resulted from being taxed at an incorrect rate or for an incorrect amount of property. The refunds were:
   - Bobby Bauguess - $499.79 due to paying Elkin School Tax while living outside the tax district for the last four years.
   - Edna Gillespie - $111.55 due to paying tax on 1.50 acres and only owning .97 acres for the last four years.

Chairman York opened the floor for the open forum portion of the meeting asking for comments from the audience on any subject on which they wished to speak. Larry Scott of Cleve Street spoke in opposition to the most recent round of E-911 address changes, complaining about the inconvenience and cost, and asked the Board to reconsider granting variances. Planning Director Chris Knopf explained that the addressing system is designed to give the county uniformity and aid in locating homes when emergency services are needed. Mary Margaret Odum also spoke and said that changing addresses was simple and inexpensive and she saw no cause for the complaint.

After those comments were received, the public forum session was closed and the Board continued with regular business.

Tax Administrator Ron Norman explained the need for Tax Management Associates to perform business personal property account audits and that the firm charges 35-percent of the first year tax revenues generated by the audits. Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to approve Mr. Norman’s request to employ the firm.

Commissioner Jim Harrell asked Mr. Norman about the tax-exempt status of Elkin Valley Baptist Church and learned that the church had missed the filing deadline for tax-exempt status on its new property. Upon motion by Commissioner Harrell, seconded by Jim Miller, the Board voted unanimously to grant the church tax-exempt status on the new property and make the action retroactive for this year.

Upon motion by Jim Harrell, seconded by Paul Johnson, the Board voted unanimously to extend the year 2000 tax listing period to the last day of February 2000.

The County Manager informed the Board that an agreement had been reached on a date for the budget planning retreat and that it would be held January 27, 2000.

County Attorney Fred Folger entered the meeting at 6:20 p.m.

Chairman Gary York opened the floor for a public hearing on the Yadkin Valley Economic Development District Inc. Community Transportation Program. Jeff Cockerham, local program director,
provided information about the program in Surry County and addressed questions from one resident who had experienced problems arranging service through Medicaid. With no other public comment the public hearing was closed.

Upon motion by Jim Miller, seconded by Paul Johnson, the Board voted unanimously to endorse the plan and tentatively allocate $16,000.00 in County funds for the coming fiscal year.

Hugh Campbell, Chairman of the Board of Elections, addressed the Board about the need for new voting machines. He said the Board had chosen the EV2000, and that 86 new machines would cost $478,000.00.

Following discussion of the needs and the possibility of piggybacking on another County's bids for the system, Jim Harrell made the motion to look favorably on the request and ask the Board of Elections to work with the County Manager and the Assistant County Manager for Budget and Finance on funding and to determine the legality of piggybacking. He also moved that any further action be postponed until January 18, 2000. The motion was seconded by Fred O'Neal and passed on a unanimous vote.

Following discussion of various dates, Jim Harrell made the motion to approve a the following resolution setting the date for the referendum on the Pine Ridge Fire District Tax for February 15, 2000. The motion was seconded by Paul Johnson.

Voting on the motion was as follows:
AYES: Jim Harrell, Paul Johnson, Jim Miller, Gary York
NAYS: Fred O'Neal

The vote was four to one, therefore the motion carried.

RESOLUTION

WHEREAS, North Carolina General Statutes 69-25.3 provides that the Board of County Commissioners, after consulting with the County Board of Elections, shall set a date for a proposed fire tax district election; and

WHEREAS, the Board of Elections has advised the Board of County Commissioners that all legal requirements have been met to hold an election for Pine Ridge Fire Tax District, and that a suitable date is February 15, 2000.

NOW, THEREFORE, BE IT RESOLVED, that by adoption of this Resolution, the Board of County Commissioners sets the date of February 15, 2000 as the date upon which the election shall be held.

Chairman York opened the floor for a public hearing on an amendment to the County's Communication Towers Ordinance. There being no comment from the public, the ordinance was explained by Planning Director Chris Knopf and the hearing was closed.

Upon motion by Fred O'Neal, seconded by Jim Harrell, the Board voted unanimously to adopt the amendment as follows:
10. Towers, with the exception of stealth towers, are prohibited within a radius of three (3) nautical miles around conservation areas, as designated in the 1992 Surry County Land Use Plan, Current Land Use Map. These areas include Pilot Mountain State Park, Cumberland Knob State Park/Blue Ridge Parkway National Park, and Raven Knob Scout Camp. Towers, with the exception of stealth towers, are also prohibited within the entire viewshed of Pilot Mountain along United States Highway 52, North Carolina Highway 268, and Interstate 74. Stealth towers shall not exceed the treeline or vegetative cover in the area of the towers proposed location. In addition, the communications tower provider will be required to present, to scale, a 360-degree visual analysis or simulation, graphic illustrations, and elevation analysis to establish what the tower will look like in its surroundings to determine potential visual impact. To ensure compliance, all proposed sites will be inspected on-site by the planning staff, to verify compliance with this requirement. This general requirement is not subject to a variance request, with the exception of EMS, sheriff’s department, or fire department requirements and/or needs in these areas. The communication provider shall not use EMS, sheriff’s department, or fire department potential co-location’s as reasoning for a variance from this general requirement.

Stealth Towers – a communication tower designed and installed in such a manner that the antennae, supporting apparatus and associated structures are aesthetically and architecturally appropriate with respect to existing structures or the immediate environment in which the communication tower is located. Examples include antennae on church steeples, utility poles, bell towers, flagpoles, and water towers; or antennae designed to resemble a tree or other natural objects.

After discussion of a proposed trip to a conference in New York for Planning Department officials, Jim Harrell made motion for the Board to encourage participation in the conference. The motion was seconded by Jim Miller and approved by unanimous vote.

County Manager Dennis Thompson told the Board that the counteroffer of $100,000.00 to sell the Gilmer Street building had been accepted. Upon motion by Jim Miller, seconded by Fred O’Neal, the Board voted unanimously to advertise for upset bids.

Upon motion by Jim Harrell, seconded by Jim Miller, the Board voted unanimously to allocate budgeted airport funds in
the amount of $27,750.00 to the Mount Airy/Surry County Airport, and $2,250.00 to the Elkin Airport.

Benjamin Pratt explained his Eagle Scout project at the County Home Cemetery in which he was assisted by other members of Boy Scout Troop 529. Parks and Recreation Director Catrina Smith thanked the group for their work at the site in Fisher River Park.

Jim Harrell recognized Ben Pratt, Keenen Altic, Blake Holesclaw, Zack Cockerham, Adam Stanley, Nick Stanley, Cory Taylor, Nick Todd, Justin McCary, and their leaders Steve Pratt and Scoutmaster Bruce Childress. Each was presented a Certificate of Recognition and a County Seal pin.

Butch Joyce, Jan McHargue, and Julian Foscue of Joyce Engineering answered questions from the Board about development of the next cell of the County’s lined landfill and the possibility of assisting in the present permitting process for a demolition site. Upon motion by Jim Harrell, seconded by Jim Miller, the Board voted unanimously to employ Joyce Engineering as engineers for construction of the new cell and to provide other engineering services at the landfill, as needed.

Chairman Gary York opened the floor for a public hearing on proposed economic development incentives. Crystal Morphis, President of Surry County Economic Development Partnership Inc., presented information about Gildan Activewear and why the proposed incentives should be granted. Also speaking in favor of the incentive plan were Richard Beard, site consultant for Gildan; Elkin Mayor Tom Gwyn; Elkin Town Manager Grant Goings; Greg Shuskey, Vice President for Economic Development for the Greater Mount Airy Chamber of Commerce; John Priddy, incoming Chairman of the Economic Development Partnership; Dr. Steve Laws, Superintendent of Elkin City Schools; Gary Laws, former Chairman of the Economic Development Partnership; Jeff Eidson, Partnership member. After their remarks the public hearing was closed.

Each of the Commissioners spoke briefly about his beliefs on the incentive plan and what it would mean to the County. Jim Harrell made motion to approve the incentive package, not to exceed $1,969,903.00 for Gildan Activewear, based on working out a contract and performance agreement requiring a minimum $62 million investment and minimum employment of 240 people, with Elkin to continue as the lead negotiator. The motion was seconded by Jim Miller.

Voting on the motion was as follows:
AYES: Jim Harrell, Jim Miller, Fred O’Neal, Paul Johnson
NAYS: Gary York

The vote was four to one, therefore the motion carried.

Mrs. Morphis then presented an updated plan for the funding of grading and a shell building project at the Piedmont Triad West Industrial Park with the County and Mount Airy sharing in the development costs if the building does not sell within three years.
Jim Harrell made the motion to ask the Economic Development Partnership to proceed with negotiating contracts for the grading and the construction of the shell building, but to keep the two projects separate and have the issue revisited by the County after the first of the year. Jim Miller seconded the motion.

Voting on the motion was as follows:
AYES: Jim Harrell, Jim Miller, Gary York, Paul Johnson
NAYS: Fred O'Neal

The vote was four to one, therefore the motion carried.

The Board learned from Emergency Services Director John Shelton that most of the items needed by the Shoals First Responders could be provided without an additional County appropriation. The group agreed to pursue fundraisers for the remaining two items.

Upon motion by Fred O'Neal, seconded by Jim Miller, the Board voted unanimously to approve changes to the Recreation Advisory Committee bylaws and appoint the following County residents to two-year terms on the Recreation Advisory Committee, with terms to end December 31, 2001: Susan Campbell, Mike Branch, Linda Davis, Jim Miller Jr., Terry Joyce, Marilyn Hudson, Larry Wall, Paula Gupton, and Sid Harris.

Upon motion by Jim Harrell, seconded by Jim Miller, the Board voted unanimously to approve the addition of the position of Addressing Technician to the County Salary Classification Plan at Grade 59, and the hiring of Deanna Henderson, as a full-time permanent employee of the Planning Department at Grade 59, step 4, effective January 3, 2000.

There being no other business to come before the Board, the meeting was adjourned.
Angela M. Leonard
Clerk to the Board