

The Avery County Board of Commissioners met in Regular Session on Monday, January 4, 2016 at 6:00 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

Members Present: Maxine Laws, Vice-Chair; Robert Griffith, Faith Lacey, Blake Vance

Members Absent: Martha Hicks (illness)

Call To Order

Vice Chair Laws called the meeting to order at 6:00 p.m.

Tim Greene led prayer.

Bob Ollis led the audience in the Pledge of Allegiance.

Vice Chair Laws announced that if anyone would like to sign up to speak to an item on the agenda to see the clerk.

Public Comments

Amber Westall-Briggs, AMY Regional Director, thanked the commissioners for the external work on the back of the library and the work on the steps. It looks really great. We appreciate that and many patrons have remarked on the job and how much safer it is. I would also like to thank the board for the appointments to the local board recently. I have been on the job for five months now and have gotten "my feet wet". I am looking forward to working with the board.

Board Appointments

Rural Transportation Advisory Committee

Tim Greene, County Manager, advised that Mr. Reo Griffith's term on the Rural Transportation Advisory Board has expired. Mr. Griffith is eligible for reappointment to this board if he would so like to serve. Mr. Griffith said that would be fine.

Motion by Blake Vance and second by Faith Lacey to appoint Reo Griffith to the Rural Transportation Advisory Committee. Motion unanimous with those in attendance (4-0).

Tax Administrator Report – Phillip Barrier

Tax Collection Report

The Total Tax Collection for the month of December 2015 is \$5,107,595.96.

Motion by Blake Vance and second by Faith Lacey to approve the Tax Collection Report for the month of December 2015 as presented. Motion unanimous with those in attendance (4-0).

Mr. Barrier reported that at the start of the month his office was at 55% of collections for 2015 and when the report was run on the 31st we were at 79%.

Wilderness Trail paid \$433,610.32 of back taxes including the 2015. There are 21 lots that are still in a court battle.

Regular Releases

The Regular Releases for the month of December 2015 is \$28.63.

Motion by Blake Vance and second by Faith Lacey to approve the Regular Releases for the month of December 2015 as presented. Motion unanimous with those in attendance (4-0).

Mr. Barrier went over some of the sales for the month.

Mr. Greene reminded everyone that the reason that we had jumped ahead on the agenda was because there was a public hearing scheduled at 6:30 p.m. and that had to be done at 6:30 p.m.

Annual Audit Report – Sharon Gillespie

Sharon Gillespie, Young, Miller, and Gillespie, presented the annual audit report for Avery County. Ms. Gillespie explained some of the different sections of the audit. On page 4 this is the audit opinion. There is a section for management's responsibility and the auditor's responsibility. Basically, management's responsibility is to put all of these numbers together and have a fair representation of what happened during the year financially. Our responsibility is to look at these numbers and look at the layout and see if we agree by using outside sources that the numbers are in line and are reasonable. On Page 5 you have the opinion and if we had found anything significantly wrong we have four kinds of opinions that can be issued. Of course, you got the best opinion which is an unmodified opinion which says "in our opinion based on your audit and the report of other auditors which is the Airport Authority Audit the financial statement referred to above present fairly in all material respects the financial position of Avery County." We do not look at every single dollar but if we found any evidence of fraud or mismanagement we would check dollars.

This document is assembled from front to back as very broad to specific so the front of the document is a general overview. Page 8 starts a section called your management discussion analysis and this is a synopsis of everything that happened in the year. This is highlights. The second bullet down shows the total net increase for the current year which is due to the sale of the old Banner Elk School building, increase of sales tax and a higher tax collection rates. Basically, you had a good profitable year and those three things are the biggest part of that. The fourth bullet down shows the unreserved fund balance for the general fund was a little over 12 million dollars or 50% of general fund expenditures. The last bullet shows the debt decreased by a little over a million dollars because you made your regularly scheduled debt payment.

On page 19 is the balance sheet and it is a measure of what you owned and what you owed as of June 30, 2015. This balance sheet does not include buildings, long term debt or those things because in governmental accounting what the concept there is that you focus on current in flows and current out flows. From a governmental accounting

standpoint you are looking at what do we have that we can quickly turn into cash and what do we have to pay within the year.

On page 20 this is the "income statement". This measures one year of the money coming in and the money going out. We had about \$30 million in total revenues and some of those revenues had increased and as I said before the sales tax was up \$300,000 this past year, DSS grants and funds were up about \$400,000. Overall the revenues came in the general fund at \$27 million whereas last year it came in at \$25.9 million and of course the million dollars for the Banner Elk School would have played into that as well. Your expenditures were largely the same as 6/30/2014 and the expenditures remained controlled. If you look at the bottom line, we have a net profit of about \$2.6 million and that profit is due to the factors that we just went over.

On page 47 it is interesting to look at this. We just said that \$30 million came through the finance office. Under #6 is another \$23 million that have gone to the citizens of Avery County through federal and state funding. If we think about it as taxpayers to operate this county in revenues, it is taking about 53 million dollars. This \$23 million did not go through the finance office it went directly to the citizens.

On page 69 is a summary of the tax levy. The current year collection percentage is at 97.08% and that is up from the prior year which is 96.41%.

On page 76 under item #3, I wanted to point this out because we did have a finding this year. The Department of Social Services has a cost allocation plan done every year and that plan gives them a figure to use on their monthly reimbursement forms. By the time the plan is actually finished they are already into the year 6-7 months so unless they remember to get that new number and go back and file corrected forms they can miss that. We did find that they did not go back and use that number as the date of our audit, however, this issue was corrected in October 2015 with no problems and this is a fairly common finding because of the timing of the cost allocation report. If you look at the language of any of this we have two kinds of findings, we have a significant deficiency and a material weakness. Material weakness is when we say that we don't think this is a random event; we think it is serious enough to cause problems. A significant deficiency is it slipped through the cracks in the process and would likely be caught in the course of business. This was labeled as a significant deficiency and as I said has been resolved.

Maxine Laws questioned what the difference between this year's fund balance compared to last year's fund balance. Ms. Gillespie stated that the ending fund balances overall are 19.8 million and last year was 16.8 million. The increase was due to the sale of the Banner Elk School, extra sales tax, extra grant funds and an adjustment to do with insurance liability so all of those came into play.

Blake Vance stated that is the previous board's budget not this year's budget.

Motion by Blake Vance and second by Faith Lacey to approve the Audit for the 2014/2015 Fiscal Year.

Reo Griffith stated "We balanced our budget this year, audience, with \$2 million dollars out of fund balance of taxpayer's money and oh did we catch some heck. We gave \$2 million dollars back to the taxpayers in a tax rate decrease. I stand proudly tonight saying that I raised my hand to give the \$2 million back because right there tonight shows exactly what I argued all spring. There is \$3 million that went back in roughly. We took \$2 million out and roughly \$3 million went back in. I stand proudly that I voted for a tax rate decrease."

VOTE: Motion unanimous with those in attendance (4-0).

Recess

Vice-Chair Laws asked for a brief recess until time for the Public Hearing.

Vice-Chair Laws declared the meeting to be back in session after a brief recess.

Blake Vance stated that he wanted to be on record saying that the \$2 million that was put back in the fund balance was from the 2014/2015 budget.

Public Hearing – Closeout CDBG Grant – Michelle Ball

Motion by Blake Vance and second by Faye Lacey to go out of Regular Session into a time of Public Hearing regarding Closeout of CDBG Grant 12-C-2408 at 6:30 p.m. Motion unanimously approved with those in attendance (4-0).

Michelle Ball, High Country Council of Government representative, stated that this public hearing was for the opportunity for citizens to comment on the closeout of the Avery County CDBG Scattered Site Housing Program. The County received \$225,000 in 2012 to conduct the program. The program provided housing repair assistance to very low and low income residents within Avery County. A total of two homeowners received reconstruction assistance with the program; meaning their existing dilapidated homes were torn down, the property cleared and a new double-wide home was installed in the same footprint. Homes assisted on the program were located at 117 Hawksnest Rd. Newland, NC and 29 Midnight Lane, Elk Park, NC. Three homes were treated with local option/emergency repair funds. The following types of repairs were performed: New roofs, floor/foundation repairs; new windows; chimney/flue repair; plumbing repairs.

Avery County received \$225,000 for the three year program and the following was expended during this cycle:

\$164,200 for reconstruction activities; \$14,995 for Emergency Repairs; \$21,912.24 for planning and administration. Unexpended grant funds in the amount of \$23,892.76 will be returned to the NC Department of Commerce.

There were no public comments.

Motion by Reo Griffith and second by Blake Vance to go out of a time of Public Hearing regarding Avery County CDBG Grant 12-C-2408 Closeout and back into regular session at 6:40 p.m. Motion unanimous with those in attendance (4-0).

Motion by Blake Vance and second by Faye Lacey to approve the Closeout of the CDBG Grant 12-C-2408 for Avery County. Motion unanimous with those in attendance (4-0).

Avery County Forest Plan Revision – Nicholas Larson

Nicholas Larson, District Ranger of the Forest Service, explained that the US Forest Service is revising the Nantahala and Pisgah National Forests Land and Resource Management Plan. When revision of the Plan is completed, it will guide management of the Nantahala and Pisgah National Forests for approximately 15 years. I work on the Grandfather Ranger District which is essentially south of the Blue Ridge Parkway and down to I-40 and into the Lenoir area, it is about 185,000 acres. About 28,000 acres is in Avery County. That is about 18% of the county. We are interested in what the county government says about the management. This is the guiding document that basically tells the public and land managers what the overall objectives are for the next planning cycle. The focus areas that we are looking at on this Forest Plan is providing clean, abundant water, providing a healthy and resilient forest and providing for diversity of sustained recreation. We are expecting to have a draft environmental impact statement in the late spring. This is typically about a five year process. They are beginning to take a harder look at some of these Wilderness area designations.

Today we are specifically talking about wilderness evaluations and wild and scenic river evaluations. The packet had a couple of maps associated with it and these are focused on the property in Avery County. Wilderness areas are designated by Congress. Congress designated the Grandfather area. What we are doing in the wilderness plan is not designating those areas but recommendations for those areas. What we are doing in the first step is the evaluation of which areas meet the basic criteria. The places in Avery County that came up in the rough draft area which is the Harper's Creek area which is currently designated as a Wilderness Study Area and there is an extension to the Harper's Creek area that is getting looked at and Lost Cove area and just over to the east is an area that we are referring to as the Upper Wilson Creek which we are looking at. Part of the packet you have contains the forms that we are using. What we are asking the public for is their opinion of the evaluations. Potentially we want to use that format to evaluate these forest areas. There have been two years of public comments on this forest plan revision. We are expecting to have this information incorporated into this. For an area to be moved forward for wilderness or wild and scenic river it really needs to be something that has a lot of community and government support behind it.

Review of Avery County Solid Waste – Stacey Smith; Joan Smyth

Stacey Smith, Smith Gardner Engineering, presented a power point presentation. Mr. Smith stated that his firm was focused on solid waste. We are employee owned and

founded in 1991. We have a strong rapport with the NCDENR. Joan Smyth explained that Avery County has two solid waste facilities. The first is the C&D Landfill which is active and also houses the active transfer station and there is also a closed municipal solid waste landfill. This landfill has a ground water monitoring system and a landfill gas monitoring system as part of its post closure monitoring requirements. There are five main types of projects that we have been working on over the past eight years. There are recurring tasks and annual projects that are ongoing that are required at both sites annually or on a recurring basis. There are permitting projects when the C&D landfill has an expansion area or permitting of the transfer station for regular renewals. There is bid procurement and construction projects when the landfill expands into a new area and that cell needs to be constructed to certain specifications and we work with the county to go through the bidding process and procurement process to find contractors to do this work and we oversee the construction so we can certify that construction. There are issues that occur on closed landfill sites and open landfill sites that require a response and we have assisted Avery County with those. With our annual and recurring tasks, any landfill facility whether it is closed or active must perform semi-annual ground monitoring. We assist Avery County with both of these facilities to monitor the ground water monitor twice a year to make sure there is no environmental impact.

We also perform landfill gas monitoring at these facilities and this is done on a quarterly basis at both facilities. At the municipal solid waste landfill we are monitoring monthly out there for some issues we have been dealing with. We provide updates to the solid waste management plan. We also provide annual survey and volume studies which is required by NCDEQ and that includes an evaluation of the compaction. Every five years DEQ requires a new plan to construct that five year cell. The transfer station permit renewal expires 2016. One of the deficiencies that we identified early on is that you have two landfill sites on either side of a wetland area and by permitting that area we could take a 1 ½ acre area between those two cells and we were able to give the county a significant amount of space for the landfill and create a more stable situation. We have worked with Avery County regarding remedial response tasks. Mr. Smith stated that these issues are the same things that many counties go through and it is part of the evolution of solid waste. In 2017 we believe that we will be near moving forward with the next cell. We have tried to close areas of the landfill. That is one of the good stewardship that we do that helps control potential for ground water issues.

Tim Greene, County Manager, stated that Smith-Gardner is the premier engineering group for the landfills. They have been an advocate for Avery County with DENR. One of the reasons Stacey and Joan came up is because back in 2007 we did a masters service agreement with them and that has been updated annually with work orders. This board has turned over entirely since Smith-Gardner came on and I talked with the County Attorney about that and we decided that it would be a good idea to have Stacey come up and do a presentation and sign a new master service agreement. We do need an engineer as you can see with this presentation to help us with solid waste. The County Attorney has recommended one or two changes to the master service

agreement and Stacey has incorporated those. We will need a motion to execute the master service agreement.

Gerald McKinney, County Attorney, stated that there were a couple of options on how to do this because the master service agreement covers our ongoing tasks but we have a couple of projects that would not come under that. Our board policy says now projects over \$30,000 you need to send to a committee. They have to consider and make a recommendation unless the board decides it is not in the best interest to do it at that time and you give the reasons for that. There are two choices one is we could enter into a series of contracts for specific projects because one of those is going to be over \$30,000 or we could say the projects could be lumped together and make the finding that it would be in the best interest of the county to have the same firm deal with all of our environmental and solid waste issues and we are within our policy to do that. It is my recommendation to do the one contract.

Mr. McKinney stated that in light of the past performance for the county and excellent results we have had in their representation working for us we want to use their expertise and it makes good sense to have the same firm deal with all of the solid waste issues and therefore we can exceed the \$30,000 limitation for our policy.

Motion by Reo Griffith and second by Faith Lacey to approve the Master Service Agreement with Smith-Gardner Engineering. Motion unanimous with those in attendance (4-0).

Motion by Blake Vance and second by Faith Lacey to amend the previous motion to include execution by the Chair. Motion unanimous with those in attendance (4-0).

County Manager Report – Tim Greene

Tim Greene, County Manager, stated that Mike Gragg came to me about two weeks ago and informed me that he had made a mistake in his estimate on the courthouse bathrooms and I feel confident this is an honest mistake. I would request that the board do an additional \$10,400 bringing up to a total of \$52,400. This will be addressed in the finance officer report.

Broadband Update

Mr. Greene stated that Commissioner Laws, Commissioner Hicks, Keith Conover, Dean Russell from Country Cable met. Country Cable is right outside the county and they are interested in running fiber into the county. They would not necessarily run all throughout the county but we have invited vendors into the county and Country Cable is one of them. They have talked with us and they would like for the county to give them permission to run some fiber. Before we do that we want to do some investigatory work. Dean Russell has invited the board members to come over to the facility in Yancey County. I think it would be good if we can schedule a time to go and tour the facility. Keep in mind in the broadband process we are talking to a number of vendors.

After we look at the facility we will be meeting with Wanda Profitt who does a lot of EDC work in Yancey County and Nathan Bennett who is the County Manager in Yancey County. We are going to talk with them as they have been through this process and see as a county how we can get help with this process. One of the next courses of action after that is to meet with Richard Jenkins with the USDA.

The board instructed the clerk to call each commissioner and schedule a date for the tour.

Finance Officer Report – Nancy Johnson

Budget Transfer

Pavement has eroded in one area of the River Walk around the ballfield. Funds are needed for repairing this area.

Motion by Blake Vance and second by Faith Lacey to approve the Budget Transfer in the amount of \$6,800 with a debit of \$6,800 to Buildings and Grounds – Capital (10.5000.7410) and a credit of \$6,800 to Available for Appropriation (10.7000.6000). Motion unanimous with those in attendance (4-0).

Budget Amendment

The school system is in need of mats in the weight room at the high school.

Motion by Blake Vance and second by Faith Lacey to approve the Budget Amendment in the amount of \$12,000 with a debit of \$12,000 to Schools—Capital Outlay (10.7000.6115) and a credit of \$12,000 to Fund Balance Appropriation (10.3990.0000). Motion unanimous with those in attendance (4-0).

Budget Amendment

Avery County Manager reports that the quotes for the bathroom renovations at the courthouse have been received.

Motion by Blake Vance and second by Faith Lacey to approve the Budget Amendment in the amount of \$52,400 for bathroom renovations at the courthouse with a debit of \$52,400 to Capital Outlay-Building (10.5000.7410) and a credit of \$52,400 to Fund Balance Appropriation (10.3990.0000). Motion unanimous with those in attendance (4-0).

Budget Amendment

The Avery County Board of Commissioners need to appoint the auditor for the upcoming year and my request is that the Board approves Young, Miller, & Gillespie, P.A. to audit the financial statements for the County of Avery as of and for the year ending June 30, 2016. The audit will begin in July 2016 and the report will be issued no later than October 31, 2016 at a price not to exceed \$36,400. This represents an increase of \$2,000 from the prior two fiscal years. The price also includes the Fire Commission Audit.

Commissioner Griffith asked the Board to recuse him from this vote because his sister was part of the firm.

Blake Vance responded that actually it would not be lawful for us to recuse you from this per NCGS 153A-44 if there is no direct financial benefit to the board member. Commissioner Griffith said "It doesn't look right for me to sit here and vote for money going into my sister's pocket, I am standing down, proceed Ms. Chair." Commissioner Vance stated "point of order, you have no place to tell the chair to proceed". Per GS 153A-44 it states "Commissioners may excuse a member from voting but only upon questions involving the members only financial interest or official conduct or on matters on which the member is prohibited from voting under GS 14-234; GS153A-340(g); or 150A-354 el." Mr. McKinney said I think it has to affect you personally and I think it would be entirely appropriate for you to vote on that and would be my suggestion that you do that; there is no problem legally at all.

Motion by Reo Griffith and second by Blake Vance to appoint Young, Miller and Gillespie, P.A. as the auditors for the year ending June 30, 2016. Motion unanimous with those in attendance (4-0).

Budget Amendment

The Department of Social Services requests to increase Medicaid Funds in the amount of \$13,000 to be used for transporting clients from Cranberry House to medical appointments. This is a reimbursable expense.

Motion by Blake Vance and second by Faith Lacey to approve the Budget Amendment for the Department of Social Services in the amount of \$13,000 with a debit of \$13,000 to Medicaid Expense (10.6800.4020) and a credit of \$13,000 to Medicaid Revenue (10.3640.0000). Motion unanimous with those in attendance (4-0).

Budget Amendment

The Public Buildings and Grounds department needs additional funding for salaries and benefits to cover the extra costs of the part-time employee. Costs are increased due to sickness of a full time employee, electrical work at the solid waste sites and on trash compactors, electrical work at the veteran's monument and on the square and changing lights in the jail.

Motion by Blake Vance and second by Reo Griffith to adopt the Budget Amendment for Public Buildings and Grounds in the amount of \$17,250.00 with a debit of \$16,000 to Salaries (10.5000.0200) and a debit of \$1,250.00 to FICA (10.5000.0500) and a credit of \$17,250.00 to Fund Balance Appropriation (10.3990.0000). Motion unanimous with those in attendance (4-0).

Budget Amendment

Chief Deputy Troy Cook reports that the county has received grant funding from the U.S. Department of Justice for purchasing and installing cameras inside the Avery

County High School. Total grant award is \$45,000 with a \$15,000 match to be made by the Avery County Board of Education.

Motion by Reo Griffith and second by Blake Vance to adopt the Budget Amendment for cameras for Avery County High School received from grant funding in the amount of \$60,000 with a debit of \$60,000 to Crime Prevention Expense (10.5100.5710) and a credit of \$45,000 to US Department of Justice Grant (10.3614.0000) and a debit of \$15,000 to Miscellaneous Revenue (10.3350.0000). Motion unanimous with those in attendance (4-0).

Budget Amendment

The Solid Waste Department needs additional funding due to unexpected major costs of vehicle repairs and for training of existing and new employees. Two trucks have been rebuilt, one trailer repaired and one tractor truck repaired.

Motion by Blake Vance and second by Reo Griffith to adopt the Budget Amendment for the Solid Waste Department in the amount of \$31,750.00 with a debit of \$30,000 to Auto Supplies (10.5800.3100), debit of \$1,600.00 to Training (10.5800.1000); debit of \$150.00 to Travel (10.5800.1400) and a credit of \$31,750.000 to Fund Balance Appropriation (10.3990.0000). Motion unanimous with those in attendance (4-0).

County Attorney Report – Gerald McKinney

One thing I want to talk about tonight has to do with our policy with respect to what circumstances county employees or you as board members or county officials may serve on boards. The way our policy is written it is to be in an ex-officio or nonvoting capacity. Tim has brought to my attention that sometimes we have some mandates by state government or federal government or in order to obtain grant money that the actual employee or official would need to be a voting member and so taking that into account I tried to redraft our policy so that we allow the board to make appointments of employees when it is required by state law or federal law or for grant money otherwise the board can do it in ex-officio capacity if it is required or if the board thinks it is in the best interest to do that in any event because that particular employee may have particular expertise and experience. Part of this is to see what we need to do to address this but to give you all some flexibility when there is a special situation that comes up. I have tried to put this out here. I did not get a chance to get it to you to look at earlier. One other thing that Tim asked me to look at it is not particularly clear in 7.12. It is our policy to limit someone's participation on a board or committee to two terms but every now and then we have a situation that no one else applies for a position and then we are left with a vacancy. If the person has served two terms and we have advertised for it and no one applies we may consider that person to be on for a third term.

Tim Greene stated that this has been the practice of this board on a couple of committees this year. This is certainly up to you all.

Faith Lacey stated "I am of the opinion that if no one applies that we don't fill it until someone does and there will be a search for that person and it will make everything more equal. We can leave it vacant until it is filled. I think the director of the board should make a better effort to find someone."

Blake Vance moved to table this until the next meeting since we just got the information. There was no second. The County Attorney advised that there could be a vote on this because it did not require a second.

Vote: Blake Vance, Vice-Chair Maxine Laws, Reo Griffith voted to table the issue. Faith Lacey voted against tabling the issue.

Mr. McKinney reported that we resolved the case regarding Highlands of Sugar Mountain. That has been dismissed.

Agenda Consent Items
Adopted by Consensus of the Board.

Upcoming Meetings

Mr. Greene stated that there was a scheduled workshop for tomorrow January 5, 2016 at 6:00 p.m. and that is on capital items, agricultural building, Avery Cares building, and the Recreation Property. Robbie Willis and I will present four or five options and we have run these by the state and any of these options will fill the need of the grant and none of the options will preclude a future board from doing anything. I think we can get the grant behind us and then move forward. The state has been patient with us but they want us to get that closed out.

The Board of Education has given us some dates for a joint meeting which are January 25, 26, or 27, 2016 at 6:00 p.m. Please let the clerk know which one would be best.

In July or August we met and suggested a number of changes to the board policy. We have reviewed that. There are a number of things that need to be changed. There are a few items that need to be changed to keep up with the laws. We are looking at the last week of January. Please let the clerk know about the dates for this workshop.

Adjourn

Vice-Chair Laws adjourned the meeting at 8:00 p.m.

Maxine Laws, Vice-Chair
Avery County Board of Commissioners

ATTEST: _____
Cindy Turbyfill, Clerk

