

Surry County Board of Commissioners
 Meeting of March 10, 2021
 Board Retreat

The Surry County Board of Commissioners met for its Board Retreat at 8:15 a.m., March 10, 2021. The meeting was held in the Surry County Service Center Farm Bureau Training Room, Dobson, N.C.

Board members present for the meeting were Chairman Mark Marion, Vice-Chairman Bill Goins, Commissioner Larry Johnson, Commissioner Eddie Harris and Commissioner Van Tucker.

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

Sheriff Steve Hiatt

Steve Yokeley, Mount Airy Commissioner

Marie Wood, Mount Airy Commissioner

Dr. Frank Beals, Elkin City Schools Board

Chris Knopf, County Manager

Sandy Snow, Assistant County Manager

Rhonda Nixon, Finance Officer

Ed Woltz, County Attorney

Jessica Montgomery, Public Works Director/Interim Facilities Director

Don Mitchell, Jail Project Manager

Martha Brintle, MIS Director

Johnny Easter, Development Services Director

Penny Harrison, Tax Administrator

Roger Bedsaul, Appraisal Supervisor

Paul Barker, Chief Deputy

Nathan Walls, Assistant to the County Manager

Todd Tucker, Surry Economic Development Partnership President

Dr. Myra Cox, Elkin City Schools Superintendent

John Altemueller, Elkin City Schools

Joel Hoyle, Elkin High School Principal

Amanda Burton, Elkin Middle School Principal

Doug Carter, DEC Associates

Andrew Carter, DEC Associates

Chairman Marion called the meeting to order. Commissioner Tucker delivered the invocation and led the Pledge of Allegiance.

Chairman Marion said he was glad to have Commissioner Johnson back after hip replacement surgery.

County Manager Chris Knopf discussed agenda changes.

Chairman Marion requested the Board consider the amended agenda. Upon motion of Commissioner Goins, seconded by Commissioner Harris, the Board voted unanimously to approve the agenda.

Commissioner Johnson provided opening remarks.

Tax Administrator Penny Harrison and Appraisal Supervisor Roger Bedsaul discussed property tax collection and preliminary valuation estimates for the recent revaluation. Tax collections for motor vehicles and personal property were reviewed.

Mr. Bedsaul said some property appraisal appeals will be filed, primarily for commercial property. He said the former Vaughan Bassett property in Elkin was reduced from \$2 million to \$325,000 in value. New

apartments and a new quick car wash in Elkin were discussed. The Board discussed with Mr. Bedsaul how land where shuttered plants are located is worth more without the buildings. The Board discussed other new businesses with Mr. Bedsaul.

Ms. Harrison said she is expecting close to an 8 percent average increase for real property values. The Board discussed with Ms. Harrison and Mr. Bedsaul options for taxation for the upcoming fiscal year, which included what revenue neutral looks like.

Surry County's market rate housing shortage was discussed by Mr. Bedsaul. He and the Board agreed there is a need for more market rate housing.

Commissioner Johnson discussed the possibility of raising taxes 2.25 cents above the revenue neutral figure of 53.7 cents to address capital needs. Commissioner Goins said that would provide funding for upcoming capital projects. Commissioner Harris calculated that the additional 2.25 cents in taxes would capture \$1.2 million at the 98 percent tax collection rate.

Commissioner Tucker and Finance Officer Rhonda Nixon discussed how Surry County increased its fund balance during the COVID-19 pandemic. Commissioner Tucker said that shows fiscal responsibility.

Commissioners Tucker and Harris discussed how being cautious about the new jail and Elkin gym in 2020 prior to COVID-19 was a good decision. They continued to urge caution because of the increased price of building materials and uncertainty about the price of bids. Commissioner Harris said he thinks the County will have a much clearer picture going forward.

Commissioner Johnson said the County should not remain at the revenue neutral rate and recommended capturing the additional tax revenue to use on capital projects.

Chairman Marion asked the Board if a 56-cent tax rate is agreeable for the whole Board. Commissioner Harris said he would have to wait and see what the County Manager recommends.

The Board discussed capital needs and the tax rate further.

Ms. Harrison said she doesn't think appeals are over yet. She added that the State is looking at ways to help businesses because of the COVID-19 pandemic.

A discussion about taxes on farms and residences, as well as a one-year moratorium on foreclosures during the pandemic, closed out the Tax Department's time.

The Board took a 10-minute break.

Ms. Nixon presented revenue projections, a fund balance and debt overview and discussed the FY21-22 budget process and FY20-21 capital expenditures.

She discussed well performing areas balancing out weak areas of the budget. Ms. Nixon and the Board reviewed sales tax numbers. She said 1 cent equals \$542,000 in property tax revenue.

Ms. Nixon said \$620,900 was in a capital project for the new jail design.

Debt on QZABs was discussed. Commissioner Harris spoke with Doug and Andrew Carter of DEC Associates about how limited obligation bonds are the proper funding mechanism moving forward.

Parks & Recreation trail development at Fisher River Park and EMS funding were topics of discussion. Mr. Knopf said that numerous high school cross-country meets are being held at Fisher River Park.

Upon motion of Commissioner Goins, seconded by Commissioner Johnson, the Board voted unanimously to allow Parks & Recreation to spend their remaining budgeted FY21 capital funding.

The Board took a five-minute break.

Doug and Andrew Carter of DEC Associates presented three funding models for FY21-22 debt issuance and the dedicated capital improvement fund.

Doug Carter said his research showed that interest rates should not go below the current rate of 2 percent.

Andrew Carter reviewed models 20a, 20b and 20c for capital projects funding options. Commissioner Johnson said one model showing \$51.2 million of borrowed debt was decided as the maximum amount to borrow by the Finance Committee. Commissioner Tucker asked details about the \$49.2 million 20c model.

Commissioner Harris discussed the estimated cost of the jail project with Jessica Montgomery, Public Works Director/Interim Facilities Director, and Don Mitchell, Jail Project Manager. Ms. Montgomery said the project is estimated at \$39 million and there is contingency built into the estimate.

Mr. Knopf discussed the need to allocate additional revenue from the General Fund to the Dedicated Capital Improvement Fund to generate sufficient capacity for future needs.

Commissioner Harris and Commissioner Tucker discussed their meeting in Raleigh with State Legislators about potential funding for Surry County capital projects.

The Carters said, with the models, they used higher interest rates than current interest rates. Doug Carter said he believes Surry County can afford all three models.

Commissioner Harris asked the Carters if the County should capture some of the new revenue from the property revaluation. Doug Carter went on to say that Mecklenburg County captured some of their revenue gain to offset costs of school capital projects. Commissioner Goins said that right now \$400,000 extra could go in the revenue column. Commissioner Johnson expressed his desire to move forward with funding the jail and Elkin gym projects.

The Board and the Carters discussed the LGC process for debt issuance approval.

Chairman Marion discussed the jail's overcrowding and how he would like to move forward with funding the capital projects. Paul Barker of the Sheriff's Office said there were 192 inmates in the jail last night and \$20,400 was spent last month on out-of-county inmates. Chairman Marion discussed how much more it costs to house an inmate out-of-county than in-county.

Doug Carter referenced possible federal funds that might become available.

Upon motion of Commissioner Goins, seconded by Commissioner Johnson, the Board voted unanimously to borrow, but not to exceed, \$50 million for the new jail and Elkin gym projects, and use \$1 million of restricted Golden LEAF funds towards the Elkin gym project, with any State funds secured later that might be received to go towards the debt.

The Board took a lunch break.

The Board returned to regular business.

Upon motion of Commissioner Harris, seconded by Commissioner Goins, the Board voted unanimously to go into closed session.

The Board returned to regular business and was joined by Mount Airy Commissioner Steve Yokeley and Mount Airy Commissioner Marie Wood.

Upon motion of Commissioner Johnson, seconded by Commissioner Goins, the Board voted 3-2 (Chairman Marion, Commissioner Johnson and Commissioner Goins with yays; Commissioner Harris and Commissioner Tucker with nays) to fund \$1.5 million maximum over six years, at \$250,000 a year. If any funding is provided by Golden LEAF or other funding sources, half of Surry County's funding commitment would be reimbursed or reduced.

Development Services Director Johnny Easter and County Attorney Ed Woltz discussed public nuisance language in the Code of Ordinances and how best to abate public nuisances.

Mr. Easter reviewed draft language. He referenced the Wilkes County solid waste ordinance and Yadkin County's dilapidated houses section of their ordinance.

Mr. Easter provided an example of a citizen whose code enforcement issues were not resolved until he died, leaving the remaining family members to clean up the property.

Mr. Easter said that it's getting difficult to get people to comply.

Mr. Woltz said Mr. Easter does not want the revised ordinance to be overbearing, but he wants it to be an effective tool. He said Mr. Easter's draft provides a roadmap.

The Board discussed with Mr. Easter how violations would be determined by staff. Public health and safety nuisances, and how the NC General Statutes give Surry County authority to enforce them, was discussed.

Commissioner Harris said the drafted ordinance is too far reaching and is unenforceable. He said he likes additional language that was added pertaining to rodents carrying diseases, but other new language would find two-thirds of Surry County to be in violation.

Commissioner Tucker provided examples of problems the ordinance would create. He said many people in his community would be in violation.

Discussion ensued about Galax Trail.

Commissioner Johnson and Mr. Easter discussed how to solve a problem with a dilapidated house on Sherry Lane and similar examples.

Commissioner Johnson said a property owner outside of Dobson cleaned up their property - he thinks that a public nuisance ordinance would provide similar successes.

Commissioner Harris said that the draft ordinance needs to be worded well to differentiate from abandoned houses that are not adjacent to other houses compared to homes in residential areas. He said tearing down abandoned homes could be problematic.

Mr. Easter said the process would be more complaint driven.

Mr. Knopf and Commissioner Harris discussed the need for more funding and more staff to abate abandoned homes.

Commissioner Goins said we must abate Galax Trail.

Mr. Knopf asked Mr. Easter to initiate a public health investigation through the Health Department at Galax Trail.

Mr. Easter was directed to revise the draft ordinance and report back to the Board at a future date.

Mr. Knopf presented options for an enhanced litter program. He provided details of an inmate collection program, as well as a third-party litter program.

Discussion of increasing the landfill fee by \$1 ensued. Raising the fee \$1 would generate \$28,459. Commissioner Harris and Commissioner Tucker said they would be willing to raise the landfill fee to generate more revenue to fund an enhanced litter program.

Commissioner Johnson said he would like to have a third party collect litter. He also said he would pay people to pick up trash out of his Commissioner's paycheck.

Commissioner Tucker discussed inmate collection with Mr. Woltz.

Upon motion of Commissioner Harris, seconded by Commissioner Tucker, the Board voted unanimously to increase the non-profit litter collection program payout from \$5 to \$7 per bag.

Surry Economic Development Partnership President Todd Tucker discussed the 3 Ps of economic development: Product, People and Place. He most notably shared a presentation with the Board about the need for Product, which is buildings and sites for businesses.

Mr. Tucker reviewed the sites that the County owns. He showed the Board maps of different areas in Surry County that would be good locations for sites. Mr. Tucker explained the advantage of having utilities to sell a site. The water connection from Mount Airy to Mount Airy/Surry County Airport was discussed.

The Board discussed good areas for expansion in their districts.

Mr. Tucker said that a trained labor force is a big sell when marketing Surry County to businesses who are interested in locating here.

He said about 15,000 citizens drive out of Surry County everyday for work and 13,000 drive in.

Mr. Tucker discussed the Surry-Yadkin Works program being an advantage and working with local school systems on trades education.

The site development potential around the Mount Airy/Surry County Airport was discussed.

Mr. Tucker said he had a company located in Surry County that wants to grow but can't because of lack of available buildings.

He asked the Board to consider the information that he presented.

Upon motion of Commissioner Goins, seconded by Commissioner Harris, the Board voted unanimously to go into closed session.

The Board returned to regular business.

Mr. Knopf presented a proposal from SystemWorks to be the third-party conservation agent to ensure the new jail is energy efficient.

Upon motion of Commissioner Johnson, seconded by Commissioner Harris the Board voted unanimously to select SystemWorks to be the third-party conservation agent for the new jail.

The Board discussed proposals from Duke Energy and Surry-Yadkin Electric to be the electric provider for the new jail.

After reviewing proposals, the Board requested more details be provided at an upcoming meeting.

Upon motion of Commissioner Johnson, seconded by Commissioner Goins, the Board voted unanimously to adjourn at 5:14 pm.

Nathan Walls
Clerk to the Board