

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in Regular Session on Monday, June 18, 2012 at 3:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

Members Present: Kenny Poteat, Chairman; Scott Heath; Martha Hicks
Members Present via Telephone: Phyllis Forbes; Glenn Johnson

Members Absent: None

Call To Order

Chairman Poteat called the meeting to order at 3:25 p.m.

Chairman Poteat stated that if anyone would like to speak to an agenda item you must sign up with the clerk otherwise there is a time of public comment. There will be a public hearing at 4:00 p.m. on the upcoming year's budget and there will be a separate signup sheet for that.

Scott Heath led prayer.

Public Comment

There were no public comments.

William Puckett Memorial – Missy Norwood

Missy Norwood, Banner Elk resident, requested that the Board allow a plaque be placed at the Banner Elk School as a memorial to Mr. William Puckett. Ms. Norwood stated that she had already been to the Board of Education who had approved the placement of the memorial. Ms. Norwood explained that the land where the new Banner Elk School was located was purchased from Mr. William Puckett. She said that Mr. Puckett was a hard working man who was faithful to God and his family and should be recognized for his contribution.

Unanimous consensus of the Board to allow the erection of a memorial to Mr. William Puckett at the Banner Elk School.

County Manager Updates – Robert Wiseman

Robert Wiseman, County Manager, stated that at the last meeting Phillip Franklin came before the Board with concerns about storage tanks that were being constructed by Underwood and Weld. Those storage tanks are not in Avery County. Mr. Franklin's concerns were of spillage but at this point in time the Mitchell County Inspections Department is looking into the validity of the requirements. Knowing the diligence that Department of Environmental Resources uses in their investigations this will be done right, said Mr. Wiseman.

Courthouse Renovation

Mr. Wiseman reported that he would be meeting next week with Beeson, Lusk, & Street who will be doing the renovations on the Clerk of Court's side of the building on the first floor and the old courtroom and adjacent offices to that. We are hoping to get cranked up as far as the preliminary design this month and be in full swing in August. This renovation will be an inconvenience to courthouse security, staff and the citizens.

Probation and Parole Offices

Mr. Wiseman advised that the citizens of Avery County are obligated per general statute to provide space for Probation and Parole in Avery County. Due to the nature of their work, they need to be in close proximity to the courts and jail. There are very stringent requirements for their offices and it relates to square footage. In the design of the renovations, those requirements were not met. The project architect was aware of those requirements but after the fact we found out that the footage was not adequate to meet the states statutory requirements. We intend to take out a couple of partitions in that area to open it up but we cannot do that until the certificate of occupancy is issued because the sheriff's personnel occupies that office right now. Probably in August when the certificate of occupancy is issued we can address those issues.

Public Hearing Regarding FY Budget 2012/2013

Motion by Martha Hicks and second by Scott Heath to go out of Regular Session and into a time of Public Hearing regarding the FY Budget 2012/2013 at 4:00 p.m. Motion unanimously approved with those present at the meeting (3-0).

Chairman Poteat had the public that wanted to comment on the budget sign up on separate sheets, i.e. fire, sheriff, etc. There will be keynote speakers chosen that will be allowed to speak 5 minutes with others speaking on the same issue 3 minutes.

Recess

Chairman Poteat called for a brief recess so the citizens could sign up to speak.
Chairman Poteat declared the meeting to be back in session after a brief recess.

Robert Wiseman, County Manager, read the budget message aloud:

N.C. General Statute 159-11 stipulates that a public hearing be held in order to inform the public and allow citizens to express their opinions on the budget. The current economic conditions made balancing the County's budget extremely difficult. Overall expenses are projected to increase \$363 thousand or 1.5% from 2011/2012's budget. Coupled with \$807 thousand decrease in revenues and fund balance appropriation from the prior fiscal year, the County had to make a number of painful cuts coupled with a tax increase in order to balance the budget; outside agencies and non-profit allocations were reduced 3% from their current level. Two smaller allocations were eliminated. The employee medical insurance benefit was reduced along with the elimination of two positions. The 2012/2013 budget is balanced based on a total property valuation of \$4.574 billion. This represents an increase of \$25 million or 0.6% over last year's valuation of \$4.549 billion. The general fund tax rate will increase 2 ½ cents to 35 ½ cents (\$0.355) per \$100 valuation which will generate an estimated \$15.8 million dollars in revenues. The county wide fire tax rate will increase 1 cent, going from 4 cents to 5 cents. This rate of 5 cents is estimated to produce \$2.19 million dollars in revenues. The combination of these two rates results in an overall tax rate of 40 ½ cents for the fiscal year 2012/2013. This rate reflects a total tax increase of 3 ½ cents. Currently, there are only thirteen counties in North Carolina with a tax rate lower than Avery County.

The total general fund budget is set at \$24.9 million. This is a \$363 thousand increase from the 2011/2012 fiscal year. Public Safety is increasing \$182 thousand dollars primarily due to a \$136 thousand dollar increase in the Sheriff's budget and a \$215 thousand dollar increase in the Jail's budget offset by a decrease of \$178 thousand dollars in Rescue Squad contributions. The Jail budget increase is primarily due to increased salaries and fringes and increased operational costs of operating the new Jail facilities. Transportation is decreasing \$254 thousand dollars mainly due to decreased grant reimbursements. Economic Development is increasing \$204 thousand dollars due to making that a standalone department with a full-time employee. Included in this amount is \$75 thousand dollars for renovation to the Old Banner Elk Elementary School building which will be used for a business incubator in order to provide job creation. Human services is increasing \$217 thousand dollars primarily due to increased public assistance programs administered by the Department of Social Services. Education is increasing \$115 thousand dollars. After a 3% reduction from current year funding, \$250 Thousand was added to help pay for the one-to-one initiative.

Public safety is the largest expenditure for the County consuming 27% of the total budget. Education and the associated debt service is the next largest expenditure at 26%. Human Services is 3rd largest at 18.0% while all other county functions total 29%.

Property tax revenue is projected to increase \$1.2 million dollars or 8.0% from last fiscal year. The increase is due to the 2 ½ cent increase in the ad-valorem tax rate along with the \$25 million increase in the property valuation over last year. Local Option Taxes are projected to decrease \$71 thousand dollars primarily due to a projected \$200 thousand dollar decrease in the County's Medicaid hold harmless payment. Sales and Services are projected to decrease \$256 thousand dollars primarily due to reduction in grant reimbursements in the Transportation department. The 2011/2012 budget included a \$465,000 Fund Balance Appropriation that is not included in the upcoming year.

The Fire Tax Fund budget for the 2012-2013 fiscal year is \$2.2 million dollars. The fire tax was increased 1 cent making the fire tax a total of 5 cents. This

additional cent is projected to generate an additional \$435 thousand dollars. Linville Central Rescue Squad will become part of this fund in the 2012/2013 fiscal year with oversight by the Avery County Fire Commission.

The current major capital projects for Avery County are the Avery County Jail Expansion/Renovation and Courthouse Renovation (not adopted as of June 18, 2012).

The attached 2012/2013 FY Budget Ordinance for Avery County contains the detailed breakdown of anticipated revenues and expenses for the year to end June 30, 2013. It is the recommendation of this office that the Ordinance be adopted as presented this 18th day of June 2012.

Judith Bowden, Avery County citizen, asked "Is there any citizen here to speak on the budget besides the ones here pleading their case?" Then here is the problem. If I am the only one here is our problem. This is a time for public comment. The only public I see are department heads and folks who are here to plead their case to ask for more money for his or her department. I am sure all departments need more money. I am just more than a little bit angry but if you are all working or involved in the county you need to see and hear my anger because I am the little guy, I am the taxpayer. I am the civilian with no one apparently to represent me. You are all here to represent the departments. There are a lot of us who are little guys. My pockets are empty. You can turn us upside down and shake us but no more change is going to fall out. When you stand here and present your requests to this board I want you to picture every family especially those with small children, can they just go back and say I couldn't balance my budget this year. I understand what unfunded mandates are; that is what taxes are. I am here to ask you to buckle down the same way families have to because they have no one to go back to.

Ken Jurney, keynote speaker for the Avery Fire Association, stated "I own a home in Mountain Glen and have been a taxpayer in Avery County since 1994. I appreciate the effort the Commissioners put into the budget. No one associated with the fire service has asked me to be here. I came because as a private citizen I have some knowledge of the fire service. A 5 cent fire tax generates 2.2 million dollars of revenue. The ratings our fire departments achieved have saved the taxpayers of Avery County 7.5 million dollars. Avery County is about 83% there. We can save the homeowners another 1 million dollars by improving the ratings to a 6. This does not come by accident. In my opinion, dedicate 1 cent of the fire tax to improving the ratings and give the other fire districts that don't have the 6 rating the same benefit. The difference between a 6 rating and 7 rating is 9 cents of property tax. Those folks living in the 9 rated areas have a difference of 17 cent property tax. I am willing to pay 1 extra penny in fire tax. I think the fire commission is on top of this and the fire departments are willing to put forth the effort. The response is there but there are fire departments that are lacking maybe just one piece of apparatus. Thank you for your help thus far."

Chairman Poteat stated Junior Sluder had helped him realize that the savings realized by the citizens of Avery County certainly offset if not go beyond the amount of fire tax charged.

Jim Brooks, Avery Fire Association member, member of the Ladder Company and member of the Beech Mountain Fire Department, said "One small line item in the budget had been deleted and I want to address that. Times are tight and we have to spend our money correctly. A few years back Green Valley had a rating situation. The rating inspector came back several months later and said they had 9 ½ of the 10 points to get down to another level which would save a bunch more on the fire insurance. They asked what could be done to get that ½ point and it was either buy another piece of equipment or add into the communication system for the county to confirm the signal was getting out and I think that was something that we were working on for 5-10 years and it would help sheriff's department, EMS and fire. I think it was a \$12,000 expenditure. We are very fortunate that most of the fireman in the county are free help. We are implementing a small pay-per-call program that will give back to these folks that spend money and time on fuel responding and another program that follows suit with that is software that is called "I Am Responding" which is \$6200. The responding software works off the cell phone and gives a back up to the paging system and is excellent for the record keeping. It will give text messages and email notices. I am asking that you put the line item back in for this software."

Junior Sluder, President of Avery Fire Association, stated "the budget hearing at 4:00 p.m. is not a good time for taxpayers. I have talked to one or two of you and you promised it would be at a different time. The hearing is mute to your ears because you all have not heard a thing we have said in the past 10 years. More than likely you will take a vote like you did last year as soon as the hearing is over, approve the budget with no changes. The county commissioners spent \$17,000 on a study of salaries for county employees. The Fire Commission spent 0 on a \$10,000 study for how to lower ratings for taxpayers of Avery County; no charge to us by Mr. Ken Jurney. We have saved over \$7,000,000 for what we have

done for taxpayers in Avery County. I know that the county commissioners don't like to hear about saving insurance because several of you have made comments that we are not in the insurance business. When you save taxpayers money in insurance you save them more than you do on taxes. You could raise our fire tax to 6 cents and we would still save the taxpayers of Avery County \$50 to \$300 a piece on fire insurance. You don't care about that. Why is the hurry on this budget hearing when you want to hear the people of Avery County what they want to say? One of you told me that you did not tell the Fire Commission how to spend money but you marked off "I am Responding", roof repair, group insurance, 2% salaries. Some county departments got from 0.1% to 46% increase in salaries and got group insurance increase. The last thing is you all put the rescue squad under fire tax. This is something we have had for 35 years. When we went for fire tax referendum the rescue squad did not want to go with us because they were afraid it would hurt their donations. The rescue squad does not want to be in the fire tax. You gave \$172,000 to the rescue squad. The rescue squad and fire association feel if you are going to keep it in there change the name of fire tax to public service tax."

Tony Hunter, chief of Fall Creek Fire Department stated "Thank you for the 5 cents but we would like more. I think we should not cut out the accident and sickness policy. We have volunteers that don't get paid anything. There is one paid person at our fire department. This effects people that are volunteering. I think you need to look at that the next time you do a budget. It is the volunteers that run these fire departments."

Chairman Poteat said that what is in front of us is that the fire tax will go from 4 cents to 5 cents. Within the one cent increase we are incorporating rescue into fire. It is \$172,000. Mr. Sluder is correct in assuming that just fire department will not receive the full 1 cent; \$172,000 would come out of that.

Jason Warriner, Avery County citizen, stated "one of the major insurance companies has been revising all of its policies in Avery County and we were hit with a 40% increase, we fought that and we won. They are using flawed maps and flawed information. If you get a notice from the insurance company about an increase find out why and don't sit down and take it. This is after the same company refunded thousands of dollars to people for overcharging the last few years."

Joe Van Zandt, Avery County citizen, stated "I moved here 8 years with my wife from Twin Lakes, Wisconsin. I spent 40 years as a reporter and editor, covered dozens of police departments during that time, covered government boards. After I retired, I served on the Village Board of Twin Lakes. I am here to speak on behalf of the sheriff's department. I have met a half dozen of them over the years. I have found today that the sheriff's deputies have not had a raise in 4 years. If you figure 2% annual increase in our expenses, that means they are taking an 8% cut in pay. You are going to be losing a lot of good men and women if you don't figure out some way to fairly compensate them. I hate to see you do anything other than increase the budget of the sheriff's department. With the tough economic times that we are in, the crime rate goes up. We need increased police protection not decreased."

Jason Warriner, Avery County citizen, stated "I would like to thank the commission and staff for the hard work and professionalism shown in this budget proposal. I am glad that the commission understands the necessity for a tax increase but in the face of the drastic 3% cut across the Board for these agencies this increase does not go far enough; it barely makes up from the loss of revenue from the tax cut two years ago. No one likes taxation. For \$100,000 valuation this increase will be \$35 a year. Because of the demographics of Avery County, most of this increase will be paid by the part-time residents. The money will be spent in Avery County. The cuts will hurt residents more than a tax increase. There is increasing evidence that the state and local governmental units that relied on cuts to avoid necessary tax increases are recovering more slowly than the general economy. Many of our residents particularly those without school age children, the only real county services for our taxes are public safety. If our sheriff's department is hampered by patrol cut backs and aging vehicles; if our fire departments are forced to respond with obsolete equipment there will be a significant setback in our quality of life. Avery's rate last year was the 9th lowest in the state. If we raise the rate more than the 3.5 cents we would still be in the bottom 20%. We should save our services as they are by raising the tax rate a bit more."

Jada Coffey stated "I was an intern with the Sheriff's Office previously from January to May 2012. I have worked with these officers and it has come to my attention that the budget was cut down and possibly cut a position. This is definitely what we don't need right now. To cut a position will affect the safety of the county. The Sheriff's Office works so hard for what they do and it is amazing that they still work with not getting a raise every year."

Pat Winters, Avery County citizen, said "I have come to support Kevin's department especially the narcotics division and the detectives. My daughter Ally is a Heroin addict. The drugs are here and without Kevin's time and effort off and on the clock she would not be alive. How are we worried about a high school or an Ipad if you cannot save these kids from drugs. This department is 24/7 working on

drugs. The person that did give my daughter the drugs has been arrested. I know there is a lot on the budget but we have to be safe.”

Kenneth Dugger stated “I am a retired chief of law enforcement from Monroe County in Key West, Florida and before that with the Broward County Sheriff’s Office in Ft. Lauderdale, Florida. I have had 15 years of experience in addressing commissioners and I don’t envy your position at all. I have been an Avery County resident since 2006. I have ridden with the sheriff’s office and police departments here in the community. The Sheriff’s Office is a very extraordinary group of folks. I have had a chance to see them in action and ridden along with the deputies. I started looking at some statistics to see exactly what the Avery County Sheriff’s Office does. My intent is to show you that public safety is the priority here. The statistics from 2011 through 2012 shows the Sheriff’s office to have an increase of 11.4% in calls for service from last year to this year. The thought of reducing deputies from the roadway here also brings an issue of concern to me. On an average nationally there are two officers for every 1000 population base. According to the 2010 census Avery County has 17,797 persons that are full time residents of this county but does not include the tourists that come to the area on a continuous basis. We have one doctor for every 911 people, one nurse for every 137 people, 1 deputy sheriff for every 1399 people. On an average shift of 2 deputies a night that means that the average deputies are protecting 8,898 people per night. If you cut that back to one deputy on the night shift that deputy would patrol for 17,797 people plus the tourists. I request that you seriously consider not making the same mistake we have made in Florida by reducing our law enforcement capacities and the crime rate has significantly increased.”

Dennis Quackenboss said “I am one of the 8 volunteer chaplains in Avery County. This past weekend I was at a training session that was led by a former employee of an Arizona Sheriff’s Office. The comment that he made was that public safety in virtually every county is the largest chunk of the pie. That looks like a large piece of the pie on the screen but that seems not to be uncommon. I encourage you to do whatever is necessary not to reduce what the sheriff has to work with in terms of his finances. Before we began the chaplaincy program, the only thing I knew about police work was what I saw on television. Once I started working with the Sheriff’s office and other police departments and riding along I saw the professionalism and the hard work. Granted there is down time. If we lose a position, that is a step back. I think we should see what we can do to help with salaries.”

Dallas Pate, Chief Deputy of Avery Sheriff’s Office, stated “first and foremost I am a taxpayer and I like to see my tax money spent wisely just like everyone else here. I am proud of the fact of the progress that the Sheriff’s office has made in the last 5 ½ years with what we had to work with. I retired from the NC Highway Patrol and they are all about accountability and record keeping. That is where I took pains with working with the Sheriff’s office is accountability and record keeping. We have accountability for everything that has been issued; if the officers have been assigned anything I have a record of it. These officers are neatly dressed and have good manners. Once again if there is anyone that has any question where their tax money has been spent with equipment and uniforms I have record for the last 5 ½ years.”

Lee Buchanan, Avery Sheriff’s Deputy, stated “17 years I have given the county; I have not had a raise in 4 years. Everyone here wears a different hat and most of us wear 4 or 5 hats. I don’t like my taxes to go up. I sat listening to budget meetings and heard Mr. Heath say that we “needed to suck it up”; we have sucked it up about as much as we can. Mr. Heath made a comment that if Wal Mart takes a cut they start laying employees off, no they raise prices. I will give everyone of you the invitation to come and ride with me tonight and any night thereafter. Ms. Martha Hicks is the only person who has ever attended classes that I put on, no tax money. It will show you what we do and if you don’t think we deserve it after that don’t give it to us. At least come and see what we do before you cut our benefits and don’t give us a raise.”

Troy Cook, Chief Detective of Avery Sheriff’s Office, said “This may be more of a general budget question. It is a rumor that I have heard and if it is not true it needs to be shot down. During the process of building the jail there was a large amount of money saved possibly \$3,000,000 and if it is true how much money was saved and where did that money go?”

Tim Greene, Finance Officer, answered Mr. Cook. He said that whatever savings are realized by that will roll into the capital project reserve fund that will be used for upcoming capital projects. Whatever the project ordinance was for the jail, if it comes in less than that will roll into the capital reserve fund which in turn will roll into another project, i.e., high school, recreation building. There will be savings.

Kevin Frye, Avery Sheriff, said “Since 2006, we have implemented a canine program with the Avery County Sheriff’s office, implemented Elderly Care, implemented Project Lifesaver, joined a Drug Task Force, joined the Governor’s Highway Safety Program, provided internships with Mayland Community College and Appalachian State University. We have a higher than state average solving crimes rate and higher than state average in recovering property rate. The position which you are wanting to cut is a

Highway Safety Program. Avery County has not had a fatality involving a teenager in years. We do driving schools at the high school, drunk driving classes at the high school and distracted driving classes at the high school. This Sheriff's office saves lives and I don't know the cost of a life. These guys are the hardest working and most dedicated professionals. Lee Buchanan came up with the FTO program. Lee also does our Citizens Academy. When you look at our budget for this upcoming year if you take out the things that we have no control over and fuel, our budget only increases 1%. The cost of ammunition has went up 25%. My proposed budget for this year just to buy bullets is \$11,580; you budgeted me \$8,000. We have to have bullets to train with. Robert and Tim cut us to the "bone". It is impossible for us to do what we are required to do with the manpower and money that we have. I understand that a lot of state employees have not had raises in 3-4 years. The study that you paid to have done showed that we were grossly underpaid now. The cost of living went up and we have not gotten a cost of living raise. When the counties around you are doing it and the police departments are doing it, we are going to lose good officers. When you constantly are having a rotation of officers going in and out you are wasting taxpayer's money doing that. It would cost \$600,000 to fully implement the MAPS study 3 years ago. These guys are working 2-3 jobs. I need more positions, not cutting positions."

Chairman Poteat thanked everyone that was at the meeting and the ones that signed up to speak.

Motion by Martha Hicks and second by Scott Heath to go out of a time of Public Hearing regarding 2012/2013 Fiscal Year Budget at 5:37 p.m. Motion unanimously approved with three members present at the meeting (Kenny Poteat, Scott Heath, Martha Hicks) (3-0). (Phyllis Forbes and Glenn Johnson also voted for via phone).

Mr. Wiseman stated that the Budget Ordinance gives a breakdown of the anticipated revenues and expenses for the year ending June 30, 2013.

Chairman Poteat reviewed that in order to have a balanced budget for Avery County for the upcoming year it has been advocated that we entertain a 2 ½ cent ad valorem increase from 33 cents to 35 ½ cents and advocating also in this balanced budget the fire tax which is currently 4 cents be increased to 5 cents creating an overall tax that was 37 cents in the current year to 40 ½ cents total in the upcoming year.

Scott Heath addressed what some of the people said. "I appreciate Ms. Bowden speaking for the taxpayers of Avery County. It is unfortunate that more people don't come to these hearings. In order for everything to stay the same, we have to raise the taxes. Through property evaluations we have a 0.6% increase and when I came on the Board we were normally getting between 5 and 7% so there is some justification there in having to raise taxes. On the fire tax, the fire ratings are only half the math. My first year on the Board we raised the fire tax 1 cent for debt reduction and now the fire departments are out of debt and able to purchase equipment for cash. Other increases were primary for the rating to get full time employees. Because of the savings, I have no major heartburn with the increases that we have done over the years and the increase this year which is 0.6 of a cent which is for Frank and Green Valley structures. As far as the Sheriff's Department is concerned we appreciate everyone coming in. I have got some information that I had to consider. I do believe that when Kevin first came in as Sheriff, I was on board for everything he was doing and certainly for the things that he mentioned in terms of the canine units and eldercare, etc. There was no doubt at the beginning that the Sheriff's Office did need caught up. We appreciate what the employees do in the Sheriff's office. If you look at the past 6 years, the Sheriff's Office budget in 2006/2007 was 1.1 million; this year if improved will be 1.9 million and that is 68% increase over the last 6 years averaging a 11.4% a year increase. The other departments in Avery County receive primarily from a 3-5% increase. The Sheriff's Office has received substantial increases. This year the Sheriff's Office has over ¾ of a million dollars this year. No matter what the situation is the budget has to be managed. Whereas we have made great strides and there have been significant increases, despite that fact the Sheriff's office was over budget last year and possibly this year. You have to stay in budget. Mr. Buchanan, you are right, I did say that everyone needed to "suck it up" primarily speaking to the departments heads, sheriff, etc."

Martha Hicks questioned Tim Greene on how much of the MAPS study had been implemented. Mr. Greene stated that the county instituted the MAPS study but lowered the pay scale. There were people that got raises last year but it was the people that were most underpaid. Sheriff Frye stated that no deputies got a raise last year; some of the jailers got raises. Mr. Greene said that the jailers were more underpaid than the deputies. Chairman Poteat said that he would pledge to the Sheriff that he would reinvestigate the pay scale and if he found out it is not what he thought it was that the Board would address that issue.

Martha Hicks stated "We have 25 deputies and 23 jailers. We have worked hard on this budget. The first four years that I was here it was very easy until this year. I started doing my homework in January looking at the old budget. We talked about cutting a position. That position was a grant and I spent hours going

back looking at all the minutes when we first talked about the Highway Safety grant and there is nowhere in the minutes that we said we would pick up this position this year. We have four state Highway Patrols in this county. I was hesitant about starting on this grant. I still think the county will be taken care of if we can't fund this position. We have lost 14 ½ million dollars in tax valuation. We have had 327 foreclosures in Avery County. We did what we thought was necessary. I asked for a 3 cent increase in taxes but I did compromise to 2 ½ cents."

Phyllis Forbes said "I appreciate all the fire departments, fire association and fire commission and everything they do. I wish that we could give them what they want but we knew this was coming and we don't know what next year holds and we have to look at the overall picture. I appreciate the Sheriff's Office and Kevin has done a good job. I wanted to see the deputies salaries come up but we had to reach a compromise and like Martha I wanted to do a 3 cent increase instead of 2 ½ but we had to compromise. I think we should look more into the MAPS study and possibly do something with it out of fund balance. We do need to be careful with fund balance. We tried to do the best we could with this budget."

Glenn Johnson stated "I also advocated 3 cents but we had to come to an agreement with the budget deadline coming up. Until you have sit in a county commissioner's seat and walked in their shoes it can be very difficult. I think we have done the best we could do to be frugal with the taxpayer's money and at the same time try to provide the services that are needed and mandated. We do have the option of trying to do something in particular for our employees later on with fund balance."

Chairman Poteat stated that legal counsel has advised us and Phyllis and Glenn are aware of this that something of this magnitude that you should be present at the meeting to vote. The vote will be taken from the 3 seated commissioners here today which does constitute a quorum.

Motion by Scott Heath and second by Martha Hicks to approve the 2012/2013 Fiscal Year Budget as presented (Ad valorem taxes \$0.355 per one hundred dollars and fire tax of \$0.05 per one hundred dollars).

Scott Heath stated that he put extreme value in the budgetary process. We have had to cut back. Everyone has to get busy managing things better. I hope that this Board holds to this budget. If the budget amendments start flying, we have negated everything that has been done on this budget.

Chairman Poteat said that this is not a snap decision, well over 25 hours was spent by this Board of Commissioners and staff working on this budget.

Chairman Poteat also said that the Avery County Board of Education did not ask for an increase in their budget and did not come to the Board after they found out about the 3% decrease.

Motion unanimous with the 3 voting members (Kenny Poteat, Scott Heath, Martha Hicks).

Recess

Chairman Poteat called for a 3 minute recess.

Chairman Poteat declared the meeting to be back in Regular Session after a brief recess.

Home and Community Care Block Grant- R.D. Daniels

R.D. Daniels, Director of Avery Senior Center, requested approval of the Home and Community Care Block Grant for Avery County. This deals with the program such as congregate nutrition, home delivered meals, and home aide services that we provide for the older adults in the county. The budget is much the same as last year dollar wise. If you compare the two Home and Community Block Grant budgets, we put block grant money into transportation services this upcoming year and we have not done that in the past several years. We have provided transportation services in the past but with local monies. We are requesting a waiver from the state and assuring them that we are putting an equal amount of money that the block grant money requires into access services to offset the grant monies in other areas. This year the request has increased. We have requested only 15% waiver of funds instead of \$11,000 we are talking about \$9,750. Again, to do this we took those grant monies from the other programs and transferred that matching amount of local monies back into the other program.

Motion by Martha Hicks and second by Scott Heath to approve the Home and Community Care Block Grant for Older Adults. Motion unanimous with those voting (4-0) (Phyllis Forbes voted via telephone; Glenn Johnson not on the telephone at this time).

Avery Fire Commission – Shane Garland

Shane Garland, Member of Avery Fire Commission, stated that the Fire Commission had in the budget for the upcoming year for a leaking roof repair for the Linville Rescue Squad Building but that was taken out of the budget. The roof is leaking badly and needs to be repaired. We are requesting a budget amendment for \$8,000 for this year because this does need to be addressed. There was discussion regarding this budget amendment. Martha Hicks stated she would like to see the actual estimate. Mr. Garland said that the building had been looked at by a contractor and that the Fire Commission holds whatever amount that the estimate is in the fund until the work is done and then the money is paid out for the work once we get the invoice so we have accountability for the money that is going out.

Scott Heath asked if there was some existing money that could be found. Mr. Garland said there is no funding for the rescue squad because all the money allotted to the rescue squad was sent to the rescue squad with exception of the money held for the new crash truck.

Chairman Poteat asked for a motion for a budget amendment for up to \$8,000 from the upcoming budget. No motion was made.

Chairman Poteat stated he could not tell Mr. Garland what to do right now since no motion was made.

Mr. Garland said that if no money was given for this it was going to be more damage and cost more money in the future. This is something that is not foreseen and could not be budgeted for but was budgeted for in the upcoming budget and it was taken out of the budget. He said "I don't understand as a fire commissioner what you are expecting us to do when we bring things to you and "you hang us out to dry".

Chairman Poteat stepped down as Chairman and relinquished the gavel to Scott Heath. Chairman Poteat stated that on those premises he would make the motion.

Motion by Kenny Poteat and second by Scott Heath to approve a budget amendment for up to \$8,000 regarding the repair for the leaky roof at Linville Rescue Squad. Motion unanimously approved by those in attendance (4-0) (Phyllis Forbes voted via telephone; Glenn Johnson not on the telephone at this time).

Chairman Poteat took over as Chairman at this point.

Old Banner Elk School

Rick Owen, Banner Elk Town Manager, stated that Bret Gardella, Economic Development Director, and I have not talked since last Monday and he left the meeting then not real content and in realizing that I have spoken with each one of the Commissioners that are present and the County Manager to give a viewpoint of the meeting. There was some question as to the wording of the ordinance as far as existing businesses. That seems to be a point of contention with Bret and with the project going forward and the town staff questioned existing businesses in a start up incubator. I know that Bret has some other ideas about the incubator but we have not received positive definition of how those existing businesses would be chosen to go into the incubator. Our mindset still is that it is an incubator to bring start up businesses to the area and that was the primary purpose and that was our primary goal for that and if there were other things that were going to be entertained like businesses that might be failing or businesses that might need additional assistance in coming to that incubator the council is totally on board with working that out. The problem is that no Board of Directors has been appointed yet to determine how these businesses are going to be chosen. Some of these questions were being asked between the council and the council actually became divided on whether action should be taken now or continue to study the topic. The staff felt like they had provided the council with a good ordinance that would allow the project to get off the ground. All of the council members wanted more information about existing businesses and who was going to make the decisions. We fortunately had a majority of it going ok the way it was so the project wouldn't die. This is not just about the County opening an incubator but about anyone opening an incubator in the medical/educational zoning in Banner Elk. Now the County would approach Banner Elk's Planning Board to request conditional use for an incubator on their property and get this process going. In the meantime there is plenty of room for the conversations to take place about what other types of businesses can go in there whether they are existing, failing, etc. There were no underlying issues. One of the staff's concerns about existing businesses was a business leaving another part of the county and coming to Banner Elk and people not being happy about that.

Chairman Poteat asked Rick Owen, in his opinion, what the next step for the Economic Development Director to do. Mr. Owen answered that Mr. Gardella should ask to be on the planning board's agenda, formulate the incubator idea based on our zoning ordinance and request a conditional use permit.

Bret Gardella, Economic Development Director, stated that the original proposal was that the incubators space is going to be in the original part of the structure. The outside classrooms which there are 5 we would use for existing businesses. We have to have those to offset the overhead of what we are already paying on this structure. I did a quick calculation and we have already paid over \$20,000 for utilities, cleaning of the building and putting up the camera system. We are looking at another \$50,000 in putting a sprinkler system in and building a handicapped accessible ramp. I am not going to be able to bring a start up business in there. It is going to take some time to market the establishment and build their business plan. In the meantime our costs are going to continue. We have wasted a lot of time on hold. I just didn't design this proposal out of the blue but I have done a lot of research and been to ½ dozen business incubators and my proposal follows along with exactly what the National Incubator Association recommends. With the current language that Banner Elk has approved, it does not make sense for us to go forward. I am not going to spend \$50,000 or more without them changing the language before we get involved in this. The language makes this a lose/lose scenario. The incubator businesses are not in there to pay the overhead. My original proposal which the Board approved was presented to Banner Elk. When the definition was changed last week without any prior notification to me in regard to existing businesses, that upset me. This is a project which is going to be the number one economic development tool for this county and we need it to bring in businesses and grow jobs for this county. I need to know what I need to do.

There was discussion regarding the Old Banner Elk School with regard to "existing businesses."

Chairman Poteat advised Mr. Gardella to go to the next planning board meeting in Banner Elk with the proposal. Mr. Gardella said he was not sure he would be ready to go to this meeting because he had to compile information. Chairman Poteat said as far as one man's opinion before we say sell it, tear it down, or whatever there should be a full board here which would be in August. If nothing has been worked out at that time, then it very well may be that this Board decides to sell it. Chairman Poteat said that we are going to pursue this until at some point in time we cannot pursue it anymore which is an unknown.

Fence at the Banner Elk School

Mr. Gardella said that he had given the Board a couple of emails regarding the fence around the Banner Elk School. The vendors and folks that used the property have asked that the rest of the fence be taken down. The Board had made a temporary agreement with a group that was at the Banner Elk School. I would like to pull that piece of the fence down. Glenn Johnson said there was unanimous consensus to take the fence down. Once we make a decision to do something, we need to stick to it.

Chairman Poteat stated that he was approached by the Woolly Worm committee; as Chairman I told them the request was simply to allow for crowd control until Woolly Worm is over with. He said that his plea was for the fence to remain in place until after the Woolly Worm Festival.

Motion by Martha Hicks and second by Glenn Johnson to remove the fence ASAP at the old Banner Elk School.

Scott Heath stated that he agreed wholeheartedly the fence needs to come down. However, it was presented to me that Woolly Worm has been doing the same thing for 30 years and I don't have a lot of heartache with respecting one that has come before us and helped grow that festival.

Vote: Martha Hicks, Glenn Johnson (voting via telephone), Phyllis Forbes (voting via telephone) For; Kenny Poteat, Scott Heath Against. Motion passes 3-2.

Recess

Chairman Poteat declared a 2 minute recess.

Chairman Poteat declared the meeting to be back in Regular Session after a brief recess.

Resolution- Avery County Board of Education

The Avery County Board of Education passed a resolution at their meeting on June 12, 2012 asking the NC Department of Transportation for assistance with planning and construction of a new entrance for motor vehicular traffic that encompasses a specific entrance for school buses from Avery Middle School to Avery High School. The Board of Education is requesting that the Board of Commissioners adopt the resolution.

Motion by Martha Hicks and second by Scott Heath to approve the Resolution to the NC Department of Transportation to request assistance for Planning and Construction of a New Entrance at Avery Middle School to Avery High School. Motion unanimously approved (Phyllis Forbes and Glenn Johnson voting via telephone).

Finance Officer Report – Tim Greene

Budget Amendment #

Avery County will collect fire taxes in excess of budgeted figures. A budget amendment is required in order to pass through the additional tax collections.

Motion by Phyllis Forbes and second by Glenn Johnson to approve the Budget Amendment of \$60,000 with a debit of \$60,000 to Fire Commission (206600.4012) and a credit of \$60,000 to Tax Collections – Fire (203100.0000). Motion unanimously approved (Phyllis Forbes and Glenn Johnson voting via telephone).

Budget Amendment #

The Avery County Senior Center has received additional funds from the Home and Community Care Block Grant to meet Congregate Nutrition needs.

Motion by Martha Hicks and second by Scott Heath to approve the Budget Amendment of \$6,733 with a debit of \$673.00 to Supplies/Janitorial (105960.3300) and a debit of \$6,060.00 to Supplies-Food (105960.4700) with a credit of \$6,733.00 to Seniors Services (103670.0000). Motion unanimously approved (Phyllis Forbes and Glenn Johnson voting via telephone).

Budget Amendment #

Due to increased revenues on excise stamps, the Register of Deeds requires an increase in the excise tax line item.

Motion by Phyllis Forbes and second by Scott Heath to approve the Budget Amendment of \$50,000 regarding the State Excise Tax with a debit of \$50,000 to State Excise Tax (104800.5700) and a credit of \$50,000.00 to State Excise Stamps (103571.0000). Motion unanimously approved (Phyllis Forbes and Glenn Johnson voting via telephone).

Budget Amendment #

The Avery County Senior Center has received additional funds from meals sold and contributions.

Motion by Scott Heath and second by Martha Hicks to approve the Budget Amendment of \$11,195.00 for additional funds received by the Avery County Senior Center from meals sold and contributions with a debit of \$1,119.00 to Supplies/Janitorial (105960.3300) and a debit of \$10,076.00 to Supplies-Food (105960.4700) and a credit of \$11,195.00 to Senior Services (103670.0000). Motion unanimously approved (Phyllis Forbes and Glenn Johnson voting via telephone).

Budget Amendment #

The Sheriff's Office will exceed its budgeted salary line items. There may be a little room in his budget that may cover this but the salary line items stand on their own.

Martha Hicks questioned if this was salaries or overtime. Mr. Greene stated that this was a combination of overtime/leave time. On any 24/7 department if someone is out sick or on vacation someone else is working their shift and getting paid plus the person that is off for leave time is getting paid also. The overtime could be covering someone's job or overtime could be incurred pulling in extra people to do a specific job.

Scott Heath said that this is unacceptable. If you know you have a certain amount of leave time and they get paid for that leave time and you put someone in that place, why is that not budgeted. Mr. Greene said this is above and beyond what is budgeted. In the budget process we attempt to make sure we provide additional dollars to cover this. Either we have done a poor job of budgeting or a poor job of managing or a combination of the two. Mr. Heath stated that he expected everyone to stay in budget. He said we need to understand this.

Martha Hicks stated that there should be some way to work this out.

Mr. Greene stated that he had budgeted \$70,000 in this current year which is comparable to EMS. This is above the \$60,000. So the point is we are not budgeting enough dollars or they are not doing a good enough job of staying within the budget or a combination thereof.

Consensus of the Board for the Finance Officer to research the overtime that the Sheriff's Office has accumulated.

Motion by Scott Heath and second by Martha Hicks to approve the Budget Amendment of \$60,000 with regard to the Sheriff's Office exceeding the budgeted salary line item with a debit of \$45,000 to Salary-Deputies (105100.0220) and a debit of \$15,000 to Salary-Detectives (105100.0230) and a credit of \$60,000 to Fund Balance Appropriation (103990.0000). Motion unanimously approved with those in attendance (4-0) (Glenn Johnson voted via telephone; Phyllis Forbes no longer on the telephone).

County Attorney Report – Hal Harrison

Mr. Harrison stated that he had nothing to report.

Approval Of Minutes

Motion by Martha Hicks and second by Scott Heath to approve the May 3, 2012 Budget Workshop; May 22, 2012 Special Meeting; May 25, 2012 Budget Workshop; May 25, 2012 Public Hearing Old Yonahlossee Road. Motion unanimously approved with those in attendance (4-0) (Glenn Johnson voted via telephone; Phyllis Forbes no longer on the telephone).

Agenda Consent Items

Adopted by Consensus of the Board.

Upcoming Meetings

The next Regular Meeting is July 2, 2012; a Public Hearing is scheduled for Community Development Block Grant.

Adjourn

Motion by Scott Heath and second by Martha Hicks to adjourn this meeting at 8:15 p.m. Motion unanimously approved with those in attendance (4-0) (Glenn Johnson voted via telephone).

**Kenny Poteat, Chairman
Avery County Board of Commissioners**

ATTEST: _____
Cindy Turbyfill, Clerk

