

June 13, 2006

The Carroll County Board of Supervisors held their regular monthly meeting on June 13, 2006 in the Board Meeting Room of the Carroll County Governmental Center.

Present were: Sharon F. Nichols, Chairman
Glenna Myers, Vice-Chairman
W. Jeff Evans
L. J. Jones
Joseph H. Early, III
Ralph J. "Bob" Martin, Jr.
Gary Larrowe, County Administrator
Ronald L. Newman, Assistant County Administrator
Bradley Dalton, County Attorney

Mrs. Nichols called the meeting to Order and asked Mr. Martin to lead in prayer and the pledge of allegiance. She then welcomed everyone and thanked the citizens for the opportunity to serve them and told that the Board worked for the betterment of the citizens. She announced that Mr. Jones would be late because he was attending Court with his daughter as she obtained her driver's license.

DISCUSSION OF MINUTES

Mr. Early stated that on page A15 it should state that he suggested diving boards be donated and that on page A36 he did not make the statement concerning there not being a listing in the budget for the Carter Building fuel.

(Order)

APPROVAL OF MINUTES

Upon motion by Mr. Martin, seconded by Mr. Evans, and passed unanimously, the Board approved the minutes of their regular meeting held on May 9, 2006, approved the minutes from an adjourned meeting held on May 18, 2006, and approved the minutes from a recessed meeting held on May 30, 2006, with the above stated changes, and as recorded in Minute Book No. 24 in the County Administrator's Office.

(Order)

APPROVAL OF PAYROLL

Upon motion by Mr. Martin, seconded by Mr. Evans, and passed unanimously, the Board approved the payroll for May, 2006 and did authorize the Chairman and Clerk, along with Bonita M. Williams, Treasurer, to sign on the 15th and 30th days of June checks for the payment of salaries and wages for

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all County officials and employees as previously budgeted by the State Compensation Board and this Board of Supervisors.

DISCUSSION OF CLAIMS

Mr. Larrowe pointed out that the claims included the payment to the LGIP account for landfill closure.

Mr. Martin asked if the County still made payments to out of County fire departments.

Mr. Joe Roma, Emergency Services Coordinator, told that payments were made to the Ivanhoe, Fries, and Galax Fire Departments.

Mr. Early asked if the Industrial Development Authority check for payment for a generator was approved before or after the purchase.

Mr. Larrowe stated that it was approved last month and was paid out of the Industrial Development Authority account.

Mr. Early stated that there were travel expenses associated with this purchase and asked how many people had traveled to get the generator.

Mr. Larrowe responded three.

Mrs. Nichols stated that this was previously approved by the Board for them to go.

(Order)

APPROVAL OF CLAIMS

Upon motion by Mr. Martin, seconded by Mr. Evans, and passed, the Board approved the County General Claims as presented this day and as evidenced by check numbers 81335-81513 and did approve the Carroll County Industrial Development Authority Claims as presented this day and as evidenced by check numbers 1642-1649.

Note: Mr. Early voted No on the above motion.

(Order)

APPROVE SHERIFF'S OFFICE ADDITIONAL APPROPRIATION

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed unanimously, the Board approved appropriating money recovered for

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extraditions, copies of reports, storage of vehicles, and copies of incidents to the following line items:

\$350.00 to line item Office supplies 031020-5401

\$882.48 to line item Police Supplies 031020-5409

(Order)

APPROVE CHILDREN AT PLAY SIGNS

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed unanimously, the Board authorized VDOT to install Children At Play signs on Partridge Road, Route 707, from the intersection of Partridge Road and Carrollton Pike to dead end of Partridge Road, a distance of 0.5 miles, with funds coming from the secondary highway construction funds.

(Order)

APPROVE CHILDREN AT PLAY SIGNS

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed unanimously, the Board authorized VDOT to install Children At Play signs on Crooked Creek Road, Route 620, from the intersection of Crooked Creek Road and Pipers Gap Road to 1.0 miles on Crooked Creek Road with funds coming from the secondary highway construction funds.

BUSINESS RECOGNITION

Mr. Larrowe announced that the Board would be honoring The Carroll News and gave a history of the newspaper.

He told that The Carroll News was established in 1920 by Byrum P. Goad, a Hillsville attorney and prosecutor and his wife Belva M. Goad. He told that newspapers published in Carroll County prior to that time had ceased publication. He stated that the newspaper building was located in the vicinity of where Guynn Hardware now stands and that since the Goads were Republicans, an elephant was included in the sign above the front door of the building.

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He told that Ms. Belva Goad became one of the first women in the area to take an active part in the total operation of a newspaper and that much of her knowledge was acquired from Walter G. Howlett, county treasurer, who had earlier worked for a newspaper.

He stated that the Goads sold the business to Allen Crabill, who then sold to Walter Edwards. He told that Viola Edwards, sister-in-law to Walter, was Business Manager and operated the newspaper during the time Walter served in the Virginia legislature. He told that in October 1957 Wayne Brockenbrough purchased The Carroll News from Edwards and formed Carroll Publishing Corporation and operated the newspaper until January 2004 when he sold it to Mid-South Management Company. He told that in May 1987 the business was moved into a new brick colonial type structure at 1192 West Stuart Drive on the busy Route 58/I-77 corridor, where it remains today.

He told that Ina Horton was Publisher of The Carroll News when she retired in 2004 after 43 years of service to the newspaper and that she had received the honorary title of Publisher Emeritus from the present publisher, Mike Milligan of Mid-South Management Company. He told that Mark Davis is the General Manager. He stated that the weekly newspaper has grown steadily since 1920 and that its pages are filled with news and features about people of Carroll County each week. He told that the motto The Carroll News proudly carries under its flag is "Dedicated to serving the people of Carroll County."

JOE ROMA, EMERGENCY SERVICES COORDINATOR

Mr. Joe Roma, Emergency Services Coordinator, told that he was working with Surry County, North Carolina on a Mutual Aid Agreement.

Mr. Dalton told that he had reviewed the agreement and that it is identical to the one the Board approved with Pulaski County. He pointed out that the agreement allows mutual aid but does not require it.

Mr. Roma told that it was good to have mutual aid both ways.

(Order)

APPROVE MUTUAL AID AGREEMENT – SURRY COUNTY, NC

Upon motion by Mr. Early, seconded by Mr. Evans, and passed unanimously, the Board approved the Mutual Aid Agreement between Carroll County and Surry County, North Carolina.

Mr. Early asked if agreements would be done with all the surrounding counties.

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Mr. Roma told that there was one with Pulaski and Wythe counties and that he was working with Floyd and Patrick counties.

Mr. Early stated that one was needed with Grayson County.

Mr. Roma told that he would work with them.

LAUREL FORK FIRE DEPART REQUEST

Mr. Larrowe told that by letter the Laurel Fork Fire Department had requested to declare a 1984 truck as surplus and to use the proceeds toward the project of removing the bed and equipment from this truck to a 2001 model.

(Order)

APPROVE LAUREL FORK FIRE DEPARTMENT SURPLUS TRUCK SALE

Upon motion by Mr. Early, seconded by Mrs. Myers, and passed unanimously, the Board approved for the Laurel Fork Fire Department to sell a 1984 cab and chassis with the proceeds to be used toward the project of removing the bed and equipment from this truck and placing it on a 2001 model.

SALE OF LAUREL FORK COMMUNITY CENTER

Mr. Dalton told that there would be an auction to sell the old Laurel Fork Community Center. He told that the Board had voted to convey this property to Laurel Fork Community, Inc. by deed of gift but that there needed to be a resolution authorizing the Chairman to accept a termination of the lease held by the Laurel Fork Fire Department.

(Order)

APPROVE ACCEPTANCE OF LAUREL FORK FIRE DEPARTMENT LEASE TERMINATION

Upon motion by Mr. Early, seconded by Mr. Jones, and passed unanimously, the Board authorized the Chairman to accept the termination from the Laurel Fork Fire Department of the lease the Department held on the old Laurel Fork Community Center.

TAX REVENUE ANTICIPATION NOTE

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Mr. Larrowe informed the Board that six bidders had submitted bids for the Tax Revenue Anticipation Note with the bids ranging from 3.72% to 5.2%. He told that The National Bank had submitted the low bid of 3.72% and recommended that the Board accept this bid and approve the resolution accepting the bid and authorizing the borrowing.

(Order)

ADOPT TAX REVENUE ANTICIPATION NOTE RESOLUTION

Upon motion by Mr. Martin, seconded by Mr. Evans, and passed unanimously, the Board adopted the following Resolution:

**RESOLUTION AUTHORIZING THE ISSUANCE OF
A TAX AND REVENUE ANTICIPATION NOTE OF
CARROLL COUNTY, VIRGINIA, AND PROVIDING
FOR THE SALE, FORM, DETAILS AND PAYMENT
THEREOF AND AUTHORIZING CERTAIN
RELATED ACTIONS**

Pursuant to the Public Finance Act of 1991, Carroll County (the "County") is authorized to issue notes in anticipation of the collection of taxes and revenues for the current year in which the notes are issued.

The County Treasurer has reported to the Board of Supervisors of Carroll County that the County may need to borrow an amount not in

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excess of \$2,000,000 in order to pay expenses expected to be incurred before the collection of taxes and revenues of the County for the current calendar year.

The Board of Supervisors desires to provide for the issuance of a tax and revenue anticipation note in the maximum amount of \$2,000,000.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF CARROLL COUNTY, VIRGINIA:

Section 1.1. Authorization of Note. It is hereby determined to be advisable, necessary and expedient for Carroll County, Virginia (the "County") in the current calendar year to borrow up to \$2,000,000 in anticipation of the collection of taxes and revenues for the year. Pursuant to the Constitution of Virginia and the Public Finance Act of 1991, there is hereby authorized to be issued and sold a tax and revenue anticipation note of the County in the maximum principal amount of \$2,000,000 (the "Note").

To the extent permitted by Section 15.2-2601 of the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) (the "Act"), the Board of Supervisors of Carroll County (the "Board of Supervisors") hereby elects to issue the Note under the provisions of the Act without regard to the requirements, restrictions or other provisions contained in any charter or local or special act.

Section 1.2. Details of Note. The Note shall be issued as a fully registered note without coupons in a principal amount not to exceed \$2,000,000. The Note shall be dated the date of its delivery to the purchaser of the Note. The Note shall bear interest from its dated date at a rate equal to 3.72% per annum. The principal of and interest on the Note shall be due and payable on December 18, 2006. Each of the Chairman and Vice Chairman of the Board of Supervisors is hereby authorized to establish, before the Closing Date, the principal amount of the Note and the other final details of the Note, including but not limited to any provisions required by the purchaser of the Note for the maintenance of a certain yield if certain events occur relating to the taxation of the interest on the Note; provided, however, that the principal amount of the Note shall not exceed \$2,000,000. The execution and delivery of the Note as described in Section 1.4 hereof shall conclusively evidence such amount and other final details as having been so established and authorized by this resolution.

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Section 1.3. Redemption. The Note shall be subject to prepayment in whole or in part at the option of the County before its stated maturity at any time without penalty or premium.

Section 1.4. Execution of Note. The Note shall bear the manual signatures of the Chairman or Vice-Chairman and the Clerk or Deputy Clerk of the Board of Supervisors and shall bear a manually impressed or imprinted facsimile of the seal of the County. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. The Note may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign the Note although at the date of the Note such persons may not have been such officers.

Section 1.5. Form of Note. The Note shall be in substantially the following form with such appropriate variations, insertions and omissions as shall be consistent with this resolution:

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
COUNTY OF CARROLL

Tax and Revenue Anticipation Note

INTEREST RATE	MATURITY DATE	DATED DATE
3.72%	December 18, 2006	_____, 2006

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____
DOLLARS

The County of Carroll, Virginia (the "County"), for value received, hereby acknowledges itself indebted and promises to pay to the registered owner hereof, or registered assigns, upon presentation and surrender hereof at the office of the Registrar, the principal sum set forth above together with interest at the per annum interest rate shown above from the date of this note on the unpaid principal on the maturity date set forth above.

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Interest on this note shall be calculated on the basis of a 365-day year for the number of days elapsed.

Principal and interest shall be payable, upon presentation and surrender of this note, in lawful money of the United States of America to the registered owner, determined as of the fifteenth day preceding the Maturity Date, at its address as it appears on the registration books kept for that purpose at the office of the County Treasurer, Carroll, Virginia, who has been appointed Registrar. If the maturity date is a date on which banking institutions are authorized or obligated by law to close at the place where the office of the Registrar is located, then payment of principal and interest need not be made on such date, but may be made on the next succeeding date which is not such a date at the place where the office of the Registrar is located, and if made on such next succeeding date no additional interest shall accrue for the period after such Maturity Date. Upon final payment, this note shall be surrendered to the Registrar for cancellation.

This note has been authorized by a resolution duly adopted by the Board of Supervisors of the County on June 13, 2006 (the "Resolution"), and is issued pursuant to the Constitution and applicable statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) in anticipation of the collection of taxes and revenues of the County for the current year. A copy of the Resolution is on file at the office of the Registrar. Reference is hereby made to the Resolution and any amendments thereto for the provisions, among others, describing the terms and conditions upon which this note is issued, the rights and obligations of the County and the rights of the holder of this note.

This note and the interest hereon are payable from the collection of taxes and revenues of the County for the current year. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the County, is pledged to the payment of the principal of, and interest on, this note.

The Board of Supervisors of the County has designated this note as a "Qualified Tax-Exempt Obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

This note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

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All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this note have happened, exist and have been performed, and this note, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Board of Supervisors of Carroll County has caused this note to be issued in the name of the County and to bear the manual signatures of its Chairman and Clerk, its seal to be imprinted or impressed hereon, and this note to be dated as of the dated date shown above.

SEAL

Attest:

**SPECIMEN
DO NOT SIGN**

**SPECIMEN
DO NOT SIGN**

Clerk, Board of Supervisors
of Carroll County, Virginia

Chairman, Board of Supervisors
of Carroll County, Virginia

Section 1.6. Registrar. The County Treasurer is hereby appointed Registrar for the Note.

Section 1.7. Registration and Transfer. The Registrar shall cause books for the registration and transfer of the Note to be kept at the office of the Registrar, and the County hereby instructs the Registrar to keep such books and to make such registrations and transfers under such reasonable regulations as the Board of Supervisors or the Registrar may prescribe. Transfer of the Note may be registered upon books maintained for this purpose at the office of the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

Upon surrender for transfer of the Note at such office, the Chairman and the Clerk shall execute and the Registrar shall deliver in the name of the transferee a new Note, subject in each case to such

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reasonable regulations as the Board of Supervisors or the Registrar may prescribe. If presented for transfer the Note (if so required by the Board of Supervisors or the Registrar) shall be accompanied by a written instrument or instruments of transfer in form and substance reasonably satisfactory to the Board of Supervisors and the Registrar, duly executed by the registered owner or by his duly authorized attorney-in-fact or legal representative. The Note may not be registered to bearer.

Neither the Board of Supervisors nor the Registrar shall be required to issue or transfer the Note for a period of fifteen days next preceding the maturity date of the Note.

The new Note delivered upon any transfer shall be a valid obligation of the County, evidencing the same debt as the Note surrendered, shall be secured by this Resolution and entitled to all of the security and benefits hereof to the extent as the Note surrendered.

Section 1.8. Charges for Transfer. No service charge shall be made for any transfer of the Note, but the Board of Supervisors may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

Section 1.9. Sale and Award of Note.

(a) The proposal of The National Bank to purchase the Note for an amount equal to the principal amount of the Note, is hereby determined, after mature consideration of the methods of sale of the Note and current conditions of the municipal bond market, to be in the best interest of the County, and the Note is hereby awarded to such bank.

(b) The Chairman, Vice Chairman, Clerk and Deputy Clerk of the Board of Supervisors are hereby authorized and directed to take all proper steps to have the Note prepared and executed in accordance with the terms of this resolution. Proceeds derived from the sale of the Note shall be paid to, or at the direction of, the County Treasurer who shall promptly deposit the funds in a bank or other depository to the credit of the County.

Section 1.10. Representation of the County. The Board of Supervisors represents that the anticipated amount of taxes and revenues to be collected for the current calendar year is in excess of \$2,000,000, that no loans have been made in anticipation of the collection of the taxes and revenues of the County for the current calendar year, and that,

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at the time of issuance of the Note, no such loans for preceding years will be outstanding and unpaid.

ARTICLE II

PARTICULAR COVENANTS

Section 2.1. Payment of Note. The County shall pay promptly, as provided herein, the principal of and interest on the Note. To the extent allowed by law, the taxes and revenues of the County for the current calendar year are hereby pledged to the payment of the Note. Nothing in the Note or in this Resolution shall be deemed to create or constitute an indebtedness of the Commonwealth of Virginia or any political subdivision thereof other than the County, or a pledge of the full faith and credit of the Commonwealth of Virginia or of any political subdivision thereof including the County.

Section 2.2. Maintenance of Tax-Exempt Status.

(a) No Adverse Action: The County shall not take any action that would adversely affect the exemption of interest on the Note from Federal income taxation. The County shall, to the extent permitted by Virginia law, take all actions necessary to maintain the tax-exempt status of interest on the Note under Federal or Virginia law, including all actions necessary to comply with Section 103 or Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code") or the regulations promulgated by the Treasury Department with respect thereto. Without limiting the generality of the foregoing, the County shall comply with any provision of law which may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Note, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Note from being includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law.

(b) Arbitrage/Investment: The County shall not take or approve any action, investment or use of the proceeds of the Note that would cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder. The County, barring unforeseen circumstances, shall not request or approve the use of the proceeds of the Note other than in accordance with the County's

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“non-arbitrage” certificate delivered at the time of the issuance of the Note.

(c) Information Report: The County shall file the information report with respect to the Note required by Section 149(e) of the Code within the time provided in such Section.

(d) Not Federally Guaranteed: The County represents that the Note is not and will not be “federally guaranteed,” as such term is used in Section 149(b) of the Code.

(e) Designation as Qualified Tax-Exempt Obligation: The Note is not a private activity bond and is hereby designated by the Board of Supervisors as a Qualified Tax-Exempt Obligation, as defined in Section 265(b)(3) of the Code. The County hereby represents and covenants as follows:

(i) The Board of Supervisors will in no event designate more than \$10,000,000 of obligations as qualified tax-exempt obligations in the current calendar year, including the Note, for the purpose of Section 265(b)(3) of the Code;

(ii) The County, all its “subordinate entities,” within the meaning of Section 265(b)(3) of the Code, and all entities which issue tax-exempt bonds on behalf of the County and such subordinate entities have together not authorized to be issued more than \$10,000,000 of tax-exempt obligations in the current calendar year (not including “private activity bonds,” as defined in Section 141 of the Code, other than “qualified 501(c)(3) bonds,” as defined in Section 145 of the Code), including the Note;

(iii) Barring circumstances unforeseen as of the date of delivery of the Note, the County will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the County and such other entities in the current calendar year, result in the County and such other entities having issued a total of more than \$10,000,000 of tax-exempt obligations in such year (not

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including private activity bonds, other than qualified 501(c)(3) bonds), including the Note; and

(iv) The Board of Supervisors has no reason to believe that the County and such other entities will issue in the current calendar year tax-exempt obligations in an aggregate amount that will exceed such \$10,000,000 limit;

provided however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (i) or (iii) above is not required for the Note to be a qualified tax-exempt obligation, the County need not comply with such restriction.

(f) Small Issuer Exception from Rebate Requirement:
The Board of Supervisors hereby represents and covenants as follows:

(i) The County, all its “subordinate entities,” within the meaning of Section 148(f)(4)(iii) of the Code, and all entities which issue tax-exempt obligations on behalf of the County and such subordinate entities have together not authorized to be issued in the current calendar year more than \$5,000,000 of tax-exempt obligations (not including private activity bonds), including the Note;

(ii) Barring circumstances unforeseen as of the date of delivery of the Note, the County will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the County and such other entities in the current calendar year, result in the County and such other entities having issued a total of more than \$5,000,000 of tax-exempt obligations in such year (not including private activity bonds), including the Note;

(iii) The Board of Supervisors has no reason to believe that the County and such other entities will issue tax-exempt obligations in the current calendar year in an aggregate amount that will exceed such \$5,000,000 limit; and

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(iv) At least 95% of the proceeds of the Note shall be used for “local government activities” of the County within the meaning of Section 148(f)(4)(i) of the Code;

provided, however, that (A) each of the \$5,000,000 amounts in the preceding provisions shall be increased by the lesser of \$10,000,000 or so much of the tax-exempt obligations as are attributable to financing the construction of public school facilities, and (B) if the County receives an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (ii) or (iv) above will not prevent the County from having to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Note, the County need not comply with such restriction.

(h) Private Use and Loan Restrictions: The Board of Supervisors hereby covenants that it will not permit the proceeds of the Note to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility (other than a facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any such covenant is not required to prevent the interest on the Note from being includable in gross income for Federal income tax purposes of the registered owner thereof under existing law, the Note need not comply with such covenant.

ARTICLE III

MISCELLANEOUS

Section 3.1. Contract with Noteholder. The provisions of this resolution shall constitute a contract between the County and the holder of the Note for so long as the Note is outstanding.

Section 3.2. Authority of Officers and Agents. The officers and agents of the County shall do all acts and things required by them of this

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resolution and the Note for the complete and punctual performance of all the terms, covenants and agreements contained therein. The appropriate officers of the County are further authorized and empowered to take such other action as they may consider necessary or desirable to carry out the intent and purpose of this resolution, and the issuance of the Note.

Section 3.3. Limitation of Liability of Officials of County. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of an officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Note shall be liable personally on the Note or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the County shall incur any personal liability with respect to any other action taken by him or her pursuant to this resolution, provided he or she acts in good faith.

Section 3.4. Conditions Precedent. Upon the issuance of the Note all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia or this resolution to have happened, exist and to have been performed precedent to or in the issuance of the Note shall have happened, exist and have been performed.

Section 3.5. Non-Arbitrage and Other Certificates. The Chairman of the Board of Supervisors, the County Administrator and such other officers as may be requested are hereby authorized to sign appropriate certificates setting forth, among other things, the expected use and investment of the proceeds of the Note in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code and regulations issued pursuant thereto, applicable to "arbitrage bonds." Such certificates may also contain certain elections with regard to Section 148 of the Code and such officers are hereby authorized to make such elections on behalf of the County and the Board of Supervisors.

Section 3.6. Headings. Any headings in this resolution are solely for convenience of reference and shall not constitute a part of the resolution nor shall they affect its meaning, construction or effect.

Section 3.7. Severability. If any court of competent jurisdiction shall hold any provision of this resolution to be invalid and unenforceable, such holding shall not invalidate any other provision hereof.

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Section 3.8. Effective Date. This resolution shall take effect immediately. All ordinances, resolutions or parts thereof in conflict herewith are hereby repealed.

Section 3.9. Filing of Resolution. The Clerk of the Board of Supervisors is hereby authorized and directed to see to the immediate filing of a certified copy of this resolution with the Clerk of the Circuit Court of Carroll County, pursuant to Section 15.2-2607 of the Public Finance Act of 1991.

Note: Mr. Early stated that the out-of-pocket expenses would be about \$40,000 and that this could be alleviated if the County did twice per year tax collection.

(Order)

APPROVE SEWER AGREEMENT WITH TOWN OF HILLSVILLE

Upon motion by Mr. Early, seconded by Mrs. Myers, and passed, the Board approved the revised Sewer Agreement with the Town of Hillsville.

Note: Mr. Evans and Mr. Jones voted No on the above motion.

A complete copy of the above Agreement is on file in the Office of the County Administrator.

(Order)

APPROVE FARMER'S MARKET GRANT RESOLUTION

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed unanimously, the Board adopted the Resolution authorizing the \$99,000.00 grant to be received from Rural Development for usage at the Farmer's Market.

Note: A complete copy of the above Resolution is on file in the Office of the County Administrator.

COURTHOUSE MONUMENT

Mr. Andy Jackson, Jubal Early Camp of the Sons of the Confederacy, told that the Camp had started in 2001 with a project to clean the monument in

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front of the Old Courthouse. He told that they had determined that the monument needed repairs and explained that the monument is made of zinc, was erected in 1907, and was one of only four that the base was also made of zinc. He told that it would take \$25,000 to restore the monument and told that the Camp had \$6500, the United Daughters of the Confederacy had \$1200, and that the Historical Society had pledged \$8000 after the monument is restored. He told that two cradles would have to be made to ship the monument and told that this was a piece of priceless history. He thanked Mr. Early for the donation he had made toward this project.

Mr. Martin commented that he had seen photographs of Civil War soldiers in Galax and stated that he knew he had seen some of Carroll County soldiers.

Mr. Jackson discussed photographs of Jennings' and Haynes' and told it was good to get photographs together. He then told that tickets were being sold for rugs and that there were still pledges to come in. He told that the Camp had repaired monuments in North end Cemetery and had presented the County with two flag poles and that next year they would present the County with a restored monument. He told that the Camp had always given and had not asked the County for money. He did ask if the County could help find grants that could be used toward the restoration.

Mr. Early stated that there would be three cruise-ins in Hillsville and suggested that the Camp have booths for information and for donations.

Mr. Jackson asked if the Camp could set up a table at the monument on July 4 and the ladies have a bake sale.

It was Board consensus to allow the Camp to set up the table at the monument and the ladies to have a bake sale on July 4.

Ms. Amy Semones, United Daughters of the Confederacy, told that there was enormous support from the community for this project. She told that they were doing their best to raise funds and announced that there would be a spaghetti dinner fund raiser held at the VFW on June 25 from 1-3 p.m.

ADDITIONAL ITEMS

Mr. Larowe informed the Board that the Carroll County EMS Board of Trustees had adjusted the EMS rates and that these new rates had been given to Diversified. He then told that the Planning Commission had adopted a plat review fee schedule and asked the Board to hold a Public Hearing to adopt these fees.

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AUTHORIZE PUBLIC HEARING – PLAT REVIEW FEES

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed unanimously, the Board approved holding a Public Hearing for the purpose of soliciting public comment concerning the adoption of the plat review fee schedule as proposed by the Carroll County Planning Commission.

PUBLIC HEARING – CARROLL COUNTY FISCAL YEAR 2006-2007 BUDGET

Mrs. Nichols opened the Public Hearing at 10:10 a.m.

Mr. Larrowe told that the purpose of the Public Hearing was to hear public comment concerning the proposed Carroll County fiscal year 2006-2007 budget and then opened the floor for comments.

Mr. Ray Melton stated that the money people were paying for taxes was killing the people who have moved back here to retire with family and friends. He told that the school system had money to carryover and asked how much more they could find to carryover. He told that there were 1200 people laid off in Carroll County last year and all the County is talking about is small business and tourism. He told that the County needed industry. He stated that truck parts were needed for the plant in Dublin. He asked why the County had not talked to Toyota who was looking for a place to locate. He then asked if businesses wanted education why the County had not had prospects. He stated that everyone didn't work for the Schools, the County, or the State and commented that these were the only stable jobs. He commented that industry was needed to supply jobs. He told that people could not pay taxes if they did not have jobs. He told that people would move out and take their kids with them and then there would not be a need for all of the school system. He told that kids being home schooled were just as bright as kids educated in the system and that it only takes \$1500 to home school a kid.

At this point Mrs. Nichols told Mr. Melton that his allotted time had been used.

Mr. Melton commented that was the reason people could not talk to the Board because they have time called on them.

Mrs. Nichols stated that he could come back during citizen's time.

With no one else to speak, the Public Hearing was Closed at 10:16 a.m.

PUBLIC HEARING – AMERLINK PERFORMANCE AGREEMENT

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Mrs. Nichols Opened the Public Hearing at 10:17 a.m.

Mr. Dalton told that the reason for the Public Hearing was to hear public comment concerning the proposed change in the definition of full-scale operation in the May 18, 2005 Performance Agreement which would then allow for the disposition of the property.

Mr. Larrowe told that the definition was listed in Item 1 of the Amendment.

Mr. Martin asked if the Administrator and Attorney recommended adoption.

Mr. Larrowe replied yes.

With no one else to speak, the Public Hearing was Closed at 10:19 a.m.

Mr. Jones commented that the proposed Amended Agreement with AmerLink dropped the employees from 200 to 20.

Mr. Larrowe stated that this was the minimum standard the company would have to meet and that he was certain there would be more employees than that.

Mr. Early reminded everyone that the 200 employees was never tied to the land but was tied to the Governor's Opportunity Fund and the Tobacco Commission Funds.

Mr. Jones stated that was what the County was led to believe.

Mr. Dalton stated that the number of jobs was still tied to the County incentives.

Mr. Bob Roseman, AmerLink, stated that AmerLink was committed to being a good corporate citizen and had already invested \$1M in improvements. He told that the documents serve to remove the cloud on the title and reaffirms the contractual obligations. He told that the company needed to be able to remove the cloud on the title to be able to get to the net step which requires financing.

Mr. Evans told that he agreed with what both Board members had stated. He told that the past County Administrator had led the Board to believe there would be 200 jobs and that was exciting to the Board. He told that they were led astray but stated that he was not blaming AmerLink.

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(Order)

ADOPT AMERLINK AMENDED PERFORMANCE AGREEMENT

Upon motion by Mr. Evans, seconded by Mr. Martin, and passed unanimously, the Board approved the Amended Performance Agreement between AmerLink and Carroll County.

Note: A complete copy of the Amended Performance Agreement is on file in the Office of the County Administrator.

Mr. Jones asked if buying any other land was tied to these documents.

Mr. Larowe replied no.

Mr. Early asked that items such as this be a part of the packet. He stated that this was an important legal document and that he didn't like not having time to review it.

Mr. Evans commented that this had been discussed at other times.

Mr. Martin asked if copies would be sent to Richmond.

Mr. Larowe stated that he could do that.

Mr. Martin stated that he should use his judgment.

Mr. Larowe told that the Agreement was with Carroll County and AmerLink and not with the State.

Mrs. Myers stated that the Agreement did not say 20 Carroll County employees and commented that they could come from anywhere.

Mr. Dalton cautioned the Board that a locality could not regulate where the employees come from.

Mr. Larowe told that in discussions with Mr. Roseman it had been stated that if qualified employees came from Carroll County he would hire qualified employees from Carroll County.

PUBLIC HEARING – TRANSFER LAND TO INDUSTRIAL DEVELOPMENT AUTHORITY

Mrs. Nichols Opened the Public Hearing at 10:37 a.m.

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Mr. Larrowe told that the purpose of the Public Hearing was to hear public comment concerning the proposed transfer of the remaining land, except the Child Care Center, in the Carroll County Industrial Park to the Industrial Development Authority.

With no one to speak, the Public Hearing was Closed at 10:39 a.m.

Mr. Martin stated that the IDA had freedoms that the Board did not.

Mr. Early asked if there were interested parties in some of the property.

Mr. Larrowe responded yes.

Mr. Early asked if those could be made public.

Mr. Dalton stated that they could but it might jeopardize the IDA's efforts to get the highest and best use out of the property. He stated that this was not being done with a specific use in mind but leaving it in the IDA care to determine the best use.

(Order)

APPROVE TRANSFER OF PROPERTY TO INDUSTRIAL DEVELOPMENT AUTHORITY

Upon motion by Mr. Martin, seconded by Mr. Jones, and passed unanimously, the Board approved conveying the remaining property, except the Child Care Center, in the Carroll County Industrial Park to the Industrial Development Authority, and did authorize the Chairman to execute the deed for this transfer.

PUBLIC HEARING – DISPOSITION OF SURPLUS PROPERTY

Mrs. Nichols Opened the Public Hearing at 10:41 a.m.

Mr. Larrowe told that the purpose of this Public Hearing was to hear public comment concerning the proposed disposition of property, seized from the property of Herbert Evans, by gift to the family as had been requested by one of Mr. Evans' sons.

With no one to speak, the Public Hearing was Closed at 10:42 a.m.

Mr. Dalton advised the Board that the property seized did not have to be returned because the Court Order gave the property to Carroll County.

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Mr. Martin stated that he had a question about how the property was seized.

Mr. Larrowe stated that is was part of the litter ordinance. He told that the son wanted to get this matter cleared up and that this would not be detrimental to the County.

Mr. Early asked if the property was awarded as part of the cost of the clean up.

Mr. Newman replied yes.

Mr. Early stated that this would be detrimental to the County because it would be giving up the cost of the clean up.

Mr. Evans stated that a time limit needed to be put on obtaining the property.

Mr. Nichols stated that as long as this property was not used to junk up some place she did not mind.

(Order)

APPROVE DISPOSITION OF SURPLUS PROPERTY

Upon motion by Mr. Evans, seconded by Mr. Martin, and passed, the Board approved returning surplus property seized during the clean up of the Herbert Evans property to the Evans family with the items to be removed within 30 days, and did authorize the Chairman to execute vehicle titles if necessary.

Note: Mr. Early voted No on the above motion.

Mr. Early stated that it would have been nice to see the Court Order.

Mr. Dalton reviewed the Court Order with the Board and stated that the Court had never been petitioned for the costs of the clean up.

(Order)

APPROVE ROUTE 52 WATER EXPANSION

Upon motion by Mr. Evans, seconded by Mr. Martin, and passed, the Board approved for the Town of Hillsville to proceed with the Route 52 Water Expansion.

Note: Mr. Early voted No on the above motion.

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Mr. Early stated that he would vote for this expansion if Hillsville would honor their previous agreement for sewer along Route 221 behind Lacy Bowman and Carroll County High School.

GOVERNMENTAL CENTER TELEPHONE SYSTEM

Mr. Larrowe told that at the April 11 meeting there was a motion to award the Governmental Center Telephone System bid to Ideacom. He told that he had met with Ideacom to discuss the details and needs and that much of the costs were not included in the contract. He stated that there was about \$5000/month difference in the costs and for this reason the system needed to be re-bid to get complete information.

(Order)

AUTHORIZE ISSUANCE OF REQUEST FOR PROPOSALS FOR GOVERNMENTAL CENTER TELEPHONE SYSTEM

Upon motion by Mr. Early, seconded by Mr. Evans, and passed unanimously, the Board voided the April 11 motion concerning the award of the Governmental Center Telephone System bid, did authorize rejecting all bids previously received for this system, and did authorize the issuance of a Request for Proposals for the Governmental Center Telephone System.

DAVID EDWARDS – DEPARTMENT OF FORESTRY

Mr. David Edwards, Virginia Department of Forestry, told the Board that he had become aware of the Adopt a Highway Program the County was entering and told that there were five cases of trash dumping being tried in Dickenson County based on using a camera system. He told that originally it had been proposed for the Board to pay one-half the cost of a camera that cost roughly \$6000. He told that what was needed would be a digital camera with two 8-hour discs at a cost of \$7495. He told that he had good news in that there was a grant where the Department of Forestry would buy the first camera with night lenses at \$11,000. He told that if the County needed the camera they needed to contact him and that if in the future the County needed to buy a system he would work with them on that as well.

Mr. Jones asked how long the camera would stay in one place.

Mr. Edwards stated that the camera had a 45-day stay period. He told that 11 people had been caught at one trash dump.

Mr. Martin asked if the Court fined the people.

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Mr. Jones stated that the clean up costs more than the fines.

Mr. Edwards stating that having the video helps. He told that the Department of Forestry would purchase the one camera and should have it within a couple of weeks.

Mrs. Nichols told him that the County really appreciated this.

Mr. Jones asked that Mr. Edwards see what he could do on Apple Ridge Road.

CANNERY LEASE

Mr. Larrowe told the Board that Kettle Masters had notified him that they would not be renewing their lease on the Cannery. He told that the company had a fire at one of their properties, had acquired other properties, and did not have time to devote to this project. He suggested advertising for another lease under the same circumstances and told the Board that money had not been budgeted to operate the Cannery.

Mr. Evans stated that he would like to see this advertised because it was not advertised before. He stated he was happy with what Kettle Masters had done.

(Order)

ADVERTISE FOR CANNERY LEASE

Upon motion by Mr. Evans, seconded by Mrs. Myers, and passed unanimously, the Board authorized advertising for leasing of the Cannery.

ADDITIONAL ITEMS

Mr. Larrowe informed the Board that the Industrial Development Authority was working to develop a Capital Access Program and would be sponsoring a luncheon on June 29 at 11:45 a.m. at Countryside to discuss the specifics of the program with local bankers, financial institutions, the IDA, Board of Supervisors, Galax City Manager, and the Grayson County Administrator.

Mr. Larrowe told the Board that a Request for Proposals for bandwidth in Carroll County had produced one bidder with that being Crossroads Technology, Inc. He told that there were two bi-directional T-1 lines coming to the Governmental Center.

Mr. Larrowe told that a meeting had been held with the State Inspector and that the needed repairs at the Animal Shelter could be done in-house and for less than the proposed \$22,000. He then told that the Airport Commission had

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finalized the 6-Year Capital Improvement Plan and would hold a meeting on June 22 at 6:00 p.m. at the Old Galax Library to review this. He told that there were two vacancies in Virginia Tech Extension and that interviews for one position would be held in Independence on June 20 and the other interviews for the other position had not been scheduled. He told that interviews for the Appraiser position to assist with in-house reassessment would be done on June 19 beginning at 1: 30 p.m.

CITIZEN'S TIME

Mr. Clyde Easter told the Board that he was nervous over the five minute time limit because what he had would take ten to fifteen minutes. He told that he had lived in Chalet High full time for twenty years and had bought several lots for an investment for retirement. He told that he received a Social Security check and a check for 30% disability for two WWII wounds. He told that he ran into a problem when he tried to sell the lots because the first thing people ask is if the lot has been PERK tested. He told that he had to go through the Carroll County Health Department for this but was finding this was the State Health Department. He told that a better working relationship was needed with the Health Department because they determined development. He told that five people had put up a deposit and if the lot would PERK these people would build houses ranging from \$250,000-\$400,000. He told that the taxes on the lots was \$500 now but it could go to \$5000.

Mr. Easter told that he had met with Mr. Greg Gibson who had stated that he had a problem. He told that all five lots had been denied and explained that he had dug holes on the lots but if Mr. Gibson seen any shale rock the lot got denied. He told that since this time two neighbors had lots approved that we so steep the backhoe had turned over but Mr. Gibson had written up his lots as being too steep.

Mr. Larrowe stated that this Board was not the one to make this decision but that the Health Department did have a Review Board.

Mr. Easter told that he had talked with Mr. Ed Ritterbusch, Dr. Smith, and Delegate Carrico. He stated that the Board needed a better working relationship with the Health Department.

Mr. Larrowe asked Mr. Easter for the two of them to work on this problem together.

Mr. Evans told that he had personal experience and knew of many others. He told that he wanted to see things grow and when people meet someone who seems like he has eaten sour onions it is not good for the County. He asked Mr. Larrowe to write a letter expressing dissatisfaction.

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Mr. Easter stated that Mr. Gibson had told him to go to the County and tell them the lot would not PERK and the tax value would be dropped. He told that the alternative system Mr. Gibson wanted him to install would cost \$25,000. He then told that he hoped the Board would consider in the future giving citizens more than five minutes.

Mr. Ray Melton told that he had a neighbor that had worked for six years without a pay increase and that his wife had been out of a job due to an injury. He told that he wondered how they would pay the 12 cent tax increase. He asked how these people and retired people on a fixed income could afford this. He told that the County was looking at a 4% increase for the school employees when these people did not get an increase. He then told that the County should look at a school tax or a per pupil tax. He told that home schoolers were paying at most \$1500 per student when the County was paying more than \$5000 per pupil. He suggested looking at ways the County could make money. He pointed out that \$5000 was made from the sale of metal from the Cana Trash site. He told that he took his trash to the dumpster at the landfill and stated that maybe the County could make money by selling what was there. He told that he took his aluminum to Mr. Cowing and stated that maybe the County could get a proposal. He then stated that public meetings should be from 7-9 p.m. because people could not make the meetings.

(Order)

CLOSED SESSION – PURSUANT TO VIRGINIA CODE SECTION 2.2-3711(A5,A7)

Upon motion by Mrs. Myers, seconded by Mr. Jones, and passed unanimously, the Board convened a Closed Session at 11:45 a.m. until 12:53 p.m. for the discussion of a prospective business where no public announcement has been made of the business or industry's desire to locate or expand in the County, and for the discussion of legal matters involving threatened litigation as authorization by Virginia Code Section 2.2-3711(A5,A7).

(Order)

CERTIFICATION OF CLOSED SESSION

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board adopted the following Resolution:

WHEREAS, the Carroll County Board of Supervisors convened a Closed Session this date pursuant to an affirmative recorded vote and on the motion to close the meeting in accordance with the Virginia Freedom of Information Act;

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WHEREAS, Section 2.2-3711(D) of the Code of Virginia requires a certification by the Board of Supervisors that such Closed Session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Carroll County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (I) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the Closed Session to which this certification applies, and (II) only such business matters as were identified in the motion by which this Closed Session was convened were heard, discussed, or considered in the meeting to which this certification applies.

SUPERVISORS TIME

(Order)

AUTHORIZE PUBLIC HEARING – TWICE PER YEAR TAX COLLECTION

Upon motion by Mr. Early, seconded by Mr. Martin, and passed unanimously, the Board authorized holding a Public Hearing at the earliest opportunity concerning twice per year collection of real estate taxes in Carroll County.

Mr. Jones stated that there should be a Public Hearing but he would not be for it.

Mr. Evans told that the advice the Board given was that Ms. Quesenberry was not for it and Ms. Williams had said it was a Board decision but if it was going to save money it would be different. He stated that government does not do that.

Mr. Martin stated that he had a conflict with the meeting scheduled for June 20 because he would be at a Regional RC&D meeting.

It was consensus of the Board to hold the budget adoption meeting on Thursday June 22 beginning at 2:00 p.m. rather than holding it on June 20.

Mrs. Nichols stated that she had given Mr. Larrowe some information concerning placement of Children At Play signs.

Mr. Jones asked about the Road Construction funding.

Mr. Larrowe told that the federal dollars had been restricted so then needed to be put on a project so they would be held. He told that he had given a letter

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to VDOT for this funds to be put on improvements of Route 620 at Exit 19. He stated that he had received information from Mr. Bob Beasley that the Federal Government might reverse their decision.

(Order)

ADJOURNMENT

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board adjourned at 1:10 p.m. until June 22, 2006 at 2:00 p.m.

Sharon F. Nichols, Chairman

Ronald L. Newman, Assistant Clerk