

The Alleghany County Board of Commissioners met in regular session on Monday, October 4, 2004, at 6:30pm in the Conference Room of the County Office Building, 90 South Main Street, Sparta, North Carolina.

Present: Chair Eldon Edwards, Vice-Chair Warren Taylor, Commissioner Sandy Carter Herndon, Commissioner Patrick Woodie, County Manager Don Adams, and Clerk to the Board Karen Evans. Commissioner Graylen Blevins was present but arrived late. County Attorney Ed Woltz was absent.

Chair Eldon Edwards called the meeting to order.

Commissioner Sandy Carter Herndon opened the meeting with a prayer.

Chair Eldon Edwards stated that NCGS 143-318.11 (a) (3)—legal and (a) (6)—personnel needs to be added to this agenda.

Commissioner Warren Taylor made a motion to approve the amended agenda for this October 4, 2004, meeting. Commissioner Sandy Carter Herndon seconded the motion. Vote 4:0.

AGENDA
Monday, October 4, 2004
6:30 PM

- 6:30 Meeting Called To Order
 - Motion on Agenda for October 4, 2004 meeting
 - Motion on Minutes for September 20, 2004 meeting
- 6:35 Public Hearing
 - RE: E-911 Road Name
- 6:40 Robert Price/Mary Walker
 - RE: Tax Foreclosures
- 7:00 Public Hearing
 - RE: Refinancing Debt
- 7:10 Sandy Ashley
 - RE: Work First Plan Draft
- County Business
 - 1. Cranford Franchise
 - 2. Workers Compensation Doctor
 - 3. NCDOT Classification Letter
 - 4. Other Business
 - 5. Public Comments—30 minutes
 - 6. Closed Session—NCGS 143-318.11 (a) (3)—legal (added)
 - NCGS 143-318.11 (a) (4)—economic development
 - NCGS 143-318.11 (a) (6)—personnel (added)
 - 7. Adjourn

Commissioner Patrick Woodie made a motion to approve the minutes for the September 20, 2004 meeting. Commissioner Warren Taylor seconded the motion. Vote 4:0.

Wendy Williams, E-911 Coordinator/Mapper, presented one road name for approval; Trinity Way. She explained where the road is located in the County.

Chair Eldon Edwards recessed the regular meeting at 6:32pm and opened the public hearing regarding the E-911 Road Names.

Commissioner Graylen Blevins arrived at the meeting at 6:33pm.

Chair Eldon Edwards asked for public comments. None were received.

Chair Eldon Edwards closed the public hearing at 6:34pm and reconvened the regular meeting.

Commissioner Patrick Woodie made a motion to approve the E-911 road name as presented by the E-911 Coordinator/Mapper. Commissioner Sandy Carter Herndon seconded the motion. Vote 5:0.

Mary Walker, Tax Administrator, came before the Board to introduce Robert Price. She explained the purpose for hiring Robert Price to assist the Tax Office with tax foreclosures of 18 different delinquent taxpayers for approximately \$40,000 in taxes owed.

Commissioner Warren Taylor, Commissioner Sandy Carter Herndon and Robert Price discussed the process of having surplus money above the amount of taxes due that comes from the sale of the property.

Commissioner Warren Taylor asked when is the last time someone can settle their taxes and stop the foreclosure process.

Robert Price explained the process of selling property and the taxpayer has the option to pay the taxes until 10 days after the sale of the property to stop the foreclosure. Mr. Price talked about his experience with tax foreclosures in the surrounding counties.

Commissioner Patrick Woodie asked about the timeline of selling a property.

Robert Price stated that it takes longer to sell property when you can't find the taxpayer. He explained the process of searching for taxpayers and the time involved in the search.

Chair Eldon Edwards asked about how old are these delinquent taxes.

Mary Walker, Tax Administrator, stated the oldest delinquent tax is from 1994.

Commissioner Graylen Blevins and Robert Price discussed the tax office bidding on property in the amount of taxes owed, penalties and interest.

Commissioner Graylen Blevins asked about how many parcels will be sold at a time.

Robert Price talked about doing a manageable block at one time; four to five parcels.

Commissioner Graylen Blevins and Robert Price talked about the attorney fees that will be added to the amount owed to the County. Mr. Price explained the fee schedule for the foreclosures.

County Manager Don Adams talked about refinancing debt for the Law Enforcement Center and Sparta Elementary School in the amount of \$2,381,860. He reviewed the bids from the banks with the lowest interest rate from Wachovia at 2.67%. He further reviewed the savings that the County will recognize over the life of this loan.

County Manager Don Adams reviewed loan documents for refinancing this debt; resolution giving the County Manager/Finance Officer authority to sign the loan documents with Wachovia, resolution authorizing the filing of the Local Government Commission application, certified copy of resolution authorizing the County Manager, Finance Officer and Assistant Finance Officer to execute the bond documents, and a resolution giving the County Manager and Finance Officer the authority to sign any documentation necessary to call and pay off the General Obligation bonds in regards to the Law Enforcement Center.

County Manager Don Adams explained the attorney's fees for the project; \$7,500 for Hunton and Williams. He further explained what services will be provided.

Commissioner Sandy Carter Herndon and County Manager Don Adams discussed Wachovia not allowing pre-payment on the loan.

Commissioner Warren Taylor and County Manager Don Adams discussed this loan is on the same payment schedule as the current debt.

Commissioner Sandy Carter Herndon made a motion to approve refinancing documents regarding this loan.

Commissioner Graylen Blevins asked about having a public hearing on the subject.

Commissioner Sandy Carter Herndon withdrew her motion in order to hold the public hearing.

Chair Eldon Edwards recessed the regular meeting at 7:00pm and opened the public hearing regarding the proposal for refinancing the outstanding debt for the Law Enforcement Center and Sparta Elementary School in the amount of \$2,381,860.

Chair Eldon Edwards asked for public comments. None were received.

Chair Eldon Edwards closed the public hearing at 7:02pm and reconvened the regular meeting.

Commissioner Sandy Carter Herndon made a motion to approve the refinancing proposal and all of the documents associated with the refinancing. Commissioner Warren Taylor seconded the motion. Vote 5:0.

Sandy Ashley, Social Services Director, presented the draft Work First Plan. She reviewed the Plan and an action plan. She stated that she will be at the next meeting to answer any questions that the Board may have and ask for approval of the Plan.

The Board of Commissioners stated their appreciation to Sandy Ashley.

County Manager Don Adams presented a letter from Darren Cranford, owner of M & J Disposal, asking the Board to consider giving his business an exclusive franchise in regards to his services. He recognized Mr. Cranford to speak to the Board.

Darren Cranford stated that he will answer any questions that the Board may have in regards to his proposal. He further stated that he has been working with his attorney on this proposal. He explained the reason for asking for the exclusive franchise.

Commissioner Sandy Carter Herndon and Darren Cranford discussed his business employing two employees at this time.

Commissioner Patrick Woodie asked what franchises the County has at this time.

County Manager Don Adams stated that currently the County has two franchises; a cable franchise in Roaring Gap and Alleghany Garbage Service. He explained the different types of franchises; general franchises and exclusive franchises.

Commissioner Warren Taylor talked about being criticized in the past for not requesting proposals for services like this situation.

Chair Eldon Edwards, Commissioner Warren Taylor and County Manager Don Adams discussed that an exclusive franchise would require a public hearing and be adopted at two meetings.

Commissioner Patrick Woodie and Darren Cranford discussed M & J Disposal is primarily for the construction industry.

Chair Eldon Edwards and Darren Cranford discussed his fees being \$2.50 a day rent with a \$60 charge to haul the garbage to the Transfer Facility. Mr. Cranford talked about the contractor reimburses him the tonnage rate charged at the Transfer Facility with an additional \$5 per ton charged by M & J Disposal.

Commissioner Sandy Carter Herndon, Commissioner Patrick Woodie and County Manager Don Adams discussed the control that the Board would have over an exclusive franchise.

Chair Eldon Edwards, Commissioner Patrick Woodie and County Manager Don Adams discussed the Alleghany Garbage Service franchise.

Commissioner Warren Taylor and Darren Cranford discussed the number of boxes that M & J Disposals has at this time; 15. He stated that any time a contractor calls; he takes a box to the job site. He talked about his donated services that have been utilized by the Fairgrounds and Cora's Charities.

County Manager Don Adams stated that he is the process of updating Alleghany Garbage Service's franchise at Alleghany Garbage Service's request and will bring it to the Board in the future.

Chair Eldon Edwards and Darren Cranford discussed the reasons for an exclusive franchise.

Commissioner Patrick Woodie talked about the need for this service and the aspects of working out the process for an exclusive franchise.

Commissioner Warren Taylor and County Manager Don Adams talked about proceeding with the franchise and hold a public hearing to let the public have input on this matter. County Manager Don Adams stated that he would recommend that we use the newspaper to publicize asking for public comments on this franchise. County Manager Don Adams further stated that the County's options are to let the market take care of itself or give a regular franchise or an exclusive franchise. He stated that he has been talking to the Institute of Government and they recommend going through a Request for Proposals process but it isn't legally required.

Commissioner Sandy Carter Herndon talked about proceeding as going to give the exclusive franchise to M & J Disposal and hold a public hearing on the matter to see if there is any public interest. She further discussed the term of the franchise and the Board looking at the service need and interest at the end of the term.

Darren Cranford talked about how his business hasn't changed rates due to the fuel prices increase. He further talked about how he separates the items in the boxes when he goes to the Transfer Facility.

Chair Eldon Edwards stated that he appreciates Mr. Cranford's efforts.

Commissioner Warren Taylor discussed the options that are before the Board.

Commissioner Patrick Woodie talked about the County needs to be consistent across the Board in granting franchises and the public purpose for the service.

Chair Eldon Edwards and Commissioner Warren Taylor asked the County Manager to look at giving an exclusive franchise by starting the process by scheduling a public hearing.

County Manager Don Adams stated that he will ask Darren Cranford and his attorney to draw up the franchise ordinance, and he will review the ordinance, schedule a public hearing at a night meeting once the ordinance is completed and agreed on by all parties involved.

Darren Cranford agreed.

County Manager Don Adams presented a letter from our insurance company in regards to selecting a primary physician for our Worker's Compensation claims. He presented a list of physicians in our county. He stated that he is recommending Blue Ridge Cardiology Internal Medicine as our primary care physician for our worker's compensation claims. He explained the process of selecting the primary physician and the purpose of selecting a primary physician. He stated that he is asking the Board to give him the authority to select Blue Ridge Cardiology Internal Medicine once a physician is at the office everyday. He talked about the benefits of selecting a primary physician.

The Board of Commissioners asked the County Manager to get more information on this matter.

County Manager Don Adams reviewed a letter from North Carolina Department of Transportation regarding reclassifying Main Street and Sparta Parkway. He explained the reclassification purpose of these roads is to more accurately reflect the traffic flow.

Commissioner Sandy Carter Herndon and County Manager Don Adams talked about the reclassification is another step to complete the Sparta Parkway.

County Manager Don Adams is requesting a letter be written by the Chairman stating that the Board has discussed this situation and supports the action.

Commissioner Warren Taylor stated that he recommends that we proceed with this action.

Commissioner Sandy Carter Herndon stated she agrees, also.

Commissioner Patrick Woodie welcomed Jane Phipps Boyer, Director at Wilkes Community College, to the meeting.

Chair Eldon Edwards asked if each Commissioner received a copy of Stokes County's resolution concerning Medicaid money.

The Board of Commissioners discussed the County's portion of Medicaid monies.

Chair Eldon Edwards asked for public comments.

William Kempster asked a question about the proposed teapot museum and ownership of the collection and if the owners move the collection from Alleghany County, what happens to the building?

Commissioner Patrick Woodie discussed a memorandum of understanding that is being drafted concerning all parties involved that includes protections for the collection not being moved.

William Kempster and Commissioner Patrick Woodie talked about the teapot museum and the collection being moved to another location.

William Kempster stated that everyone needs to look at the possibility of the teapots leaving and the investment still being protected.

Commissioner Patrick Woodie talked about a legal document that is being drawn up that protects the investment.

Commissioner Warren Taylor made a motion to enter into closed session at 8:00pm under NCGS 143-318.11 (a) (3)—legal, (a) (4)—economic development and (a) (6)—personnel. Commissioner Graylen Blevins seconded the motion. Vote 5:0.

Sandy Ashley, Social Services Director, joined the Board for closed session at 8:18pm.

Sandy Ashley, Social Services Director, left the meeting at 8:33pm.

Commissioner Sandy Carter Herndon made a motion to adjourn closed session at 8:54pm and reconvene the regular meeting. Commissioner Warren Taylor seconded the motion. Vote 5:0.

Chair Eldon Edwards stated that no action was taken during closed session.

Being no further business, Commissioner Sandy Carter Herndon made a motion to adjourn the meeting at 8:55pm. Commissioner Warren Taylor seconded the motion. Vote 5:0.

Respectfully submitted,

Karen Evans
Clerk to the Board

Attest:

Eldon Edwards
Chairman

**ALLEGHANY COUNTY
NORTH CAROLINA**

**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 Alleghany, North Carolina desires to refinance outstanding debt related to the Law Enforcement Center and Sparta Elementary School to better serve the citizens of Alleghany County; and

WHEREAS, the County of Alleghany 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 Alleghany County, North Carolina, meeting in regular session on the 4th day of October, 2004, make the following findings of fact:

1. The proposed contract is necessary to refinance the current debt that will produce significant savings in the next six years.
2. The proposed contract is preferable to a bond issue for the same purpose because of the cost incurred for this small of an issue and interest rates would be very similar in either instance. (i) It would not be prudent for Alleghany County to use available unappropriated fund balance to undertake the proposed project and the County is not capable of issuing a non-voted bond pursuant to Article V, Section 4, of the North Carolina Constitution to fund the project. (ii) This method was chosen to expedite the process without causing undue expenses.
3. It is anticipated the cost of financing under the proposed contract is less than the cost of issuing general obligation bonds.

4. The sums to fall due under the contract are adequate and not excessive for the proposed purpose because of the size of the issue.
5. Alleghany County's debt management procedures and policies are good because of the continued management letters stating responsible fiscal control in all areas in funds and departmental operations. These operations continually meet with Generally Accepted Accounting Principles as required by the LGC.
6. An increase in taxes will not be necessary for this proposed contract.
7. The County of Alleghany is not in default in any of its debt service obligations.
8. The attorney for the County of Alleghany 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 FURTHER RESOLVED that the County Manager is hereby authorized to act on behalf of the County of Alleghany in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution.

This resolution is effective upon its adoption this 4th day of October, 2004.

NORTH CAROLINA

ALLEGHANY COUNTY

RESOLUTION

WHEREAS, Alleghany County ("County") has previously determined to undertake a project for refinance outstanding debt related to Law Enforcement Center and Sparta Elementary School, and the County Manager/Finance Officer has now presented a proposal for the financing of such Project.

BE IT RESOLVED, as follows:

1. The County hereby determines to finance the Project through Wachovia Bank in accordance with the proposal dated September 30, 2004. The amount financed shall not exceed \$2,381,860, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.67% and the financing term shall not exceed 6 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 an Escrow Agreement as Wachovia may request.
3. The County Manager/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 County Manager/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 County Manager/Finance Officer shall approve with the County Manager's/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 shall 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 actions 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.

Approved this the 4th day of October, 2004.

ALLEGHANY COUNTY

NORTH CAROLINA

RESOLUTION

WHEREAS, Alleghany County desires to refinance outstanding debt related to the Law Enforcement Center and Sparta Elementary School to better serve the citizens of Alleghany County; and

WHEREAS, Alleghany County used General Obligation bonds to finance the Law Enforcement Center in 1991; and

WHEREAS, Alleghany County desires to call and pay off the General Obligation bonds to refinance this debt.

NOW, THEREFORE, BE IT RESOLVED that the Alleghany County Board of Commissioners gives the County Manager and Finance Officer the authority and permission to sign any documentation necessary to call and pay off the General Obligation bonds in regards to the Law Enforcement Center.

Adopted this the 4th day of October, 2004.

**CERTIFIED COPY OF CORPORATE/MUNICIPAL RESOLUTION
OF
ALLEGHANY COUNTY, NORTH CAROLINA**

I, the undersigned, hereby certify that I am the Chairman of the above-named Corporation/Municipality, which Corporation/Municipality is duly organized and existing under the laws of the United State of America: that the following is a true copy of the Resolution duly adopted by the Board of Directors of said Corporation/Municipality effective the 4th day of October, 2004.

Resolved that the officers listed below are Authorized Representatives of the Corporation/Municipality with the authority to execute all appropriate documents for the _____ account established with the First-Citizens Bank & Trust Company.

Name

Title

Signature

Don Adams

County Manager

Joy Hines _____ Finance Officer _____

Theresa Gunter _____ Asst. Finance Officer _____

I further certify that this Resolution has neither been rescinded nor modified