

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in Regular Session on Monday, May 6, 2013 at 3:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

Members Present: Kenny Poteat, Chairman; Glenn Johnson, Vice-Chair; Phyllis Forbes; Reo Griffith; Martha Hicks
Members Absent: None

Call To Order

Chairman Poteat called the meeting to order at 3:30 p.m.

The Boy Scouts of America led the audience in the Pledge of Allegiance.

Reed Clark with the Boy Scout Troop led prayer.

Robert Wiseman, County Manager, stated that, even though Mr. David Vance was not present at the meeting, he would like to recognize him for serving Avery County well during this bad weather and also the fire departments, rescue service and sheriff's office.

Public Comments

Chairman Poteat stated "Something that has been bothersome to a lot of people in this county; I have seen editorials, letters and had conversations with people regarding the civility or hostility or bickering whatever you want to use that has been going on the last couple of meetings. That is not what we are all about. We will not always agree on everything but we will agree to disagree as friends. There is an existing policy which has been in place for the past 6 or 7 years. The existing policy manual for the Board of Commissioners addresses procedures pertaining to comments made by the public at meetings. Specifically, Board Policy 2.10 allows public comments subject to certain conditions including: 1. Speakers shall prior to the beginning of public comment sign up on a signup sheet. That is up to the chairman. 2. Speakers are not allowed to address any commissioner or staff member individually. 3. Discussion between speakers and audience members is not allowed. 4. Any person who willfully interprets, disturbs, or disputes including but not limited to being verbally abusive or shouting, during a Board Meeting including the Public Comment period may be asked by the Chairman or other presiding Commissioner to leave the meeting. If such person refuses to leave then such individual may be charged with a Class 2 misdemeanor. This is allowed by NC General Statute 143.318-17."

Jim Swinkola, Director of Grandfather Home for Children, spoke regarding the Centennial Celebration for Grandfather Home for Children that will begin May 18, 2013. We will celebrate through 2013 and into 2014. Pamphlets were given to each Commissioner regarding the 100 year celebration of Grandfather Home.

Betty Erhart stated that she was at the meeting representing the Drug Abuse Resolution Team and the Avery County Drug Treatment Court. I wanted to bring you up to date where we are at this moment. Right now we have 8 participants in drug treatment court. We have 11 children under 12 years old that belong to the participants. We would like to do everything we can to try to address this epidemic in Avery County of drug abuse and addiction. We are working diligently trying to find funding from various organizations but we need Avery County's help to keep this going. A letter from Melissa Johnson with Drug Treatment Court was given to each Commissioner.

Faith Lacey said she wanted to speak regarding the programs at Avery Cares. I think it would be a shame with the drug problem we have not to have a place in Avery County where NA and AA can meet. I am asking you again to open up the building. They need a place to continue their meetings.

Chairman Poteat stated that he and the County Manager had talked recently and there would be a meeting of the proper people prior to the end of the Avery Care's lease.

Paul Buchanan, President of the Avery County Fire Association, stated it had been two months since the joint meeting and I wanted to see if we had any resolve with the titling. There are about 250 firemen on a daily basis asking about this issue. It was my understanding that this has been turned over to the county attorney and it was my understanding that we were going to get together before the county attorney got involved to see where we were at.

Chairman Poteat read from the minutes of the joint meeting. This item will be agenda'd at a meeting in the future. The clerk will find the minutes that will be discussed. Ms. Poore has notes in her files to research. Chairman Poteat called Paul Buchanan to set up a meeting and that is what you are referring to now. Rest assured we have not forgotten it and it will be addressed.

John Millan, Avery County Coroner, stated "I wanted to let you know that the issues involving the coroner have been resolved. I met with the district attorney. I do not want to interfere with anything that law enforcement is doing. I am available to law enforcement. Hopefully the drug related deaths and overdoses will continue to wane. I appreciate the support from the Board of Commissioners.

Public Hearing Regarding Authorizing Expenditure of Funds for the AC PRIDE Project
Motion by Phyllis Forbes and second by Martha Hicks to go into a time of Public Hearing regarding authorizing Expenditure of Funds for the AC Pride Project at 3:50 p.m. Motion unanimously approved.

Bret Gardella, Economic Development Director, advised that at the last budget cycle we had a couple of maintenance issues that we needed to get taken care of. They were built into the budget this year. Out of respect for the state statute that says anything with real property should go through a public hearing even maintenance items, we have scheduled the public hearing to be in compliance with that. We have scheduled placement of the sprinkler system. We have had conversation with four different contractors about the bathroom renovations and the culinary program and the ADA compliant ramp. Chairman Poteat questioned if these particular funds were currently in the budget. Tim Greene, Finance Officer, stated that this was budgeted for.

Reo Griffith said he had a couple of questions for Michaelle Poore, County Attorney. Mr. Griffith asked if the Town of Banner Elk had formally approved the conditional use permit. Ms Poore answered "not to my knowledge. I have not had any involvement with the permit process. Mr. Gardella has been handling that."

Mr. Gardella stated that it has been through the first meeting with Preserve America Committee. After this meeting, I will be going over to Banner Elk to the planning and zoning committee meeting. I do not anticipate any problems with this. My guess is we should walk through this process very quickly.

Mr. Griffith questioned if the Planning Board in Banner Elk had approved the permit. Mr. Gardella said it had not but will be before that Board tonight.

Mr. Griffith referred back to the January 24, 2012 minutes. The Board discussed the AC PRIDE project at the Old Banner Elk School and they also discussed that the EDC Director must get assurance that the Town of Banner Elk will give a variance and get the state and county inspectors into the building before any money is spent on this project. Why are we even spending money on this project? I have not seen the inspections and we know that AC PRIDE still needs approval from the Banner Elk Planning Board and the Banner Elk Town Council. We can wait until those boards vote and then spend the money otherwise we might be wasting even more of the taxpayers money. These improvements are not necessary to protect the property. We should stick to the decision to wait until inspections have been done and approval from Banner Elk.

Penny VonCanon stated "I have lived in Avery County for over 50 years. For 20 years I was privileged to teach students from all over Avery County and Avery County High School. The people of Avery County are hardworking and have an amazing array of talents and skills. These people have gleaned much from bountiful farmland, small businesses and the tourist industry. They have been taught that learning should never end. It has been a beautiful thing to see Avery County and Banner Elk working together to begin to prepare the historic Banner Elk School Site for its continued learning; a role that can benefit all of us. It is exciting to see Mayland Community College find a way to fill a need for space and to expand their services to more students. Small businesses were inspired by the prospect of learning needed business skills. An available anchor business was found but then the yelling started. Avery County is like a family and like most families each member of the family has different strengths to contribute to the whole. A strong successful family appreciates each member for who they are. The unique character of Banner Elk is its location right between two ski resorts with a college in the center. This is what has introduced so many people to the wonders of this most beautiful place. This has brought extra tax dollars to our county. We are all part of this family and we are all working together. We all benefit from the services that Avery County can offer. The historic Banner Elk School was not appropriate for today's elementary school needs, however, it is a viable building and an asset worth maintaining. If we can go back to the progressive, positive cooperate atmosphere that was evident on this project and remember all of the achievements accomplished by thoughtful, patient leadership we can do what is best for Avery County. It occurred to me while I was writing this that every Board in Banner Elk has had a part in trying to help this project be successful. Avery County PRIDE is proposed to be a benefit of all of Avery County which Banner Elk is a part of. It is time to work as a strong family."

Maxine Laws questioned if anyone had contacted the correct department of the EPA to come out and run the needed tests and evaluations on the school building to see if things like asbestos, lead paint, etc was in the building. I have been told to remove asbestos, lead paint, etc. is very expensive. Ms. Laws questioned if this was an open bid for these projects?" Mr. Gardella said that this has not gone out for bid yet. This will be made available to all contractors with the exception of the fire suppression system. Ms. Laws said "if this is a money maker why don't the people that is interested in it buy it and spend their money instead of Avery County's dollars."

Bill Baulieu stated "I don't understand why we are spending money on this building because it is not a money making proposition. The money that was already spent 50,000 to 60,000 dollars on the roof was a waste. Any roof that has visible fasteners the O ring that is around the screw will not last more than 5 to 6 years. There is too much movement in the building. These roofs are a waste of money. They are the worst kind to leak. Now we have wasted another 50,000 to 60,000 dollars."

Junior Sluder stated “There is no one in this room that wants progress more than I do. I have fought for everything in Avery County. I hate to see a project that is a done deal pushed down our throat. I feel that is what is being done. I feel like the power is getting to some of you that want to be sure that you get what you want. Please do not let yourself get bundled up in a lot of talk and do something that is not good for Avery County. We don’t want Avery County to get in a business that interferes with private business. Do not let power and greed get the best of you.”

There were no further public comments.

Motion by Martha Hicks and second by Glenn Johnson to go out of Public Hearing and back into a time of Regular Session at 4:11 p.m. Motion unanimously approved.

Chairman Poteat read aloud the notice regarding the public hearing which stated: “the purpose of the public hearing is to authorize expenditure of funds to install a building code required Fire Suppression System, an Americans with Disabilities Act required handicap accessible ramp and refurbishment of the main washrooms in regard to the economic development project known as AC PRIDE, a business incubator.”

Chairman Poteat questioned the attorney about making a motion and that the motion be contingent upon Bret’s findings at tonight’s meeting. Ms. Poore stated that it would be appropriate for the Board to have a motion to authorize the budgeted expenditures subject to whatever terms the Board wanted to. Mr. Gardella stated that after the planning board meeting this would go to the Board of Adjustments. Rick Owen, Town Manager for Banner Elk Town Council, stated that the planning board is the recommendation board, the Board of Adjustments can make recommendations to the conditional use permit but ultimately the Board of Adjustments make their own freestanding decision. Mr. Owen said that he might add that the Town of Banner Elk has gone to great lengths to write an ordinance contingent on what the Commissioners wanted to do and the Town of Banner Elk has spent thousands of dollars themselves trying to create a project that the county wanted. We are trying to do what the county and staff has asked us to do.

Chairman Poteat stated that Mr. Griffith’s request was a reasonable request and that we shouldn’t spend money until we have assurances and none of us are here to waste taxpayer’s money. In my opinion, as chairman, rather than belabor this and this will be determined by a vote on this particular motion is that we would ask that it would be contingent on the result of tonight’s meeting. We will have the assurance one way or the other that the majority of the Board may want to or not want to go on with the project.

Motion by Glenn Johnson and second by Phyllis Forbes for the Board to authorize the expenditure of the budgeted items concerning the fire suppression system, handicapped accessible ramp and refurbishing the washroom subject to the approval of the permit by the two boards from the Town of Banner Elk.

**VOTE: FOR: Kenny Poteat; Glenn Johnson; Phyllis Forbes
AGAINST: Reo Griffith; Martha Hicks**

Motion passes 3 to 2.

Martha Hicks stated she felt that someone needed to look at the building before we started these projects. Glenn Johnson questioned if there had been engineers in the building. Mr. Gardella stated that there were two firms in the building one of them called Space Plan. They walked the entire property inside and outside and they did not find any of the issues of asbestos or lead paint. There were some “maybes” that asbestos might exist. They were not sure about the lead paint and could possibly be some lead paint around the windowsills. I can make a copy of the report dated February 24, 2012.

Reo Griffith stated “Since this has been addressed, I am holding a document feasibility and cost analysis in accordance with general statute 115c-521 Administrative Unit at Avery County Schools—Banner Elk Elementary. Before I go into this document, Mr. and Mrs. Voncanon I know that the Banner Elk School is precious to you all. I would like to see some private group or someone own the building and restore it and have a wonderful community center. Using a school planning report which is a feasibility and cost analysis or a local evaluation of the building, the Banner Elk School was listed as fair. This form had to be done before the new Banner Elk School was built. It goes on to describe in general the reason for the proposed action concerning the existing school building. Extensive renovation and additions required to accommodate educational program and bring up to current building code and safety standards. Campus is landlocked in downtown Banner Elk and critically undersized. This report that I am holding is four pages long. After a certain amount of questions was answered, a score was determined and the school board did not have to get an architect and engineer because of the condition of the school. One thing on the report states environmental problems got a 0 and that stands for leaking fuel tank or contaminated well and problems with sewer or standing water under the building or other major problems. I wanted this entered into public record.”

Lees McRae College---Dr. Barry Buxton

Dr. Barry Buxton, President of Lees McRae College, spoke to the Board regarding Lees McRae College. “In the Mountains, Of the Mountains, For the Mountains” is the motto of Lees McRae College. LMC is a vital part of the local economy. We receive no direct support from the state, county or Town of Banner Elk. Our students are like full time tourists. They come from outside the area and bring their dollars with them. We encourage physical growth, intellectual growth, emotional growth and spiritual growth. We think that is what Avery County citizens believe in and endorse. We are your partner in trying to elevate Avery County. We also understand that the local people are hurting with empty store fronts, loss of population, unemployment, high poverty rates and we must be aware of these. However, we have so much to be thankful for quality of life, good people, beautiful mountains. We believe Avery County and LMC is full of opportunity. We are making progress toward the goal. On June 20, 2013 we will break ground on a health and nursing building and encourage you to attend this ceremony.

Public Comments—continued

Reo Griffith stated that he would like to make a clarification. I am planning on writing a retraction in the Avery Post. Over the last month I have reviewed approximately 242 economic development expenditures going back to fiscal year 2008/2009. In just the last 2 fiscal years, the EDC has spent \$119,080.52; this amount does not include salaries or benefits. In typing my press releases in the Avery Post, I mixed up the numbers for two invoices. The security camera system for the old Banner Elk School cost \$4565 not \$27,000. The \$27,000 that I had in my statement was for a different statement from the EDC department related to technology or technology services. Again, this is for clarification.

Chairman Poteat read a response from NC Senator Dan Soucek. “Thank you for your resolution expressing support for preservation of the right to bear arms. I get quite a few resolutions for counties and municipalities in the five counties for a wide ranging variety of topics. This one stood out among the rest and I wanted to take the opportunity to thank you for this resolution in particular as it is a clear statement of support; one of our fundamental constitutional rights. Thank you for your service to your community.”

Economic Development Director Updates – Bret Gardella

Bret Gardella, Economic Development Director, read the following statement: “At the outset I want to say how saddening it is to me that our local politics have devolved into another example of the politics of personal destruction. The Lord’s Prayer teaches us to ask for forgiveness of our sins and to forgive those who’ve sinned against us. And I’ve done just that. I have no personal attacks against those who have chosen to defame me and instead will tell you the truth and actual facts of the work that we’ve been doing in the ED Office for Avery County. At the April 1st Commissioners meeting, Mr. Griffith read a diatribe that accused me of several incorrect items. Let me correct them here: First, let’s discuss the budget for the ED office. Did the budget increase? Yes. But why is the important information the public wasn’t made privy to by Mr. Griffith. For several years prior to my arrival, the budget was approximately 25 thousand dollars. This was because economic development was a part time position. The previous board of commissioners, of which 4 are still commissioners today, decided that the growth and progress of Avery County was of high importance so they decided to hire a full time director. With the requirements of the position such as marketing the county, recruiting businesses and attending local, regional and state functions, etc. the budget was increased. Additionally, 75 thousand dollars was approved for maintenance items needed on the AC PRIDE. Now, it’s important to note that even with the increase to the funding for the department, Economic Development is still less than 1% of the county’s budget (.089% to be exact) and certainly not the reason taxes were increased as Mr. Griffith said during the December 2012 Commissioner meeting. Lastly on the budget, every dollar in every line item was approved by the Commissioners, County Manager and County Finance officer during the budget cycle and the department is under budget in every category. Second, the “incentive fund” was questioned by Mr. Griffith. The incentive fund has been in place since before I became the director and it’s there to use to entice job opportunities to our county or assist current employers with expansion. In all cases, no monies would be used out of this fund unless they were preapproved by the County Manager and Commissioners and certainly after a public hearing. Third, Mr. Griffith said and I quote, ‘He is 56% over his travel budget. I cannot find in the minutes where he requested a budget amendment to cover the additional travel expenditures’. The truth is I’m not over budget and currently am at only 60.8% of the travel budget according to the finance office. Fourth, regarding marketing, Mr. Griffith states and I quote ‘so far advertising has only included lip balm and bicycle tourism conventions in Chicago, Washington, and Las Vegas. Not one single penny of advertising money has been used to promote the incubator. The \$2,469.83 worth of lip balm went to promote bicycling. The expenses for the conventions in Washington, Chicago, and Las Vegas which cost us \$11,261.02 were for bicycling. He has spent approximately 1/3 of his advertising budget for bicycle conventions in Washington, Chicago and Las Vegas.’ The truth is I did attend the Interbike show in Las Vegas. Interbike is the world’s largest cycling trade show. I attended because one of the very first items the County Manager told me we needed to get in front of was cycling tourism. It’s something that is happening in Avery County and it is suggested that we lead on this issue. The following statistics should help. A 2009 study by the League of American Bicyclists found, “the national bicycling industry contributes an estimated \$133 billion a year to the U.S. Economy. It supports nearly 1.1 million jobs and generates \$17.7 billion in federal, state and local taxes. Another \$46.9 billion is spent on meals, transportation, lodging, gifts and entertainment during bike trips and tours. Additionally, Appalachian State University in a 2012 study on the economic impact of Blood, Sweat and Gears on the High Country’s economy found the total economic impact of the

one day event is \$594 thousand with an additional impact of \$289 thousand from training rides. So, yes I proudly attended the show and marked Avery County for cycling tourism as well as made contacts with several cycling related businesses to introduce them to our county and ask them to consider Avery County for manufacturing or testing of their products in our mountains. To help market the county at these trade shows I created items to show who we are as well as items to attract people to our booth. Banner stands were created using photography of some of our areas attractions and lip balm was created with the Avery County logo and our web address on it as any time you operate a booth at a trade show you have to be able to get your contact information to the people in a fun, memorable manner and once you clip your information to a person it makes it hard for them to forget you. Additionally, I am thankful for the Avery County Chamber for providing tourism brochures and other marketing materials for me to disseminate and Carolina Mountain Life for the case of magazines on our wonderful area to give out to interested folks and it's important for me to share that we had so much interest in our area that we gave away all of the marketing materials we took. The trips to Chicago and Washington, DC are not bicycle conventions as described by Mr. Griffith in fact are Travel and Adventure shows for people looking to find new places to vacation. These shows are high end shows where people pay up to \$15 at the door to enter. So these folks are very interested in discovering new places to visit and not just looking for the freebie handouts at the booths. At the Chicago show, not only did I have Chamber information and Carolina Mountain Life magazines but I also distributed magazines from local real estate agents to help introduce folks to the wonderful housing opportunities that we have in our county. Many of these folks are looking for places to retire or buy a vacation home and what a unique opportunity for them to find their potential new home in a place they want to visit on vacation. The last point I would like to make on these marketing trips is very simple. This is work. I treat it as such. Not only do I work up until the day I leave but as soon as I arrive at a location I have to haul all the gear and boxes of information to the convention center, set up the booth and get ready to work 10-12 hours a day on my feet. At the conclusion of the show I have to break down the booth, get everything together and make it to the airport to catch my flight and I'm back in the office the next day. Now let's transition to the business incubator. Again, there has been a tremendous amount of half-truths and lies told about the AC PRIDE so let me correct those with the facts. First, the AC PRIDE was unanimously approved by the Commissioners at the January 3, 2012 commissioners meeting. After that vote, I started working with the town of Banner Elk on creating the zoning to allow an incubator in the town. Included in that language is a comprehensive list of the types of businesses that are preapproved to be in the incubator. Any opportunity not included on the preapproval list must get a conditional use permit by the town of Banner Elk before joining the incubator. Anyone can find the list of these preapproved businesses by pulling up the zoning language, specifically section 922 on incubators on the Banner Elk website. It's important to note here that the collaboration with Banner Elk to develop the zoning language took 9 months to complete. After the zoning was created the conditional use permit process began. At the request of the commissioners, I gave county counsel the conditional use permit paperwork at the October 2012 Commissioners meeting for her review. She returned the paperwork to me late December to move forward with. Therefore, the creation of the zoning language and review process from counsel totals 1 year of the creation time of the AC PRIDE. As I started addressing the conditional use permit this January, I knew of areas in which I lacked knowledge so I reached out to my contacts at the TVA economic development office for their help. They assisted with one of our issues and I was more than grateful when Joel Shipley from David Patrick Moses Architects reached out to me to offer their assistance---at no charge---to help us finish the conditional use permit because they believe in this project and the growth of Avery County. I am pleased to say that with Joel's help the conditional use permit has not only been finalized but turned in to Banner Elk and we've already met with the Preserve America Committee who unanimously approved of our plans and even started discussing ways in which they can offer marketing assistance to the PRIDE. Second, I quote from Mr. Griffith's diatribe again, 'Mr. Gardella continues not to follow requests from the Board. I am now reading word for word from the Avery County Commissioners meeting January 24, 2012: The Board discussed the AC PRIDE project at the old Banner Elk School. They also discussed that the ED director must get assurances that the town of Banner Elk will give a variance and get the state and county inspectors in the building before any money is spent on this project.' The assertion that I have not followed any request from this Board is 100% false. Not only did I meet with Tommy Burlson, the Avery County Inspections & Planning Department director at the incubator to show him our vision but I have here in my possession a letter from Mr. Burlson dated February 22, 2012 in which Mr. Burlson lists the items that need to be addressed to bring the building up to current code requirements. I would like to point out that this letter was copied to the County Manager as well. Third, Mr. Griffith has questioned Lees McRae and Mayland providing advisors to the incubator and the cost involved. Mr. Robert Branch is the director of the Small Business Center out of Mayland and he supports this project completely. As for the training that will be done through the Small Business Center, Mr. Branch asked me to remind the commissioners that the SBC is funded by the state legislature and that all business education services are provided at no cost. Regarding Lees McRae, I sit on the Business Advisory Committee for the Business School and we have discussed using students in assisting/teaching/coaching the businesses in the incubator and again there would be no cost to do this. Fourth, Mr. Griffith said and I quote 'All of the businesses that Mr. Gardella located for inclusion in the incubator are already operating in Avery County or were planning to open in Avery County. The High Country Press reported that the brewery is planning on locating in Banner Elk even without being subsidized by the incubator. This is not economic development. If anything, the incubator is harming economic development of the county.' The truth is neither of the businesses that signed letters of intent to join the incubator had a previous location and though the brewery does now, the cycle shop is no longer interested in joining the incubator because of the treatment to the brewery. Therefore, no harm was done to the economic development of the county until after that vote. Lastly, Mr. Griffith

has questioned why I haven't marketed the AC PRIDE. Well, it's quite simple. I can't market something until I know when it's going to be open. Once we have the fire suppression system and handicapped accessible ramp scheduled will I know when our potential opening date will be. At that time I can market the PRIDE and we can start visiting with potential business owners who are interested in joining the incubator. In closing, I would like to say that there's been nothing secretive about this project as Mr. Griffith stated. In fact, a quick check by Matthew Hundley, the journalist for the Avery Journal, shows that since September 23, 2011 the incubator appears in 28 articles on their website alone. Now that I have provided these facts and information, I want to also make it clear that I am more than pleased to talk with anyone about economic development in Avery County at any time. I have personally approached Mr. Griffith on four occasions over the last 10 months to set up a meeting to discuss what we are doing and have been rebuffed. I am also aware that other commissioners have approached him to visit with me but he refuses. Ladies and gentleman, I work for all of Avery County. If any of you wish to discuss how we can move our County forward please don't hesitate to contact me."

Glenn Johnson stated "I want to give you some figures. 63% of the money coming into Avery County comes in through ad valorem or property taxes; 17% through sales tax which is 80%. In 2007, approximately 5.4 million dollars came into this county through sales tax; in 2008 it was 6 million; 2009 4.7 million; 2010 3.6 million; 2011 and 2012 at 3.7 million. We are down 2.3 million in sales tax since the year 2008. How do I as a commissioner go about keeping property taxes as low as possible? We do that through increasing sales tax and that is through economic development. There is no other way to increase the sales tax except bring more people and businesses in and people spending more money. Sales tax is a user based tax. It is a tax in Avery County that can be paid by someone from outside. Only economic development has the potential to bring in more money; every other department is outgoing money. Bret talked about the trade shows he has been to. I have been to 21 national conventions across this country; it is hard work to have a booth. Cycling was mentioned and cycling is an intricate part of Lees McRae College. The incubator is one of the avenues that we sought to introduce people to Avery County. I was watching a program about economic development and one of the panelist said there are people who make things happen; people who watch things happen and people who wonder what just happened. Our challenge as county commissioners is to try to make things happen for the county. There has to be a vision out there for something greater; something down the road. County commissioners are challenged to look ahead. We are trying to make things happen. Are we going to have bumps or failures? Absolutely. We have had a lot of disagreements and when we disagree we need to move on. From this day forward I intend to try to do the following things: Let's be less negative and more positive. Let's be less pessimistic and more optimistic; Let's be less skeptical and more hopeful and more receptive. America has always been a 'we can do anything country'. Where is the can do spirit of the Scot Irish ancestors? Let us try to make some things happen. We can do anything if we set our minds to it with the help of the Lord. Avery County is not Washington, DC; let us not resort to Washington, DC politics; the negativity, the name calling, the back biting, the accusations and fighting. Let us move on and get some things done for the people of Avery County."

Martha Hicks said "The reason I voted today not to put \$75,000 into our AC PRIDE is because I voted for that when the budget was done but my concern is how much more money are we going to put into the AC PRIDE of the taxpayers money and what if someone comes in and tells us that we can't use the building. I have heard that the school has a problem with water and Bret and I have talked about that. There are submergible pumps in the school. I went through the building with Bret last Friday and if I were going into business there would have to be a lot of improvement made in the classrooms. Our inspections department went and inspected the school and then David Charles Vance told us we would have to put in a sprinkler system and handicapped bathrooms and the ramp but I want the public to know that they cannot be any changes inside the building. There cannot be old walls tore down or new walls put up; the Fire Marshall said it had to be left just the way it is. My concern is that I would rather know now whether we can use the building rather than put in \$75,000 and then be told that we cannot use it. I never have seen where anyone went in the building and looked at it. I would like someone that is certified go in and check the building out. I have heard the talk of EPA; EPA has not checked the building. I have been told there is black mold from people that worked there and I don't want to use the taxpayer's money and then be shut down and try to sell it and you will not get back the extra money you put into it"

Bret Gardella stated "I am not trying to spend taxpayer's dollars on something that I think it is not worthwhile to do. I have been over every inch of that building. I have never seen black mold or soft spots. There is one spot in the center of the building that has a sunk pump that removes water. When the brewery was looking over the gymnasium space there was a structural engineer that came in and it was so dry under the gym that he was kicking up dust. I heard the engineer say that he was flabbergasted on how well the condition of that section of the building was. In one section there is a sunk pump. That seems to have resolved the water issue. This heresy of "I have seen this and seen that"; have them come and point that out to me."

Martha Hicks said "I hope this works and is not wasting taxpayer's money. There has to be something wrong with the building because we would not have to build a new school. In the report from the school board I think that is about as low as you can get in looking at the school and getting a grade on it. I just worry about the taxpayer's money and how it is spent."

Chairman Poteat advised the County Manager prior to May 20th to research the soundness of this building in cooperation with Bret and maybe get some things that people would sign off on.

Phyllis Forbes stated ‘I appreciate the report that Bret gave. I think it clarified some things that questions arose about. I think we have had the building looked at in various ways but I am ok with the County Manager going ahead and having some more research done on that. I don’t think you are going to find anything. As far as building of a new school, technology was non-existent in the old school. We need the best technology facilities for our children to offer them opportunities. I have had the good fortune to work in a new school that had top of the line technology. I do support the incubator . I think we are making an effort to increase our sales tax revenue in this county. There are not many ways that counties can raise revenue. The fact is you have to pay for services that you provide. That money has to come from somewhere so why not try to generate it with growing our economy, increasing tourism, letting businesses have a better chance of being successful. Sure a business can go out here and rent a building but they might not have the expertise to make that business successful., This incubator will give people that want to start a small business an opportunity to get the training they need to be successful and maintain that business outside of the incubator to grow Avery County and to ensure that we move forward. We can sit here and do nothing. As far as getting manufacturing in here, we have tried. We had a manufacturing company that looked at a local building and while we were looking at it, a citizen of Avery County put a down payment on the building and once a private citizen got involved it went away. We have tried. If anyone says that we have not tried, you are wrong. If you have other ideas I would like to hear them. My phone number is in the book, call me anytime. If you come to the meetings, you will hear a lot more accurate information. I stand with the votes that I have made consistently to go ahead with this incubator because I think it is a good thing for Avery County.’”

Reo Griffith stated “Some of the things that have been said; I am going back to the feasibility and cost analysis. I did not make it or put it together. It is required by the general statute. Mechanical and electrical systems scored a 0 extensive repairs and/or replacement of several systems are required. They did talk about the sunk pumps and water. I have not been under the old school. I am not an inspector. I am going by this document. Standing water under building. This document was put together on 5-29-2009. It was not put together after we had 10 inches of rain. It is what it is.”

Mr. Griffith said “Mr. Wiseman, I spoke with you briefly before the meeting. With your expertise and knowledge will you answer some questions, I will give you a copy. Mr. Wiseman, Do you have an estimate about what the incubator will add to the personal property tax base? What the incubator will add to the County’s sales tax base? What are the projected costs and revenues for the AC PRIDE for the upcoming fiscal year? For how long will the AC PRIDE require taxpayer’s money? Is it in the next year, the next two years or the next five years? Have you reviewed the admission guidelines for new businesses? What is your recommendation on the Selection Committee? When should it be formed? Shouldn’t the board have input? What is your recommendation on the educational component?”

“Ms. Poore, Will you advise the Board and the public of the statutory requirements of NC General Statute 158-7.1 especially regarding the lease of space in the building? Should the county audit the business records to make sure that they are meeting their contractual requirements? What if a business does not create enough jobs or pay the appropriate wages, what can the county do? What are the requirements of Banner Elk? Educational Component and the Selection Committee? Can you explain about Banner Elk’s Board of Adjustment and its role in this process? Do businesses have to appear to the Board of Adjustments as well? What are the requirements?”

Mr. Griffith asked Ms. Poore to explain to the Board and the public NC GS 158-7.1. Specifically, the Board and the public needs to know today especially regarding the lease of space in the building.

Ms. Poore stated “In general, each lease will have to be negotiated with each lessee the specific terms. Each lease will be written individually for each lessee because the facts surrounding each lease will be different. In particular, a public hearing will be required prior to the county entering into any lease agreement with a tenant at the incubator site. Any proposed business at the incubator site at that public hearing, the County has to determine the probable average hourly wage to be paid to the workers by the business located in the incubator and the fair market value of the interest of the lease; specific interest of the lease must be determined. If the county leases the property for less than fair market value, there are other statutory criteria that have to be met and that has to be included in each lease.”

Boy Scouts of America – Brian Raymond

Brian Raymond with Boy Scouts of America spoke to the Board about the Boy Scouts of America. Mr. Raymond stated that he first moved to Avery County with my wife in 2011. It was the first time we had been to North Carolina. We wound up in Avery County because we had options and I think it is lack of options that cause folks to arrive at Grandfather Home or in a drug program and it is having options that allow growth. In August 2011, I got started with the scout program in Banner Elk. I have been with scouts since 1958. I was very disturbed to find out that in the Toe River District which is in Avery, Mitchell, Yancey and Madison counties there were a total of 307 scouts. Avery County had about a 1/3 of that. Avery County has more units than all of the other counties put together and yet still about 100 scouts. We are not giving the opportunities to the youth to allow them to break that

chain of abuse, drug addiction, etc. The mission of the Boy Scouts of America is to prepare youth to make lifelong moral and ethical decisions by instilling in them the scout law. The units in Crossnore are the best units in all of the Toe River District. There are units in Riverside, Cranberry, two units in Banner Elk but yet we are not attracting enough youth and two units in Newland. Something is wrong and part of that is there is not enough visibility of scouting and that is one of the reasons when talking to Commissioner Johnson it would be nice to get that message out. If you are truly interested in the youth of Avery County, help us find additional dynamic leaders to help preach the message of moral and ethical behavior and leadership to these youth. The adults that are involved benefit from it too. We need to recruit more youth. Do you think it was just coincidence that 180 of the first 300 astronauts were involved in the scouting program? Hundreds of thousands of service hours are conducted every single year helping their communities. We can accomplish more for the future if you help us get the word out.

Recess

Chairman Poteat called for a brief recess.

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

Budget Amendments – Avery Senior Center – Philip Adams

Philip Adams, Avery Senior Center Director, advised that the budget amendments that he was requesting today did not require any additional county funds. We are making some changes in the senior services to address changes in the food budget. We are working with two food vendors rather than one and we are working with cooperative extension to find more local sources for food. We have instituted a registration policy to know the number that we will have daily. In 2011/2012 the final budget for food was \$104,582.89. We started out this year with a budget of \$86,800. This budget amendment is to transfer funds from two accounts; one is capital grant and the other is advertising. We need to transfer \$12,000 and \$160.00 to the Food budget. We also have had an increase in revenue. We had \$2000.00 in food sold and \$2000.00 in additional CAP meals. We are asking for the \$4000 to be in the budget amendment also with a total increase to be \$16,160.00.

Motion by Phyllis Forbes and second by Martha Hicks to approve the line item transfer of \$12,160.00 and a budget amendment recognizing a \$4000.00 increase in funding. Motion unanimously approved.

Mr. Adams stated that the sequester cuts are effecting Senior Services. The real cut that will be reflected in the county budget is \$2277.00. We need to reflect what the High Country Council of Government is doing. This has to come from the Congregate Home Delivered Meals. The reason why it will not be reflected in the county budget is this will be shuffled. We will be able to meet the needs of the services without the \$2277.00. We will not be cutting any services.

Motion by Glenn Johnson and second by Martha Hicks to approve the budget amendment with a debit to (3670.0000) in the amount of \$2277.00 and credit to (5960.3500) in the amount of \$2277.00 and authorize the chairman to sign the revision sheet. Motion unanimously approved.

Tax Administrator Report – Phillip Barrier

Tax Collectors Report

The Tax Collections for the month of April 2013 is \$258,751.00.

Motion by Phyllis Forbes and second by Martha Hicks to approve the Tax Collectors Report for the month of April 2013 as presented. Motion unanimously approved.

Real and Personal Property Releases

The Real and Personal Property Releases for the month of April 2013 is \$26.13.

Motion by Glenn Johnson and second by Phyllis Forbes to approve the Real and Personal Releases for the month of April 2013 as presented. Motion unanimously approved.

Motor Vehicle Releases

The Motor Vehicle Releases for the month of April 2013 is \$255.47 and one of those does involve the town of Banner Elk.

Motion by Martha Hicks and second by Phyllis Forbes to approve the Motor Vehicle Releases for the month of April 2013 as presented. Motion unanimously approved.

Mr. Barrier announced that the New Tag and Tax Together will begin in September 2013.

Sales Statistics

The sales statistics for April shows that the foreclosures have slowed down. Currently property is selling 15.9% less than the appraised value on average and that is a hurdle that we face.

Mr. Barrier stated that the Board of Equalization and Review has met and worked on 42 appeals and officially adjourned on May 3, 2013.

County Manager Updates – Robert Wiseman

Courthouse Renovation

Robert Wiseman, County Manager, stated that after Nick Montanez, MB Kahn Construction, explains the schedule the Board needs to give either the chairman or the county manager the authority to execute the low bid contract. If we wait until June to execute the contract, we will be 10-20 days late.

Nick Montanez explained that on May 2, 2013 the advertisement went out for the bids on the courthouse renovation. It was advertised in the Avery Journal, Watauga Democrat, Johnson City Press and Asheville Citizen. On May 15th we are going to have a mandatory pre bid conference with all the general contractors that are interested in the project. Tentatively on May 30th we will receive the bids on the project and open these publicly and identify the potential low bidder and then make a recommendation with a notice to proceed. We are looking at getting construction started by June 2013. We are going to meet with the various department heads so everyone is clear and understands the hardship as well as the benefits derived from this project.

Mr. Wiseman stated that obviously we can't talk about money at this time but we feel very comfortable that the low bid will come well within the budget. Tim and I talked about the money we have spent on replacing the carpet and rearranging the small courtroom as well as work on the probation offices which would be handled within the scope of the courthouse renovation budget.

Consensus by the Board for the County Manager to affix the signatures to the contracts.

Ambulance Agreement between Watauga County and Avery County

Robert Wiseman, County Manager explained that Avery County and Watauga County have an ambulance agreement that has been in existence since 2003. This agreement expires June 30, 2013. It has worked very well and has been to everyone's benefit. Watauga County is good with this agreement and so are all the Emergency Service directors. It would be hard to improve this situation. Avery County EMS can respond to the Watauga side of Beech Mountain quicker than Watauga can. Watauga County can respond a whole lot quicker to Avery County section of Beech Mountain. Avery County can respond quicker to Seven Devils. This cuts down on the response times to emergencies. I would recommend that we renew this agreement.

Motion by Reo Griffith and second by Phyllis Forbes to approve the Ambulance Agreement between Watauga County and Avery County. Motion unanimously approved.

Finance Officer Report – Tim Greene

Budget Amendment #

Tim Greene, Finance Officer, reported that the county needs to increase the funding for State Secured Detentions. This line item is used to pay the housing where a juvenile stays while waiting to go to court or until a placement can be arranged. This is one of these if the court sends them the county pays half and the state pays half.

Motion by Phyllis Forbes and second by Martha Hicks to approve the budget amendment for \$15,000 with a debit to State Secured Detention (107000.6135) and a credit of \$15,000 to Fund Balance Appropriation (103990.0000). Motion unanimously approved.

Budget Amendment #

The Department of Social Services has received additional allocations to the Crisis Intervention Program and the Low Income Emergency Assistance program. These are not new monies but pass through monies.

Motion by Glenn Johnson and second by Martha Hicks to approve the Budget Amendment for the Department of Social Services with a debit of \$43,323.00 to Crisis Intervention (106800.6090) and a debit of \$2,565.00 to LIEAP (106800.6095) and a credit of \$45,888.00 to County Welfare (103634.0000). Motion unanimously approved.

County Attorney Report – Michaelle Poore

Michaelle Poore, County Attorney, reported that a few months back there was discussion with the Banner Elk Fire Department about conveying a small tract of property approximately a tenth of an acre beside their fire department so they could increase their parking. I have prepared a deed on the acreage beside the fire department. In performing the survey, Mike Lacey discovered there was a 145 square foot overlap between the old Banner Elk School property and the Banner Fire Department so I have prepared a quitclaim deed for the county to execute to the fire department to clear that up. That is in the very back portion of the building. In order to authorize the conveyance of the two tracts there had to be a notice placed in the paper which was run for two weeks. I need authorization for the county to execute these deeds to the Banner Elk Volunteer Fire Department.

Motion by Phyllis Forbes and second by Reo Griffith to execute the two deeds to the Banner Elk Volunteer Fire Department. Motion unanimously approved.

Ms. Poore stated that the property tax commission did not rule in favor of the Grandfather Mountain Appeal. The order has not been filed and once the order is filed the county would need to make a determination if they would like to appeal.

Closed Session

Motion by Martha Hicks and second by Phyllis Forbes to go into Closed Session at 6:35 p.m. regarding G.S. 143-318.11 (a)(3) Attorney/Client Privilege and G.S. 143-318.11 (a)(6) Personnel. Motion unanimously approved. Invitees are the Board; County Attorney; County Manager; Phillip Barrier, Tax Assessor. Motion unanimously approved.

Chairman Poteat declared the meeting to be back in Regular Session at 7:10 p.m. after Closed Session. During said closed session no vote was taken.

Approval of Minutes

Motion by Phyllis Forbes and second by Glenn Johnson to approve the Regular Session Minutes of March 4, 2013 and Special Meeting Minutes of March 5, 2013. Motion unanimously approved.

Agenda Consent Items

Adopted by Consensus of the Board.

Glenn Johnson stated that Avery County has been contributing to the Smoky Mountain Center \$92,000. I am not advocating not doing that but there are some counties that have not contributed but are still privy to the services. We need to look at this closely during the budget process.

Upcoming Meetings

The next meeting will be a Budget Workshop on Thursday, May 9, 2013 at 2:00 p.m. There will be a Budget Workshop on Monday, May 13, 2013 at 5:30 p.m. with the Avery Fire Commission; Avery Sheriff's Office and the Avery County Board of Education.

Adjourn

Motion by Glenn Johnson and second by Reo Griffith to adjourn this meeting at 7:25 p.m. Motion unanimously approved.

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

ATTEST: _____
Cindy Turbyfill, Clerk