

Minutes of the 10 July 2017
Regular Meeting of the Yancey County Board of Commissioners
Held at 6:00 o'clock p.m. in the Yancey County Courtroom
Yancey County Courthouse, Burnsville, North Carolina

Present at the 10 July 2017 meeting of the Yancey County Board of Commissioners were: Chairman Johnny Riddle, Commissioner Jill Austin, Commissioner John Stallings, Commissioner Jeff Whitson, County Manager Nathan Bennett, Clerk to the Board Jason Robinson, County Attorney Donny Laws, members of the media, special guest Abby Renfro, and members of the general public. Commissioner Mark Ledford was absent from the meeting

Call to Order and Approval of Agenda

Chairman Riddle called the meeting to order and asked Commissioner Stallings to deliver the invocation. After the invocation, Ms. Abby Renfro led the Pledge of Allegiance. Chairman Riddle then asked for a motion to approve the agenda. Commissioner Whitson made a motion to approve the agenda. The motion was seconded by Commissioner Austin. The vote to approve was unanimous (Attachment A).

Jeremy Hidenfelter

The Board next heard from Jeremy Hidenfelter who provided the Board a report on projects that he has been involved with through Yancey County 4-H and stated that he would be representing Yancey County at the Youth Voices Summit at the North Carolina Association of County Commissioners Conference in August.

Public Comment

The Board first heard from Marvin Taylor who spoke about his displeasure with the Sheriff, Gary Banks.

Consent Agenda

The Board next moved to the consent agenda portion of the agenda. On the consent agenda for July was approval of the June 12th regular meeting minutes. In addition, the annual settlement for the Yancey County Tax Collector was provided. This must be done to be able to collect for the coming year (Attachment B). Upon hearing the matters on the consent agenda, Commissioner Stallings made a motion to approve the consent agenda and it was seconded by Commissioner Whitson. The vote to approve was unanimous.

Yancey County Schools

The Board next heard from County Planner Jamie McMahan concerning the new elementary school on the west side of Yancey County named Blue Ridge Elementary. Mr. McMahan stated that the architectural firm that has been hired by the Yancey County School system has been very busy over the last few months working on schematics within budget restraints. The Board of Education has approved the design of the school with a budget of no more than \$11.5 million. Mr. McMahan then asked the architect from Architectural Design Studios, Mr. Mike Cox to update the Board further. Mr. Cox outlined many of the highlights of Blue Ridge Elementary School including the separation of the automobile and the bus traffic, a "maker's space", breakout room, and outside access for every classroom. Mr. Cox stated that this school was a 21st Century school. Chairman Riddle asked Mr. Cox about security. Mr. Cox stated that a meeting was scheduled for the next day, July 11th to talk about security. Commissioner Stallings asked about capacity of the school and if it would be large enough for future needs. Mr. Cox stated that 6 classrooms could be added to the school if they are needed. Mr. McMahan then informed the Board that \$11.5 million is the budget for the new school and that according to NCGS 160A-20 the Board must hold a public hearing before financing can be pursued. Mr. McMahan informed the Board that BB&T had the best financing rate structure for 15 years with a payment of around \$952,000 per year. The Board next heard from the County Attorney Donny Laws. Mr. Laws explained the process of obtaining financing for the new elementary school and about the resolutions that are before the Board today. The first resolution is to make application to the Local Government Commission (LGC), which ultimately decides if the County is allowed to obtain financing. The second resolution will authorize the appropriate personnel to execute a financing agreement. Mr. Laws also informed the Board that the Board of Education must sign over the property to the County and then lease it back to the school system to operate a school. Commissioner Stallings asked Mr. Cox how comfortable he felt with the contractors who had been prequalified. Mr. Cox stated that he had worked with all but one of the contractors and that all five firms had been qualified that applied. Commissioner Stallings also

asked if additional lottery money or other state money came into the county if that could be applied to the loan. Mr. Laws stated that you would probably want to hold on to some of that money for any additional projects that might come up during the fifteen year loan period. Upon hearing from Mr. McMahan and Mr. Laws, Chairman Riddle opened up the public hearing for the financing of the new elementary school. One of the questions from the audience asked about a longer term. Mr. McMahan stated that no banks would go longer than 15 years and it was a stretch to get that long of term. Another question asked if sales tax was going up. Mr. McMahan stated that sales tax collection has increased but the actual sales tax rate is not. Another question asked about federal money. Mr. McMahan stated that there were two federal programs that the County could have applied for but one of those is out of funds and the other one we could not qualify for the conditions. Another question was about closing cost and prepayment penalty. Mr. McMahan stated that the closing costs were built into the loan and that BB&T as part of the negotiation and in exchange for a lower interest rate built in a prepayment penalty. There was also a question about the \$100,000 difference between the cost estimate and the loan amount. Mr. McMahan stated that there were already funds being expended for the project and that is where the difference was at. Upon having no further question, Commissioner Whitson made a motion to close the public hearing and it was seconded by Commissioner Austin. The vote to close was unanimous. Chairman Riddle then asked Mr. Cox how confident he was that the bids would come in at the estimate. Mr. Cox stated that he was scared to death that they wouldn't but he believed they would and he also stated that this project would have been cheaper in 2009. Chairman Riddle also asked about having to take the lowest bid. Mr. McMahan stated that the County must take the lowest responsible bidder but that has pretty much been eliminated with the prequalification. Commissioner Stallings asked Mr. McMahan if all of the contractors were on the same time frame to which Mr. McMahan responded that they were on the same timeframe. Upon hearing from Mr. McMahan, Commissioner Whitson made a motion to authorize an application to be made to the Local Government Commission for an installment financing contract. The motion was seconded by Commissioner Austin and the vote to approve was unanimous (Attachment C). Commissioner Austin then made a motion to authorize the execution of a financing agreement and authorize all appropriate officials to execute any and all documents relating to this financing agreement. The motion was seconded by Commissioner Stallings and the vote to approve was unanimous (Attachment D).

County Manager Report

The Board next heard from County Manager Nathan Bennett. Mr. Bennett informed the Board that he had heard back from the Town of Burnsville concerning the 60/40 funding proposal for the Yancey County Economic Development Commission (EDC). According to Mr. Bennett, Mayor Coletta sent a letter stating that they could not enter into this agreement due to other obligations. Mr. Bennett stated that he had submitted this to the personnel committee of the EDC. Mr. Bennett also gave the Board an update on the close out of fiscal year 2016-17 and that the new auditors have been here for some of that process and will return in September. Mr. Bennett also stated that the Board needed to ratify an earlier action taken in June for the project ordinance for the new elementary school. Upon hearing from Mr. Bennett, Commissioner Whitson made a motion to ratify the action of approving the project ordinance for the new elementary school. The motion was seconded by Commissioner Austin and the vote to approve was unanimous (Attachment E).

County Attorney Business

County Attorney Donny Laws stated that he had nothing for the Board.

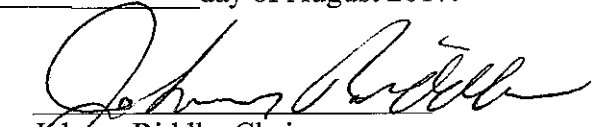
Commissioner Business


Commissioner Whitson updated the Board on the Charters of Freedom monument. Commissioner Whitson stated that the project has been going for about two weeks and still lack about two weeks of work. Many folks have volunteered time and materials including Melvin Henson, Southern Concrete, Ron Chandler, Westside Rental, Summit Building Supply, Young and McQueen, Heritage Lumber, and John Crowder. Commissioner Whitson also challenged the other four commissioners to donate \$250 to the project. Commissioner Stallings stated that it was important to remember the educational aspect of this monument.

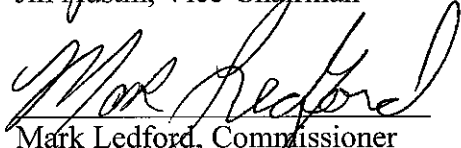
Adjournment

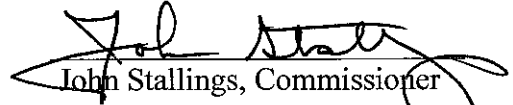
Having no further business Commissioner Whitson made a motion to adjourn and it was seconded by Commissioner Austin. The vote to adjourn was unanimous.

Approved and authenticated on this the 14th day of August 2017.


Johnny Riddle, Chairman

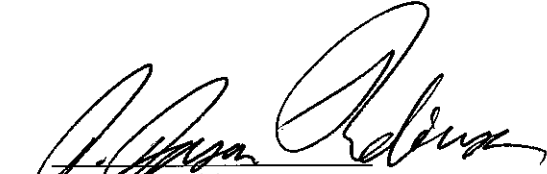

Jill Austin, Vice-Chairman


Mark Ledford, Commissioner

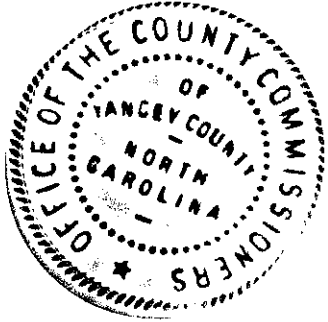

John Stallings, Commissioner

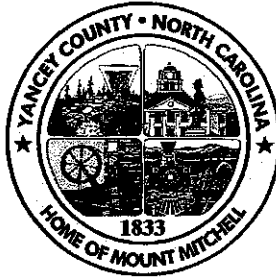

Jeff Whitson, Commissioner

Attest:


J. Jason Robinson
Clerk to the Board

(county seal)





AGENDA
YANCEY COUNTY BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING
July 10, 2017
6:00 P.M.

- I. Call to Order – Chairman Johnny Riddle
- II. Invocation and Pledge of Allegiance to the Flag
- III. Approval of the Agenda
- IV. REPORT – Jeremy Hidenfelter, Youth Voices Representative
- V. Public Comment
- VI. Consent Agenda
 - a. Approval of the Minutes – June 12th regular minutes
 - b. Tax Collector – Annual Settlement of 2016-17 Property Taxes
 - c. June Tax Collection Report – Informational
- VII. Yancey County Schools – New Elementary School Project – Jamie McMahan, County Planner/Project Manager
Mike Cox and Amy Dowty, Architects, ADS
 - a. Project Review and Status Report
 - b. **PUBLIC HEARING** for Financing Contract
 - c. Consideration and Adoption of Authorizing Resolutions
- VIII. County Manager Report – Nathan Bennett, County Manager
 - a. Charters of Freedom Project
 - b. General Update
- IX. County Attorney Report – Donny Laws, County Attorney
- X. County Commissioners Report
- XI. Adjourn

Memorandum

To: Yancey County Board of Commissioners
From: Fonda Thomas, Tax Collector
Date: July 01, 2017
Re: 2016-2017 ANNUAL SETTLEMENT FOR UNPAID PERSONAL
PROPERTY TAXES BY THE YANCEY COUNTY TAX COLLECTOR

As required by G.S. 105-373 (list of persons owning personal property whose taxes remain unpaid available upon request), I present the Annual Settlement of Tax Collector for unpaid Personal Property Taxes for Fiscal Year 2016-2017

<u>Billed</u>	<u>Net Collected</u>	<u>% Collected</u>	<u>% Uncollected</u>
\$899,604.33	\$850,432.72	94.53%	5.47%

(One of our Business Personal Accounts has a payment agreement (\$15,000.00 per month) for their Business Personal Property and has two more payments, July 2017 & August 2017, which when paid would make the % Collected increase from 94.53% to 98.2%)



RESOLUTION

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF AN INSTALLMENT FINANCING CONTRACT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTES §160A-20 AND MAKING CERTAIN FINDINGS REQUIRED BY NORTH CAROLINA GENERAL STATUTES §159-151

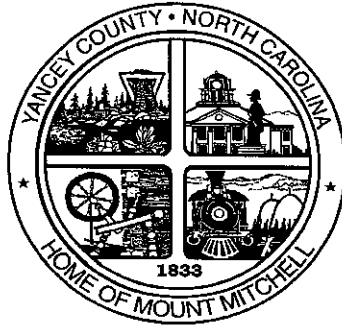
WHEREAS, the Board of Commissioners (the "Board of Commissioners") of Yancey County, North Carolina (the "County") desires to pursue the financing of the acquisition, construction and equipping of a new elementary school to be known as Blue Ridge Elementary School and a related sewer line expansion (collectively, the "Project") pursuant to an installment financing contract, as permitted under N.C.G.S. §160A-20; and

WHEREAS, it is anticipated that the cost of financing the Project and the payment of issuance expenses in connection with the financing will not exceed \$11,474,000; and

WHEREAS, the installment financing contract for the financing of the Project pursuant to N.C.G.S. §160A-20 must be approved by the North Carolina Local Government Commission (the "LGC") and will only be approved if the findings of N.C.G.S. §159-151(b) have been made;

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

1. After consideration, the Board of Commissioners has determined that the most advantageous manner of financing the Project is by an installment financing contract pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended.
2. Pursuant to Section 160A-20, the County is authorized to finance the Project by entering into an installment financing contract and a deed of trust that creates a security interest in some or all of the property financed to secure repayment of such financing.
3. The proposed financing is necessary or expedient because it will provide funds to construct a much needed elementary school for the County.
4. The proposed financing is preferable to a bond issue for the same purpose because of low fixed costs and favorable interest rates offered through installment contract financing compared to a bond issue, and because of the ability to close quickly on the financing to take advantage of those rates.
5. The cost of the proposed undertaking exceeds the amount of funds that can be prudently raised from currently available appropriations, unappropriated fund balances, and nonvoted general obligation bonds that could be issued by the County in the fiscal year pursuant to Article V, Section 4, of the North Carolina Constitution.



6. The sums proposed to be provided under the financings are adequate and not excessive for the stated purpose of financing the Project.

7. The County's debt management procedures and policies are good and have been carried out in strict compliance with law and will henceforth be so carried out.

8. There will be no increase in taxes necessary to meet the sums to fall due under the proposed financings.

9. The County is not in default in any of its debt service obligations.

10. The attorney for the County will render an opinion that the proposed financing is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

11. Each of the County Manager, the Finance Officer, and other appropriate officers of the County is hereby authorized and directed to proceed with the financing of the Project and the filing of an application with the LGC for its approval of such financing as described above for the financing of the Project in an amount not to exceed \$11,474,000, and the actions of any of the Chairman, the County Manager, the Finance Officer, and other officers of the County in connection therewith are hereby approved and confirmed.

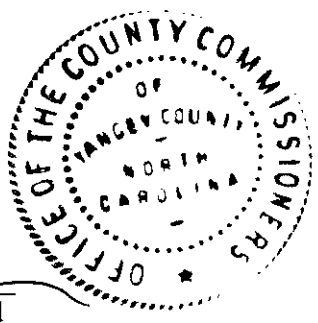
12. All other acts of the Board of Commissioners and the officers of the County, which are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project, are hereby ratified, approved and confirmed.

13. This resolution shall take effect immediately.

Commissioner Whitson moved the passage of the foregoing resolution and Commissioner Austin seconded the motion, and the resolution was passed by the following vote:

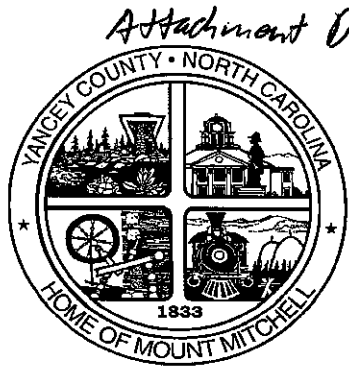
Ayes: Commissioners Riddle, Austin, Stallings, Whitson
Nays: Commissioners _____
Not voting: Commissioners Ledford (Absent)

(County Seal)



Johnny Riddle
Johnny Riddle, Chairman

Attest:
J. Jason Robinson
J. Jason Robinson, Clerk to the Board



RESOLUTION

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING CONTRACT TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A NEW ELEMENTARY SCHOOL AND A RELATED SEWER LINE EXPANSION

WHEREAS, Yancey County, North Carolina (the “County”) desires to finance the acquisition, construction and equipping of a new elementary school to be known as Blue Ridge Elementary School and a related sewer line expansion for the County (collectively, the “Project”); and

WHEREAS, the County desires to finance the Project by executing and delivering an installment financing contract, as authorized under Section 160A-20 of the General Statutes of North Carolina; and

WHEREAS, the County sent out a request for proposals to a number of banks relating to the financing; and

WHEREAS, Branch Banking and Trust Company (the “Bank”) submitted a proposal dated June 2, 2017 (the “Proposal”), pursuant to which the Bank (or its affiliated governmental lender) will enter into an installment financing contract with the County in the amount of up to \$11,474,000 (the “Agreement”) to finance the Project and to pay certain costs associated with the financing, to be secured by a deed of trust and security agreement that creates a lien on Blue Ridge Elementary School for the benefit of the Bank (the “Deed of Trust”); and

WHEREAS, in connection with the financing, the County will lease Blue Ridge Elementary School to the Yancey County Board of Education (the “School Board”) pursuant to a Lease Agreement between the County and the School Board pursuant to which the School Board will operate Blue Ridge Elementary School (the “Lease”); and

WHEREAS, the County has today held a public hearing regarding the financing of the Project through the execution and delivery of the Agreement, as evidenced by the Certificate and Summary of Public Hearing attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County (the “Board of Commissioners”), as follows:

1. The Board of Commissioners hereby accepts the Proposal, and authorizes and directs the Chairman, the County Manager, the Finance Officer, and the Clerk, or any of them, to execute, acknowledge and deliver the Agreement, the Deed of Trust and the Lease on behalf of the County,



with such changes and modifications 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 Agreement, the Deed of Trust and the Lease and to attest the same.

2. Each of the County Manager, the Finance Officer and other appropriate officers of the County is hereby authorized and directed to execute and deliver any and all papers, instruments, agreements, tax certificates, 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 Agreement, the Deed of Trust and the Lease and the financing of the Project.

3. The County hereby designates a portion of its obligation to make installment payments under the Agreement in the amount of \$9,900,000 as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

4. All other acts of the Board of Commissioners and the officers of the County, which are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project, are hereby ratified, approved and confirmed.

5. This resolution shall take effect immediately.

Commissioner Austin moved the passage of the foregoing resolution and Commissioner Stallings seconded the motion, and the resolution was passed by the following vote:

Ayes: Commissioners Riddle, Austin, Stallings, Whitson

Nays: Commissioners _____

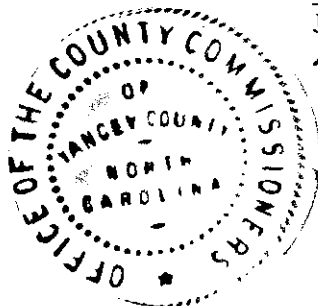
Not voting: Commissioners Ledford (absent)

(County Seal)

Johnny Riddle
Johnny Riddle, Chairman

Attest:

Jason Robinson
Jason Robinson, Clerk to the Board



YANCEY COUNTY

CAPITAL PROJECT ORDINANCE FOR THE

WEST YANCEY ELEMENTARY SCHOOL PROJECT

BE IT HEREBY ORDAINED by the Yancey County Board of Commissioners that, pursuant to Section 13.2 of Chapter 159 of the North Carolina General Statutes, the following capital project ordinance is hereby adopted:

SECTION 1: That the project authorized hereby is the construction of the West Yancey Elementary School, with the purpose of providing an educational facility for the citizens of Yancey County.

Section 2: Yancey County staff is hereby directed to proceed with the capital project within the terms and provisions of Chapter 159 of the North Carolina General Statutes and the budget contained herein.

Section 3: The following revenues and resources are anticipated to be available to complete the project activities:

Revenues:

From:	Amount:
• Yancey County Board of Education ADM Funds	\$ 781,972
• Yancey County Board of Education Capital Outlay Match to ADM Funds	\$ 260,657
• Lottery Funds Allocated to the Project	\$ 457,371
• Yancey County Board of Education Property Purchase form Capital Funds	\$ 783,860
• Yancey County Board of Education Funds for Furnishings & Equipment	\$ 900,000
• Sales Tax Article's 40 & 42 Obligated in FY 2016-2017 and 2017-2018	\$ 1,000,000
• Loan Proceeds	\$ 11,474,390
TOTAL	<u>\$ 15,658,250</u>

Section 4: The following expenditures are hereby appropriated for the project activities:

Expenditures:

For:	Amount:
• Total Construction including Site Work & Contingency	\$ 11,613,140
• Architectural Fees, Design & Construction Administration	\$ 761,250
• Legal Fees, Bond Counsel	\$ 25,000
• Legal Fees, Local Counsel	\$ 25,000
• Property Acquisition including Due Diligence, Surveying, etc.	\$ 783,860
• Testing During Construction	\$ 50,000

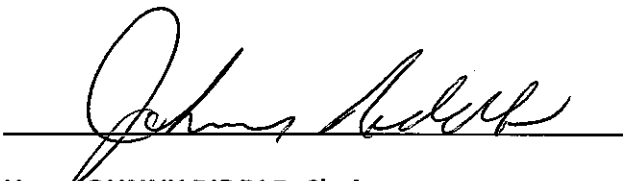
• Furnishings & Equipment	\$ 900,000
• Contingency Including Cost of Contracted Building Inspection & Interim Interest, etc.	\$ 500,000
• Construction of Sewer Extension	\$ 1,000,000
TOTAL Project Cost:	<u>\$15,658,250</u>

Section 5: The Yancey County Finance Office is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to provide accounting information as required by Chapter 159 of the North Carolina General Statutes. Further that Finance Office staff is directed to include a detailed analysis of past and future costs and revenues of this capital project in every budget submission made to the Board of County Commissioners.

Section 6: The Yancey County Manager is hereby authorized and empowered to execute any and all documents necessary to commence, carry out, and complete the capital project set forth herein without any further direction, authorization, or consent, including without limitation any and all contract documents, change orders, and any other such documents as may be necessary to give direction to architects, contractors, and others in completing this capital project. Further that the County manager is authorized to transfer appropriations within the various line items of this capital project ordinance as he shall in his discretion deem necessary, according to law. Further that the County Manager shall from time to time report to the Board of Commissioners as they shall direct as to the status of completion of the capital project and/or the status of the budget for the capital project.

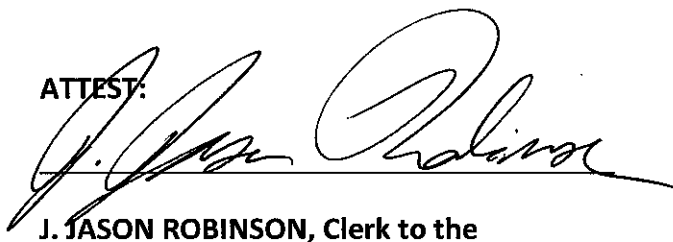
Section 7: Copies of this capital project ordinance shall be made available to all Yancey County and Yancey County Board of Education staff for the purposes of direction in carrying out the completion of this capital project.

Section 8: This project ordinance is adopted on this the 26th day of June, 2017 for the purpose of budgeting revenues and expenditures per North Carolina General Statute 159-13.2(c).


 Hon. JOHNNY RIDDLE, Chairman

Yancey County Board of Commissioners

ATTEST:



J. JASON ROBINSON, Clerk to the
 Yancey County Board of Commissioners

