

The Alleghany County Board of Commissioners met in regular session on Monday, February 6, 2006, 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 Graylen Blevins, Commissioner Sandy Carter Herndon, Commissioner Ken Richardson, County Attorney Donna Shumate, County Manager Don Adams, and Clerk to the Board Karen Evans.

Chair Eldon Edwards called the meeting to order.

Commissioner Ken Richardson opened the meeting with a prayer.

Commissioner Warren Taylor made a motion to approve the agenda for this February 6, 2006, meeting. Commissioner Sandy Carter Herndon seconded the motion. Vote 5:0.

AGENDA
Monday, February 6, 2006
6:30 PM

- 6:30 Meeting Called To Order
 - Motion on Agenda for February 6, 2006, meeting
 - Motion on Minutes for January 23, 2006, meeting
- 6:35 Public Hearing
 - RE: E-911 Road Names
- 6:40 Mary Walker
 - RE: Tax Collections Report
- 6:50 George Stancil
 - RE: Extension Service Annual Report
 - Fair
- 7:10 Forestry Service Annual Report
 - County Business
 - 1. Solid Waste Transportation and Recycling Contracts
 - 2. Wachovia / Sparta Elementary School Resolution
 - 3. Blue Ridge Hill Climb Resolution
 - 4. Fuel Oil Bids
 - 5. Social Services Budget Amendment
 - 6. Tentative 2006-2007 Budget Schedule
 - 7. Kindergarten Eye Exam
 - 8. Ferguson Group
 - 9. Other Business
 - 10. Public Comments—30 minutes
 - 11. Adjourn

Commissioner Sandy Carter Herndon made a motion to approve the minutes for the January 23, 2006, meeting. Commissioner Graylen Blevins seconded the motion. Vote 5:0.

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

Wendy Williams, E-911 Coordinator/Mapper presented one road name for approval. She

explained where the road is located in the County.

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 Sandy Carter Herndon made a motion to approve the new E-911 road names as presented by the E-911 Coordinator/Mapper. Commissioner Warren Taylor seconded the motion. Vote 5:0.

Mary Walker, Tax Administrator, presented the annual tax report including the outstanding balance of \$545,106.86 for 2005-2006 for a collection rate of 91.76%. She explained how this collection rate compares to last year. She further explained that she has completed \$155,437.82 in discoveries since July. She talked about how the Board must direct the Tax Administrator to advertise tax liens. She further talked about how she is planning to advertise the liens in the newspaper in May.

Commissioner Warren Taylor made a motion to authorize the Tax Collector to advertise the tax liens in the newspaper. Chair Eldon Edwards seconded the motion. Vote 5:0.

Mary Walker told the Commissioners that the first piece of property has been sold because of delinquent taxes. She explained that the sale was last Thursday with a starting bid of \$2,225 and ending bid of \$7,100. She further explained that it is subjected to the 10 day upset bid process. She informed the Board that two more properties will be sold before June.

Commissioner Sandy Carter Herndon and Mary Walker talked about after the taxes are paid the remaining money goes into the State escheat fund.

George Stancil, Extension Service Director, came before the Board to present the Extension Service's annual report. He reviewed the responsibilities of the staff members including serving on 35 committees and attending 31 training sessions in 2005. He continued reviewing the highlights of 2005 including the amount of contacts, workshops/seminars that were offered, tours/demonstrations that were held, programs that were offered and programs that are being developed.

Commissioner Sandy Carter Herndon and Chair Eldon Edwards thanked George Stancil for his report.

Tommy Sports with the Forestry Service presented their annual report. He reviewed handouts about the Forestry Service's activities including the number of fires, amount of acreage burnt, Firewise workshops held, Forest Management Plans prepared, forest pest control activities and two Smokey Bear programs held. He explained that they are in the process of hiring an Assistant County Ranger for Alleghany County.

Commissioner Warren Taylor stated his appreciation for the extra effort to take care of Alleghany County.

The Board of Commissioners stated their appreciation to the Forestry Service.

George Stancil presented a request from the Fair Committee. He explained that the Fair is

requesting a loan of \$3,500 to pay the outstanding bills from the last fair and have start-up monies for the next fair. He further explained that they exhausted ways to raise the funds before the beginning of the next season.

The Board of Commissioners talked about the request of \$3,500.

County Manager Don Adams explained that this has happened before. He further explained that the entertainment is a large expense for the Fair. He stated that he is requesting the Fair to consider the entertainment expenses.

George Stencil stated that they are looking at several other types of entertainment for the next fair.

The Board of Commissioners and County Manager Don Adams discussed how to loan the Fair \$3,500.

Commissioner Sandy Carter Herndon made a motion to take \$3,500 out of economic development to be repaid by the Fair. Commissioner Graylen Blevins seconded the motion. Vote 5:0.

County Manager Don Adams informed the Board that the transportation and disposal contract for the Transfer Facility will be coming up in April. He gave the Board an update from the beginning of the first contract until now with BFI/HILCO. He talked about the competition in this area is GDS. He stated that we are currently paying \$40.10 per ton. He further stated that BFI/HILCO has expressed an interest to renegotiate the contract. He said that two areas that they are looking at are CPI rate increase and some type of fuel price adjustments. He talked about reasons to go out to bid. He talked about the good-quality service received through the current contract.

County Manager Don Adams informed the Board that the current recycling contract with Roger Brady will end in June. He talked about the County is sort of tied to the Town on this. He explained that it helps the Town on town garbage prices if that person has the county recycling contract. He stated that he will talk to Bryan Edwards. He further stated that he will put these two contracts on the next agenda for more discussions.

Chair Eldon Edwards asked the County Manager to check with GDS before the next meeting to see if they are interested.

County Manager Don Adams presented a resolution regarding the Wachovia loan for \$1,950,000 for the Sparta Elementary School addition. He explained that this resolution authorizes the execution of the financing documents with Wachovia.

Commissioner Ken Richardson and County Manager Don Adams discussed the meaning of the tax status for loans.

Commissioner Warren Taylor made a motion to approve the resolution as presented by the County Manager. Commissioner Sandy Carter Herndon seconded the motion. Vote 5:0.

County Manager Don Adams presented a resolution regarding the Blue Ridge Hill Climb requesting NCDOT to close Doughton Mountain Road on August 5th and 6th for the Hill Climb.

Commissioner Sandy Carter Herndon made a motion to approve the resolution as presented by the County Manager. Commissioner Warren Taylor seconded the motion. Vote 5:0.

County Manager Don Adams presented fuel oil bids. He stated that Independence Oil has the lower bid, and he recommends awarding the fuel oil contract to Independence Oil.

Commissioner Sandy Carter Herndon, Commissioner Graylen Blevins and County Manager Don Adams discussed taxes on the fuel, gasoline provider services, propane provider services and propane tanks that the County has at the different facilities.

Commissioner Graylen Blevins made a motion to approve Independence Oil providing Alleghany County's fuel services for this year. Commissioner Ken Richardson seconded the motion. Vote 5:0.

County Manager Don Adams presented General Fund budget amendment #20 in the amount of \$20,712 for Public Assistance.

Commissioner Graylen Blevins made a motion to approve General Fund budget amendment #20 in the amount of \$20,712 for Public Assistance. Commissioner Sandy Carter Herndon seconded the motion. Vote 5:0.

County Manager Don Adams presented the tentative 2006-2007 budget schedule. He reviewed the proposed timeline.

The Board of Commissioners and County Manager Don Adams discussed dates to have a budget meeting in April. They decided to have the meeting on April 20th at 9:00am.

County Manager Don Adams presented letters received by the Chairman regarding a new law that requires comprehensive eye exams before children can enter kindergarten. He read a portion of the letter that explains the new law.

The Board of Commissioners discussed the State's actions, public comments periods, paid organizations to watch these things, giving parents a grace period to help the parents.

Chair Eldon Edwards asked the County Manager to contact the County Commissioners Association to find out more information.

County Manager Don Adams stated that he attended a manager's meeting last week and will be providing information to the Board at the next meeting about changing laws but the eye exam law wasn't mentioned at the meeting.

Commissioner Ken Richardson stated that this is an example of meeting with the local Board of Education and seeing how they stand on this issue before the Commissioners take any action.

Commissioner Warren Taylor and Chair Eldon Edwards talked about waiting to get more information and to see what happens.

County Manager Don Adams reminded everyone of the Ferguson Group's presentation at the joint meeting. He reviewed the joint partnership between Alleghany County, Town of Sparta, Grayson County, Town of Independence, Alleghany Memorial Hospital and Sparta Teapot

Museum. He gave the amounts each entity is contributing to the Ferguson Group with Alleghany County's \$20,000. He asked the Board if the County is interested in continuing this partnership and if so, what are the County's priorities. He mentioned the water authority and US 21 to Roaring Gap, Sparta Parkway and four miles down US 21 mountain. He explained the different ways to obtain funding and the effects of the funding.

The Board of Commissioners had discussions regarding NCDOT providing the local match on the roads, 4 miles down the mountain is in two counties, prioritizing the needs and rehiring the Ferguson Group.

Commissioner Warren Taylor made a motion to reemploy the Ferguson Group for another year. Commissioner Sandy Carter Herndon seconded the motion.

Commissioner Graylen Blevins stated that the County's portion is contingent upon everyone continuing their relationship.

County Manager Don Adams agreed and stated that the other groups should make their decisions soon.

The Board of Commissioners voted on the motion on the floor. Vote 5:0.

The Board of Commissioners and County Manager Don Adams talked about ways to rank the road priorities and ranking the projects.

County Manager Don Adams reminded the Board how the projects are listed on the County's Transportation Improvement Plan (TIP).

Chair Eldon Edwards and Commissioner Sandy Carter Herndon discussed leaving the projects as they are on the TIP.

County Manager Don Adams stated that the Ferguson Group talked about funding projects for the emergency response departments such as the volunteer fire departments, EMS and the rescue squad. He further stated that he requested those departments to submit their capital needs to him. He told the Board that this could be a potential priority with the Ferguson Group.

Chair Eldon Edwards presented a proclamation for the Heart Fund Auction. He explained the request for the proclamation.

Commissioner Warren Taylor made a motion to approve the proclamation. Commissioner Graylen Blevins seconded the motion. Vote 5:0.

Chair Eldon Edwards mentioned a letter he gave to the Commissioners from the Department of Transportation regarding funding shortfalls.

Commissioner Warren Taylor informed the Board that Blue Ridge RC&D will provide some monies for the walking trail between Wilkes Community College and Alleghany High School. He stated that the monies will go towards getting a topo of the area and the engineer study.

County Manager Don Adams mentioned that the research he had done stated that the trail has to be a concrete walk because it is a passage way. He talked about the costs of a concrete walk.

Commissioner Sandy Carter Herndon asked for an update on the land-use committee's activities.

County Manager Don Adams stated that the major issues have been decided, and he has to write the plan. He stated that he will have a draft ready by the first meeting in March.

Commissioner Ken Richardson mentioned a handout regarding Medicaid relief. He stated that the handout describes a proposal by the task force. He further stated that he is going to Raleigh to meet with the steering committee and is asking for guidance from the Commissioners on how to vote on this topic on behalf of Alleghany County. He briefly described the proposal of swapping the Article 39 sales tax for the Medicaid expenses.

County Manager Don Adams stated that the counties can levy an additional 1¢ sales tax. He explained that if counties don't raise the sales tax, the counties must ensure that the towns don't lose any money. He gave examples.

The Board of Commissioners discussed the Medicaid proposal and how it will affect the County.

Commissioner Ken Richardson stated that he will meet with the County Manager before going to this meeting.

County Manager Don Adams talked about his manager's meeting last week and how this proposal will affect the towns.

Commissioner Ken Richardson stated that he will go to the meeting with the ideas from the Commissioners.

Commissioner Ken Richardson said that he is speaking on behalf of the library board and as a member of the Board of Commissioners. He talked about additional funding needed from the schools. He further talked about placing the school needs on a bond issue for the November ballot. He talked about the need to have meetings to talk with the School Board. He said he will not support any more installment purchases for the schools, it must be a bond. He stated that the library is asking for a separate bond on the November ballot. He talked about the probability of a bond passing for the schools if all of the schools are included.

Commissioner Warren Taylor and Commissioner Ken Richardson talked about the middle school concept and the other needs that have been mentioned.

County Manager Don Adams reminded everyone that if the Board is looking at bonds, it doesn't get done quickly. He stated the need to decide soon about placing bonds on the November ballot.

The Board of Commissioners discussed the estimated numbers from Dr. Cox, bonds need to be accurate numbers, middle school concept and the school population at Piney Creek Elementary School if a middle school is approved.

Commissioner Warren Taylor stated that it is important to have these discussions with the Board of Education. He suggested that the Chairman get together with Charles Joines and Dr. Cox to schedule a meeting between the boards.

Commissioner Graylen Blevins stated that if the school system will present the bond in the right way, he thinks it will pass.

Chair Eldon Edwards asked for public comments.

Charlie Scott stated that the Board of Education has scheduled a retreat to discuss these issues. He talked about scheduling the joint meeting after this retreat.

Coby Larue stated that the retreat is scheduled for February 10th and 11th in Boone.

George Stencil talked about a bridge about the size of the one in question at the High School was built for around \$30,000.

Charlie Scott stated that golf cart bridges cost around \$60,000 to \$70,000.

County Manager Don Adams talked about Martin Marietta will supply materials but can't supply anything else. He further talked about they are in the bridge building business instead of the walkway business.

Being no further business, Commissioner Warren Taylor made a motion to adjourn at 8:46pm. Commissioner Graylen Blevins seconded the motion. Vote 5:0.

Respectfully submitted,

Karen Evans
Clerk to the Board

Attest:

Eldon Edwards
Chairman

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT IN THE AMOUNT OF \$1,950,000 WITH WACHOVIA BANK, NATIONAL ASSOCIATION TO FINANCE THE CONSTRUCTION AND EQUIPPING OF A CLASSROOM AND MEDIA CENTER ADDITION TO SPARTA ELEMENTARY SCHOOL IN SPARTA, NORTH CAROLINA, AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH

BE IT RESOLVED by the governing body for the County of Alleghany, North Carolina (the "County"):

The governing body of the County does hereby find and determine:

At the request of the Alleghany County Board of Education (the "School Board"), the County proposes the construction and equipping of a classroom and media center addition to Sparta Elementary School in Sparta, North

Carolina, as more fully described in the hereinafter mentioned Contract (the "Project");

After consideration, the governing body of the County has determined that the most advantageous manner of financing the Project is by an installment contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended;

Pursuant to Section 160A-20, the County is authorized to finance the construction and equipping of the Project by entering into an installment financing contract and a deed of trust or other security instrument that creates a security interest in the property financed to secure repayment of the financing;

As required by Section 160A-20, on January 2, 2006, the County held a public hearing with respect to the financing of the Project through the Contract, after notice of such hearing was published at least ten (10) days prior to the hearing;

Wachovia Bank, National Association ("Wachovia") has proposed that Wachovia enter into an Installment Financing Contract with the County to finance the Project pursuant to which Wachovia will lend the County the amount of \$1,950,000 (the "Contract"), the proceeds of which will be held in an escrow account under an Escrow Agreement between the County and Wachovia Bank, National Association, as escrow agent (the "Escrow Agreement") and disbursed to pay costs of the Project;

The County and Wachovia previously entered into an Installment Financing Contract dated November 15, 2004 pursuant to which Wachovia loaned money to the County to refinance a previous loan, the proceeds of which were used to renovate Sparta Elementary School and, in connection therewith, the County executed and delivered a Deed of Trust and Security Agreement, as amended by a First Amendment to Deed of Trust dated November 15, 2004 (collectively, the "Deed of Trust") in favor of Wachovia. Sparta Elementary School is leased to the Alleghany County Board of Education pursuant to a Lease Agreement dated September 27, 1995, as amended by a First Amendment to Lease Agreement dated November 15, 2004, which will be further amended to include the Project by the execution and delivery of a Second Amendment to Lease Agreement dated on or about the date of the Contract (the "Second Amendment to Lease").

The governing body hereby authorizes and directs the proper officer of the County (which may be the Chairman, the Vice Chairman or the County Manager) to execute, acknowledge and deliver the Contract, the Second Amendment to Deed of Trust, the Escrow Agreement and the Second Amendment to Lease on behalf of the County in such form and substance as

the person executing and delivering such instruments on behalf of the County shall find acceptable. The Clerk is hereby authorized to affix the official seal of the County to the Contract, the Second Amendment to Deed of Trust, the Escrow Agreement and the Second Amendment to Lease and attest the same.

The proper officers of the County are authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution, the Contract, the Second Amendment to Deed of Trust, the Escrow Agreement and the Second Amendment to Lease.

Notwithstanding any provision of the Contract, the Second Amendment to Deed of Trust, the Escrow Agreement or the Second Amendment to Lease, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under the Contract, the Second Amendment to Deed of Trust, the Escrow Agreement or the Second Amendment to Lease and the taxing power of the County is not and may not be pledged directly or indirectly to secure any moneys due under the Contract, the security provided under the Contract and the Deed of Trust as amended by the Second Amendment to Deed of Trust being the sole security for Wachovia in such instance.

The County covenants that, to the extent permitted by the Constitution and laws of the State of North Carolina, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") as required so that interest on the County's obligations under the Contract will not be included in the gross income of Wachovia.

The County hereby represents that it reasonably expects that it, all subordinate entities thereof and all entities issuing obligations on behalf of the County will issue in the aggregate less than \$10,000,000 of tax-exempt obligations, including the Contract (not counting private-activity bonds except for qualified 501(c)(3) bonds as defined in the Code) during calendar year 2006. In addition, the County hereby designates the Contract and its obligations under the Contract as a "qualified tax-exempt obligation" for the purposes of the Code.

This Resolution is contingent upon Local Government Commission (LGC) approval and shall take effect immediately following the LGC approval.

Upon motion of _____, seconded by _____, members of the governing body, the foregoing resolution entitled "RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT IN THE AMOUNT OF \$1,950,000 WITH WACHOVIA BANK, NATIONAL ASSOCIATION TO FINANCE THE CONSTRUCTION AND EQUIPPING OF A CLASSROOM AND MEDIA CENTER ADDITION TO SPARTA ELEMENTARY SCHOOL IN SPARTA, NORTH CAROLINA, AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH" was passed by the following vote:

Ayes: _____

Nays: _____

PASSED AND ADOPTED this 6th day of February, 2006.

North Carolina

Alleghany County

RESOLUTION

Blue Ridge Sports Car Hill Climb

WHEREAS, the Central Carolina Region of the Sports Car Club of America, Inc. (SCCA), has expressed a desire to hold a Hill Climb event in the Laurel Springs Community during August 5 & 6, 2006; and

WHEREAS, the Alleghany County Chamber of Commerce supports this event known as The Blue Ridge Hill Climb – Doughton Mountain Road; and

WHEREAS, the publicity afforded the sponsoring community will serve as a valuable economic development tool; and

WHEREAS, the event will have positive economic impact on the sponsoring community;

NOW, THEREFORE BE IT RESOLVED, that the Alleghany County Board of Commissioners welcomes the Blue Ridge Hill Climb and supports the SCCA request of the North Carolina Department of Transportation for the temporary closure of Doughton Mountain Road during the period of the event.

Adopted this the 6th day of February, 2006.