

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in Regular Session on Monday, December 4, 2017 at 3:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

Members Present: Martha Hicks, Chair; Blake Vance, Vice-Chair; Faith Lacey; Tim Phillips; Wood Hall Young, Jr.

Members Absent: None

Call To Order

Chair Hicks called the meeting to order at 3:30 p.m.

John Millan led in prayer.

Wood Hall Young, Jr. led the Pledge of Allegiance.

Organizational Meeting

Election of Chair

Chair Hicks turned the meeting over to Phillip Barrier, Jr., County Manager, for election of Chair.

Mr. Barrier opened the floor for nominations for the Chair of the Avery County Board of Commissioners.

Motion by Blake Vance and second by Tim Phillips to nominate Martha Hicks as Chair of the Avery County Board of Commissioners. Mr. Barrier stated the floor was closed for nominations. Motion unanimously approved (5-0).

Mr. Barrier turned the meeting back over to Chair Hicks. Chair Hicks thanked the Board for their confidence in her.

Election of Vice-Chair

Chair Hicks opened the floor for nominations for Vice Chair.

Motion by Tim Phillips and second by Wood Hall Young, Jr. to nominate Blake Vance as Vice-Chair for the Avery County Board of Commissioners. Motion unanimously approved (5-0).

Appointment of Officers

County Manager

Chair Hicks opened the floor for nominations for County Manager.

Motion by Wood Hall Young, Jr. and second by Tim Philips to appoint Phillip Barrier, Jr. as County Manager. Motion unanimously approved (5-0).

Clerk to the Board/Assistant County Manager

Chair Hicks opened the floor for nominations for Clerk to Board/Assistant County Manager.

Motion by Wood Hall Young, Jr. and second by Blake Vance to appoint Cindy Turbyfill as Clerk to the Board/Assistant County Manager. Motion unanimously approved (5-0).

County Attorney

Chair Hicks opened the floor for nominations for County Attorney.

Motion by Tim Phillips and second by Blake Vance to appoint Michaelle Poore as County Attorney. Motion unanimously approved (5-0).

Finance Officer

Chair Hicks opened the floor for nominations for Finance Officer.

Motion by Blake Vance and second by Wood Hall Young, Jr. to appoint Nancy Johnson as Finance Officer. Motion unanimously approved (5-0).

Proclamations and Awards

Celebrate Avery County

Jamey Johnson was recognized for 21 years of service to Avery County.
Shannon Hughes was recognized for 19 years of service to Avery County.
Edward Barrier was recognized for 19 years of service to Avery County.

Public Comment

Tuania Erno, Linville resident, stated that not only is residents upset about the noise, alcohol, traffic and social issues at Hampton's Store the residents are also incredibly upset about the septic issue. The septic system at Hampton's Store has failed and has been cited by both the county and the state but yet the store is allowed to stay open and pollute are waterways. It is almost beyond comprehension that anyone can allow a business to keep operating while they are flagrantly pumping sewage into ditches that feed the Linville River. All of this has come about conveniently at the end of the busy season so shutting them down until this is fixed or shut them down permanently if it is not rectified should not be an unimaginable burden on them but after all the anguish they have put our community through I doubt there is much compassion for them. Please address this issue immediately and move to stoop this initial pollution. Since this was written the store has had an above ground septic system in which has to be pumped frequently. There has been reports from neighbors they have dug a supplementary hole that is being used.. I would appreciate that you have someone watch this carefully. Ms. Erno also read an email that she had sent to Sheriff Kevin Frye.

Wood Hall Young, Jr. stepped down from the Commissioner desk to speak in public comment. Mr. Young stated "I signed up to speak to the Board as a lifelong resident

and a taxpayer in Avery County not as a commissioner. In the last year it is unprecedented what this Board has done and accomplished. We bought the Kelly Johnson property, tore it down and made a much needed parking lot; demolished the old pool and made a much used playground; remodeled the EMS building; made major improvements to the Senior Center; hired a second full time drug officer; allowed Sheriff to hire a domestic violence officer; appropriated salary for a new social worker for DSS; bought a new van for 4-H; playground equipment for Riverside Elementary School; handicapped activity bus for the school system; new bleachers for Newland Elementary School; hired a County Manager and Assistant County Manager. Taxes were raised and I pay taxes on the same basis everyone else does and yes mine went up. Thank you because the only choice you had was to raise taxes or cut services. County business is not a money making business; it is a business of providing services for the citizens of Avery County. You could have cut services and left the tax rate where it was and maybe cut enough to overcome the 2.4 million dollars that had been taken out of the fund balance for the past 2 years and 1 million before that but had taxes not been raised within a very few short years the state of North Carolina would have come in and taken over the county because they would have deemed that we were not capable of financially taking care of ourselves. I thank you, you had to play catch up. The Board has done a good job. I think the advancements that have been made in this last year by this Board far surpass anything that has been done in the same amount of time in the history of the county. The county is in financially good shape again. That is my three minutes as a citizen.”

John Millan thanked the Commissioners for being polite and helpful with taking care of the people of Avery County. I also appreciate what the staff in Administration and all county employees do.

Board Appointments

Transportation Board Appointments

Cheryl Buchanan has applied for the Avery County Transportation Board. Her application has been reviewed and is ready for approval.

Motion by Wood Hall Young, Jr and second by Blake Vance to appoint Cheryl Buchanan to the Avery County Transportation Board. Motion unanimously approved (5-0).

Review of Applicants for CCPT; CFPT; JCPC

There are applications to review for the Child Protection Team; Child Fatality Team; and Juvenile Crime Prevention Council.

Annual Audit Report – Sharon Gillespie

Sharon Gillespie, Young, Miller and Gillespie auditors, stated that they have done Avery County’s audit for several years now. Ms. Gillespie directed the Board to page 5 of the audit. Page 5 is the audit opinion that tells whether you passed or failed. In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position

of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Avery County, North Carolina as of June 30, 2017, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. Had you not passed the audit you would have seen some different language in this section.

The audit is organized from very general to very specific so the first several documents lump a lot of information together. The further back you go in the document the more specific you get. There are 6 or 7 pages in this audit that gives you a snapshot of what the whole audit says. Ms. Gillespie pointed out the financial highlights:

Financial Highlights

- *The assets of Avery County exceeded its liabilities at the close of the fiscal year by \$35,363,713.*
- *The government's total net position increased for the current year by a net of \$210,343 primarily due to an increase of inmate housing, increased sales tax, and interest income.*
- *As of the close of the current fiscal year, Avery County's governmental funds reported combined ending fund balances of \$20,193,437 a decrease of \$51,983 in comparison with the prior year. Approximately 61 percent of this total amount, or \$12,267,438, is available for spending at the government's discretion.*
- *At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12,267,438, or 46.29 percent of total general fund expenditures and transfers to other funds for the fiscal year.*
- *Avery County's total long-term debt decreased by \$443,443 during the current fiscal year due to repayment of debt proceeds.*

On Page 20 is the government accounting focus. Basically this takes all the cash that was brought in and all the cash that you spent out whether you spent it on building or vehicles, debt payments, everything and it tells you the bottom line which is that you were in the hole \$51,000 which is almost a breakeven year. The way things are laid out your general fund has a column by itself and all the other funds have a column. This other non-major governmental fund is the fire tax, E911, CDBG grants, etc. You can see actually what has happened the general fund has had a significant loss and the other funds have had a profit. One thing that happened this year that made things look better than last year was that you were able to pay off the debt for the Crossnore School so your debt payment reduced significantly which helped the bottom line.

On page 21 is a bridging document which tells us how we got from the \$51,000 loss to the \$200,000 profit. We have a lot of different things and a lot of accounting terminology. Basically when you run a business and buy a big piece of equipment you depreciate it over several years. This is taking the government and taking away the big equipment that you bought and putting back in depreciation expense and then some different things happening with the pension at the state level so different accounting things take you back to the \$200,000. The exhibit 4 is more meaningful to you.

Page 19 is the balance sheet and it looks at the quick items you can turn into cash. Between the cash in the bank and various taxpayers and so on owe you, you have \$21,000,000 in total assets; your accounts payable and deferred inflows about 1.2 million leaving your fund balance at \$20,000,000. When you get to the very end you are left with \$12.2 which is the true unassigned fund balance.

Blake Vance said to simplify a little bit we lost a lot in our general fund last year but we didn't spend everything that we collected in the fire tax and they balance each other out. Ms. Gillespie said that is right most of the leftover is the fire tax. Mr. Vance said we still lost in our general fund which we anticipated that we would. Ms. Gillespie said that is right.

Ms. Lacey asked Ms. Gillespie to go over page 51 line by line. Ms. Gillespie said this is the same breakdown from page 19. You are looking at the total balance for all the funds. At the top of the page is \$20,193,437. Then we go down the line seeing what pots of money belong where. Governmental accounting will not allow you to put prepaid assets like postage and fuel so that comes out of your fund balance. Stabilization by state statute 2.6 million is the accounts receivable so there again someone owes you this money and it is not sitting there in cash for you to use so it comes out of your fund balance because you don't have it turned into cash yet. Register of Deeds fund is specifically earmarked for Register of Deeds equipment. Fire protection is money that is set aside for fire protection. That is a large balance but this does include the fire commission money. It is money over the years that is transferred to the fire commission. Construction projects 2.4 million is the Ag building and pool. E911 \$277,000 is again reserved by state statute for E911. Tax reval. is \$40,000 for reval. What is left is the 12.2 million fund balance. That does not include the 8% that we are required. Ms. Gillespie stated that if you are looking at what you could spend on a project that would be a number closer to 7 million. Since we have been auditing the county we have seen some good financial management and some really good controlled expenditures.

There are two more pages I would like to take a look at. Page 50 shows \$23.5 million that does not pass through the finance office that comes through the state. Page 73 shows the current year collection percentage of 98.15%. This tax collection rate as compared to last year has gone up since last year. The 2016 statewide average was 96.88 as compared to the 98.15%. You are above the statewide rate.

Blake Vance said he appreciated all the work that you do on this audit. I appreciate how willing you are to answer our questions.

Tax Administrator Report – Bruce Daniels

Tax Collections Report

The Total Tax Collections for the month of November 2017 is \$3,150,156.77.

Motion by Blake Vance and second by Wood Hall Young, Jr. to approve the Total Tax Collections for the month of November 2017 as presented. Motion unanimously approved (5-0).

Regular Releases

The Regular Releases for the month of November 2017 is \$20.85.

Motion by Blake Vance and second by Wood Hall Young, Jr to approve the Regular Releases for the month of November 2017 as presented. Motion unanimously approved (5-0).

Sales Statistics

Mr. Daniels discussed the sales for November 2017.

County Manager Updates – Phillip Barrier

Ag Building Update

The foundation is complete on the Ag. Building.

Surplus Property

The Board gave us permission to advertise some surplus property that the tax office has foreclosed on. It will not be necessary to decide on the bid in January because there were no bids.

Swimming Pool Update

Reminder on December 12, 2017 we will have a pool meeting at 3:00 p.m. Robbie has worked with Rob Johnson a lot to present the drawings and have the plans ready.

Salary Study

We will start the salary study in the morning with the department heads. The employees will be filling out their questionnaires.

Convenience Sites Holiday Schedule

The Convenience Sites will be closed on Christmas Day and reopen on Tuesday the 26th. It is posted on the website and at the convenience sites. Monday, January 1, they will also be closed. County Administration Offices will be Closed 25, 26, 27th of December and January 1st. The Commissioners meeting has been rescheduled to January 8, 2017 at 3:30 p.m. This Thursday we will be Remembrance of Pearl Harbor Day and we will meet at the Monument to place a wreath at 1:00 p.m. The Employee

Christmas Luncheon is on the 13th of December at the First Baptist Church. Ribbon Cutting at Riverside will be on December 6th at 2:00 p.m.

Resolution Authorizing Conveyance of the Old Beech Mountain School

Mr. Barrier stated that there was no action required at this time.

Motion by Blake Vance and second by Wood Hall Young, Jr. to table the Resolution Authorizing Conveyance of the Old Beech Mountain School. Motion unanimously approved.

Finance Officer Report – Nancy Johnson

Ms. Johnson reported that the audit was on the Avery County Website.

Budget Amendment

Avery County Emergency Management requests a budget amendment to recognize a State Homeland Security Grant received to be used for purchasing three identical mobile laptop computers.

Motion by Blake Vance and second by Tim Phillips to adopt the Budget Amendment in the amount of \$3,000 to recognize a Homeland Security Grant with a debit of \$3,000 to Capital Outlay (10.5250.7400) and a credit of \$3,000 to State Homeland Security Grant (10.3799.0000). Motion unanimously approved.

County Attorney Report – Michaelle Poore

Ms. Poore reported that she had two things for the Board to consider. These are policies that the Board had a discussion on in the past. The first one is a naming policy. This would address naming facilities, bridges after individuals who are deceased, etc. and this naming policy would address those types of ways to honor individuals of the county. The second document is a sponsorship policy which is different in that it would address when an entity wants to make a contribution to the county and have a facility named after them. The naming policy is pretty straightforward. In the sponsorship policy it does require that any of the sponsorships have to come back before the Board for the Board's approval. There are some parameters that are listed for what type of messages would be allowed as far as advertisers. Wood Hall Young, Jr. questioned if this document protected the county as far as the first amendment rights. Ms. Poore stated that is the issue when you get into a sponsorship policy and you have question on whether or not you allow someone to sponsor a facility and if you will look there are criteria set out in there which will be allowed and not allowed. I think if the county wants to proceed with this type of policy that is about the best we can do with this type of parameters. Wood Hall Young, Jr. stated that he did not agree with the last paragraph of the sponsorship policy. He said he felt the approval should come back to the Board. Ms. Poore stated that would be easy enough to change. That is entirely up to how much involvement the Board wants to have. Tim Phillips stated he would prefer that the attorney knows about what is going on. Ms. Poore said that we could change that to "without written approval from the Board after consultation with the manager and attorney." Blake Vance stated that he didn't feel comfortable making a decision on the

sponsorship policy yet. Ms. Poore stated that it may be that the Board would want to consider if there are donors that want to make a large donation that those be entered into on a case by case basis. Mr. Vance stated we do want Jerry to be able to raise money for a building up there. There was discussion regarding these policies. Ms. Poore stated that it sounds like the Board would need to agenda this next month. I will get with the manager regarding these policies. If any board member has any questions, they are to let the manager and county attorney know.

Motion by Wood Hall Young, Jr. and second by Faith Lacey to table the Naming Policy and the Sponsorship Policy until the January meeting. Motion unanimously approved.

Closed Session

Motion by Blake Vance and second by Tim Phillips to go into Closed Session regarding Personnel (G.S. 143-318.11 (a)(6) at 5:03 p.m. Motion unanimously approved. Invitees are Clerk Pro Tem, County Manager, Board, County Attorney.

Chair Hicks declared the meeting to be back in Regular Session after a time of Closed Session. During closed session, no vote was taken.

Consensus by the Board to allow the County Manager to handle the Personnel Issue.

Approval Of Minutes

Motion by Wood Hall Young, Jr. and second by Faith Lacey to approve the September 5, 2017 Regular Session and September 5, 2017 Closed Session. Motion unanimously approved.

Agenda Consent Items

Adopted by Consensus of the Board.

Upcoming Meetings

The Next meeting will be January 8, 2018 at 3:30 p.m. instead of January 1, 2018 because of the New Year's Holiday.

Adjourn

Motion by Blake Vance and second by Tm Phillips to adjourn this meeting at 5:31 p.m. Motion unanimously approved.

**Martha Hicks, Chair
Avery County Board of Commissioners**

Attest: _____
Cindy Turbyfill, Clerk

