

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
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**OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
DECEMBER 30, 2002**

The Board of Commissioners of the County of Stokes, State of North Carolina, met in special session in the Council Chambers of the Administrative Building, located in Danbury, North Carolina, on Monday, December 30, 2002, at 7:00 pm with the following members present:

Chairman Sandy McHugh
Vice-Chairman John Turpin
Commissioner Howard Mabe
Commissioner Leon Inman
Commissioner Joe Turpin

Craig Greer, County Manager
Darlene Bullins, Clerk to the Board

Chairman McHugh called the meeting to order. Jail Captain Craig Carico delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman McHugh opened the meeting by inviting the citizens in attendance to join the Board with the Pledge of Allegiance.

PUBLIC COMMENTS

The following citizens spoke to the Board:

Sara Carter
1116 Troy Joyce Road
Madison, NC 27025
Topic: DSS-Program Integrity

Ms. Carter spoke to the Board concerning DSS-Program Integrity. Ms. Carter noted the progress the program had made over the past 4 years, its benefits to the DSS and the County, and the impact of its loss.

Betty Arrington
1289 NC 8&89 HWY S
Walnut Cove, NC 27052
Topic: DSS – Program Integrity

Ms. Arrington spoke to the Board concerning the valuable role that Program Integrity played at DSS. Ms. Arrington also noted the awards received by the hard work done by this unit.

Jack Gibson
345 Springdale Road
Walnut Cove, NC 27052
Topic: Budget

Mr. Gibson commended the Board on their recent actions to balance the budget. Mr. Gibson noted the citizens’ need to have no tax increase and support the actions of the Board.

GENERAL GOVERNMENT-GOVERNING BODY-GENERAL OBLIGATION REFUNDING BONDS – SERIES 2003

County Manager Craig Greer presented information to the Board considering the issuance of bonds of the County of Stokes, which would be for the following purposes:

\$1,300,000 of General Obligation Refunding Bonds to pay the costs of refunding in advance of their maturities (1) the County of Stokes, North Carolina Obligation Schools Bonds, Series 1996 maturing on June 1, 2003, and (2) the County of Stokes, North Carolina General Obligation School Bonds, Series 1998 maturing on June 1, 2003.

County Manager Craig Greer presented information concerning the refinancing of one single maturity of the 1996 & 1998 GO Bonds with a three repayment on that single maturity with a prepay option without penalty to pay if off early. The total amount of refinancing would be \$1, 300,000 with the first interest payment (approximately \$13,000) being December 1, 2003 and the first principle payment (approximately \$446,000) being June 1, 2004. This would enable to the Board to have time to plan their budgetary opportunities. The Local Government Commission (Executive Committee) would vote in early January 2003 whether to allow the Refunding of these Refunding Bonds.

Manager Greer concluded the exact refinancing would not take place until May 2003 to eliminate the County’s possibility of earning too much interest on bonded indebtedness that would be taxable. The information provided to the Board was prepared by the County’s Bond Council (which is required) Parker, Poe, Adams, and Bernstein, LLP.

Vice Chairman John Turpin moved to adopt the Resolution of the Board of Commissioners of the County of Stokes, North Carolina, Making Certain Statements of Fact Concerning Proposed Bond Issue.

Commissioner Inman seconded the motion.

Chairman McHugh read the Resolution.

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF STOKES, NORTH CAROLINA
MAKING CERTAIN STATEMENTS OF FACT CONCERNING PROPOSED BOND ISSUE**

WHEREAS, the Board of Commissioners of the County of Stokes, North Carolina (the "*Board of Commissioners*") is considering the issuance of bonds of the County of Stokes, North Carolina (the "*County*") which shall be for the following purposes and in the following maximum amount:

\$1,300,000 of General Obligation Refunding Bonds to pay the costs of refunding in advance of their maturities (1) the County of Stokes, North Carolina General Obligation School Bonds, Series 1996 maturing on June 1, 2003 and (2) the County of Stokes, North Carolina General Obligation School Bonds, Series 1998 maturing on June 1, 2003;

WHEREAS, certain findings of fact by the Board of Commissioners must be presented to enable the Local Government Commission of the State of North Carolina to make certain determinations as set forth in Article 4 of Chapter 159 of the General Statutes, Section 52.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners meeting in open session on the 30th day of December, 2002, has made the following factual findings in regard to this matter:

- A. ***Facts Regarding Necessity of Proposed Financing.*** The proposed bonds are necessary and expedient in order to assure restructure debt service costs to the County.
- B. ***Facts Supporting the Amount of Bonds Proposed.*** The sums estimated for these bonds are adequate and not excessive for the proposed purpose.
- C. ***Past Debt Management Policies.*** The County's debt management procedures and policies are good and have been carried out in compliance with law. The County employs a full time Finance Officer to oversee compliance with applicable laws relating to debt management. The Board of Commissioners requires annual audits of County finances. In connection with these audits, compliance with laws is reviewed. The County is not in default in any of its debt service obligations. The County Attorney reviews all debt-related documents for compliance with laws.
- D. ***Past Budgetary and Fiscal Management Policies.*** The County's budgetary and fiscal management policies have been carried out in compliance with laws. Annual budgets are closely reviewed by the Board of Commissioners before final approval of budget ordinances. Budget amendments changing a department total or between departments are presented to the Board of Commissioners at regular Board of Commissioners meetings. The Finance Director presents financial information to the Board of Commissioners which shows budget to actual comparisons quarterly and otherwise as the County Manager deems necessary or as a member of the Board of Commissioners may request.
- E. ***Retirement of Debt.*** The schedule for issuing the bonds may require a property tax increase. The schedule for issuance calls for issuing all of the bonds during calendar year 2003.

READ, APPROVED AND ADOPTED this 30th day of December, 2002.

Sandy McHugh, Chairman

Adopted at a special meeting
this the 30th day of December, 2002.

ATTEST:

Darlene Bullins, Clerk to the Board of Commissioners

APPROVED AS TO FORM:

J. Tyrone Browder, County Attorney

Vice Chairman John Turpin questioned County Manager Greer concerning the affects if the Hold Harmless monies were held again next year.

County Manager Greer concluded an estimated \$1.5 short due to low fund balance to help offset shortage, Medicaid increases, hospital payment, and debt payment.

Commissioner Inman expressed concerns over this not being the ideal arrangement, but would enable to the Board to have buy some time.

Chairman McHugh called the question.

The motion carried (3-2) with Vice Chairman John Turpin and Commissioner Joe Turpin voting against the Resolution.

Chairman McHugh read the following Resolution, which calls for a Public Hearing on the Bond Order, Directing Publication of the Notice of Said Public Hearing and Filing of a Debt Statement.

**RESOLUTION OF THE COUNTY OF STOKES, NORTH CAROLINA
CALLING A PUBLIC HEARING ON BOND ORDER, DIRECTING PUBLICATION OF
NOTICE OF SAID PUBLIC HEARING AND FILING OF A DEBT STATEMENT.**

Whereas, a bond order entitled:

**“BOND ORDER AUTHORIZING THE ISSUANCE OF \$1,300,000 GENERAL OBLIGATION REFUNDING BONDS OF THE
COUNTY OF STOKES, NORTH CAROLINA”**

has been introduced at a special meeting of the Board of Commissioners of the County of Stokes, North Carolina this 30th day of December, 2002 and the Board of Commissioners desires to provide for the holding of a public hearing thereon on January 13, 2003 and the submission of a statement of debt in connection therewith as required by the Local Government Bond Act.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Stokes, North Carolina as follows:

1. The public hearing on said bond order shall be held on the 13th day of January, 2003 at 7:30 pm at the Collinstown Community Building, Westfield, North Carolina 27053.
2. The Clerk to the Board of Commissioners is hereby directed to cause a copy of the bond order to be published with a notice of such hearing in the form prescribed by law in a qualified newspaper no fewer than six (6) days prior to such public hearing.
3. The County’s Finance Director is hereby directed to file with the Clerk to the Board of Commissioners prior to publication of the bond order with the notice of such public hearing, a statement setting forth the debt incurred or to be incurred, the appraised value of property subject to taxation by the County and the net debt of the County.

READ, APPROVED AND ADOPTED this 30th day of December, 2002.

Sandy McHugh, Chairman

Adopted at a special meeting
this the 30th day of December, 2002.

ATTEST:

Darlene Bullins, Clerk to the Board of Commissioners

APPROVED AS TO FORM:

J. Tyrone Browder, County Attorney

Commissioner Inman moved to approve the Resolution, which calls for a Public Hearing on the Bond Order, Directing Publication of The Notice of Said Public Hearing and Filing of a Debt Statement on January 13, 2003, - 7:30pm at the Collinstown Community Building Westfield, North Carolina.

Commissioner Joe Turpin seconded and the motion carried unanimously.

GENERAL GOVERNMENT-GOVERNING BODY-EPA-EARLY ACTION COMPACT

County Manager Craig Greer presented information to the Board concerning the EPA-Early Action Compact (EAC).

The Triad (which Stokes County is included) is currently exceeding the federal 8-hour ozone standard.

If this continues, the Triad will be designated as a non-attainment area for ozone which means a series of more restrictive regulations and penalties. The Triad has the opportunity to enter this voluntary program which will give the local communities an opportunity to address their air quality issues. The compact is a commitment by State and Local governments to adopt a strategy to comply with the 8-hour standard by December 31, 2007. The only requirement for local governments is to take part in the process. The deadline for forming the EAC is December 31, 2002 which requires the Board’s to adopt the Resolution to take part in the EAC planning process, which benefits are

- (1) better air quality;
- (2) more local control on decisions;
- (3) delay or avoid EPA restrictions.

Manager Greer concluded that the County can get out of the EAC and go back to regular non-attainment process any time without penalty.

Commissioner Mabe moved to adopt the Resolution for the Early Action Compact for better air quality.

Commissioner Joe Turpin seconded the motion.

Following discussion of the pros and cons of the Compact, Chairman McHugh called the question.

The motion to adopt the Resolution carried unanimously.

RESOLUTION

BE IT RESOLVED THAT

WHEREAS, the Piedmont Triad Region is currently exceeding the federal 8 hour ozone standard;

WHEREAS, the Piedmont Triad Region will face non-attainment of the ozone standard, which brings with it Environmental Protection Agency regulations that will negatively impact the region's ability to recruit and retain business and industry; and

WHEREAS, Environmental Protection Agency regulations will also impact transportation planning in the Piedmont Triad; and

WHEREAS, the Environmental Protection Agency has offered an opportunity to local Governments to enter into an "Early Action Compact", which will allow local stakeholders and elected officials to devise a plan to improve air quality in the Piedmont Triad Region and avoid the negative implications of non-attainment; and

WHEREAS, local action will lead to greater community input and support for air quality solutions;

The **Stokes County Board of Commissioners** hereby resolves to enter into an Early Action Compact with other Triad Region governments.

The **Stokes County Board of Commissioners** agrees to fully participate in the Early Action Compact planning process with the understanding that the Stokes County Board of Commissioners can withdraw from the compact at any time and deal directly with the Environmental Protection Agency on non-attainment issues.

In witness whereof, this Resolution was passed this the 30th day of **December 2002**.

Chairman
Stokes County Board of Commissioners

Clerk to the Board
Stokes County Board of Commissioners

GENERAL GOVERNMENT-GOVERNING BODY-BUDGET ISSUES

Commissioner Mabe requested to discuss and possibly transact business pertaining to the property tax rate as permitted by General Statute.

Commissioner Mabe commented on the trouble spots the County is previously in discussing the following:

- Debt Services – 9.57% of total budget
- Adding Refinancing of GO Bonds debt service would increase to an estimated 11%
- Funds taken for capital projects
- Need for new vehicles
- Frozen positions
- No COLAs for employees

County Manager Greer presented data to the Board concerning the Deficit Reduction.

Manager Greer noted upon the approval of the Debt Service refinancing and the recent action by the Board, there would be a remaining \$3211 deficit, which could be found.

There being no further business to come before the Board, Chairman McHugh adjourned the meeting with the next meeting- January 13, 2003 –7:00pm at Collinstown Community Building, Westfield, NC.

Darlene Bullins
Clerk to the Board

Sandy McHugh
Chairman