

**STATE OF NORTH CAROLINA  
COUNTY OF AVERY**

The Avery County Board of Commissioners met in Regular Session on June 5, 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.

Wood Hall Young, Jr. led prayer.

Tim Phillips led the Pledge of Allegiance.

Chair Hicks read the following statement:

*The time limit for any comment to the Board is three minutes. Board members are not expected to comment or take any action on matters during public comment. Any individual speaking during public comment shall address the entire Board. Any person who willfully interrupts, disturbs, or disrupts the session will be asked to leave the meeting. If you would like to speak to an agenda item, you must sign up on the sheet with the clerk. Time limit to speak to an agenda item is also three minutes. Please silence all cell phones or electronic devices.*

**Proclamations and Awards**

**Resolution Recognizing the Avery County High School Band**

Phillip Barrier, Interim County Manager, read the following Resolution:

*Whereas, the Avery County Board of Commissioners takes pride in recognizing the Student Scholastic & Athletic Achievement in Avery County; and*

*Whereas, the 2016-17 Avery County High School Band has received three Superior Ratings; and the wind ensemble received four Superior Ratings; and two 1<sup>st</sup> place guard, three 1<sup>st</sup> place percussion, three 1<sup>st</sup> place music and marching, two 1<sup>st</sup> place general effect, three 1<sup>st</sup> place band; and a 2<sup>nd</sup> place Grand Champion trophy; and*

*Whereas, the Avery County Board of Commissioners recognizes these great accomplishments; and*

*Whereas, this brings statewide recognition and distinction to all of Avery County.*

*Now Therefore, Be It Resolved, that the Avery County Board of Commissioners hereby publicly recognizes and congratulates the Avery County High School Band on their outstanding achievements for the 2016-17 school year.*

**Motion by Blake Vance and second by Wood Hall Young, Jr. to adopt the Resolution Recognizing the Avery County High School Band. Motion unanimously approved.**

Dee Raby, Avery County High School Band Director, spoke regarding the need for a Community Arts Center.

**Celebrate County Government**

Mr. Barrier stated that today we are starting a "Celebrate County Government" to recognize employees of the county. There are three individuals with a total of 92 years of service to Avery County.

Phyllis Hollifield with the Senior Center has 31 years of service to Avery County. Co-workers commented that she was a dedicated and hardworking employee.

Teddy Bare with the Avery County Parks and Recreation Department has 31 years of service to Avery County. His co-workers say he is loyal, great friend and co-worker.

Don Benfield with the Avery County Department of Social Services has 30 years of service to Avery County. His co-workers say he is very professional and an excellent moral influence on the staff.

**Public Comment**

Taunio Erno stated that she was a native of Avery County and has lived in Linville for the past 25 years. She stated that there had been some changes in the community and that it has become very noisy. She said that she is here to ask Avery County to initiate a noise ordinance. The Sheriff's Office has no ability

to do anything except to ask them to quieten down. I would ask that you research this. Ms. Erno offered her services for a committee to help with this issue. I would appreciate your consideration of this.

### **Board Appointments**

Review of three applicants for the Agricultural Advisory Board; Jack Wiseman, Jr.—Altamont District; Larry Smith—Newland District; Wood Hall Young, III—At-large position.

Chair Hicks rearranged the agenda to continue the meeting until time for the public hearing.

### **Resolution to Establish and Maintain the Avery County Capital Reserve Fund**

Phillip Barrier, County Manager, read the resolution as follows:

*WHEREAS, the Board finds that it may establish and maintain a capital reserve fund for any purpose for which it may issue bonds; and*

*WHEREAS, the Avery County Board of Commissioners strives to follow a Pay As You Go Philosophy on all major Capital Projects; and*

*WHEREAS, the Board of Commissioners desires to create a capital reserve fund to accumulate moneys for capital reserve projects; and*

*WHEREAS, the purpose for which the capital reserve fund is being created is to accumulate moneys for the renovation for Crossnore Elementary School; and*

*WHEREAS, the approximate periods of time during which the moneys will be accumulated and expended for each project are as follows:*

*a. Crossnore Elementary School - the estimated cost is Six Hundred Eighty Seven Thousand Five Hundred Dollars (\$687,500.00 Dollars) with a tentative completion date of fall 2020, with such sums accumulated up to that date; and*

*WHEREAS, The revenue source from which the money for each of the above purposes will be derived is property tax proceeds, with funds to be transferred from the General Fund;*

*NOW, THEREFORE, be it resolved as the Avery County Board of Commissioners meeting in regular session on the 5th day of June 2017 hereby establishes a Capital Reserve Fund for the purposes of renovation of Crossnore Elementary School.*

*The Board of Commissioners authorizes the Chair to sign this Resolution.*

**Motion by Blake Vance and second by Tim Phillips to adopt the Capital Reserve Fund with the typographical error (million) taken out. Motion unanimously approved.**

### **Resolution Regarding Regionalization of County Departments of Social Services SB594 Family/Child Protection and Accountability Act**

*WHEREAS, protecting children and vulnerable citizens from maltreatment is of the utmost importance and is a primary function of county departments of social services; and*

*WHEREAS, SB594/HB608, Family/Child Protection and Accountability Act, calls for the development of a plan to regionalize the county departments of social services into 30 or fewer regional departments of social services; and*

*WHEREAS, hundreds of children, families and adults are served each day by the Avery County Department of Social Services; and*

*WHEREAS, the Avery County Board of Commissioners desires the best services for Avery County's citizenry of all ages; supports a thorough and inclusive study to determine the most effective approach for our state as a whole; urges that counties not be viewed through the same lens, but realize that each county is unique and that a one-size remedy does not fit all; and*

*WHEREAS, changing the administrative structure of social services within our State is no small undertaking; determining the best structural model for our State will require thorough study and evaluation; and all stakeholders such as County Directors of Social Services, County Commissioners, County Boards of Social Services, Social Services Attorneys, and County Managers should be included in determining the best model for social service administration in our State;*

*NOW, THEREFORE, BE IT RESOLVED, that the Avery County Board of County Commissioners implore the State of North Carolina and members of the North Carolina General Assembly to be diligent, thoughtful, proactive, and open-minded regarding possible service delivery models for social service administration.*

*BE IT FURTHER RESOLVED, that the Avery County Board of County Commissioners urges members of the North Carolina General Assembly to support amendments to Part 1 of SB594/HB608 which would call for a study commission to evaluate all possible models of social services administration and include all stakeholders in the study process prior to a decision being made regarding any model of forced regionalization.*

**Motion by Wood Hall Young, Jr. and second by Blake Vance to adopt the Resolution Regarding Regionalization of County Departments of Social Services SB594 Family/Child Protection and Accountability Act.**

**VOTE: Motion passes 4 to 1.**

**FOR---Martha Hicks; Blake Vance; Tim Phillips; Wood Hall Young, Jr.  
AGAINST----Faith Lacey**

Blake Vance suggested that the Resolution be sent to Rep. Josh Dobson, Senator Deanna Ballard; Speaker of the House; Senate Pro Tem; Majority Leaders and Rules Chairs of both houses.

**Resolution of Support for Adequate Funding to Meet the Mental Health, Intellectual and Developmental Disabilities, and Substance Use Disorder Service Needs for Citizens of Avery County**

***WHEREAS**, Avery County is a member of Vaya Health, the area authority for twenty-three (23) western North Carolina counties that make up Vaya's Catchment Area;*

***WHEREAS**, Avery County knows that citizens dealing with mental illness and substance use disorders can achieve recovery with the right services and supports, and that citizens with intellectual and developmental disabilities can live productive lives in our communities with appropriate services and supports; and*

***WHEREAS**, the need for services and supports for these individuals is increasing due to North Carolina's growing population and the opioid epidemic in North Carolina and across the United States; and*

***WHEREAS**, Vaya Health achieved savings through prudent and successful management of the Medicaid 1915(b)/(c) Waiver; and*

***WHEREAS**, in accordance with the intent of the NC General Assembly and the NC Department of Health and Human Services, the governing Board of Vaya Health developed and is implementing a robust community reinvestment plan to use savings that is benefiting the citizens of our Catchment Area;*

***WHEREAS**, Vaya's reinvestment plan included purchase and distribution of more than 2600 opioid reversal kits; expansion of the Youth Villages Intercept® program that helps prevent out-of-home placement for children; increased funding for YV Lifeset® services for children aging out of foster care; development and ongoing support for two Behavioral Health Urgent Care Centers; development of substance use recovery housing; improving integrated care through workforce development training, including training for direct support professionals who serve persons with IDD; support for community programs that create affordable housing options, prevent eviction and help individuals with disabilities access housing and other forms of federal aid; and installation of MindKare® Kiosks across the Catchment Area to help reduce stigma and provide a convenient way for citizens to learn about services, and*

***WHEREAS**, the North Carolina General Assembly significantly reduced State funding for mental health, intellectual and developmental disabilities, and substance use disorder services for the past two years; and*

***WHEREAS**, these budget reductions can no longer be absorbed by Vaya Health without jeopardizing services to citizens of the Vaya Health Catchment Area, negatively impacting the lives of people in need of services as well as potentially impacting the local economy through job loss;*

***NOW, THEREFORE BE IT RESOLVED** that we, the Board of County Commissioners for Avery County, do hereby request that the North Carolina General Assembly:*

- Maintain full State funding for mental health, developmental disabilities and substance use services without further reductions; and*
- Commit to increasing State funding for mental health, developmental disabilities and substance use services in order to serve the growing numbers of indigent, uninsured and under-insured population; and*
- Allow Vaya Health to continue to use its savings to reinvest in enhanced services in our communities rather than having to use that funding to replace State budget reductions.*

**Motion by Faith Lacey and second by Tim Phillips to adopt the Resolution of Support for Adequate Funding to Meet the Mental Health, Intellectual and Developmental Disabilities and Substance Use Disorder Service Needs for Citizens of Avery County. Motion unanimously approved.**

**Resolution Approving Reopening of Facilities at Doughton Park on the Blue Ridge Parkway**

***WHEREAS**, the Blue Ridge Parkway is the most visited unit in the National Park Service, attracting over 15 million visitors annually; and*

***WHEREAS**, the economic impact on gateway communities from visitors to the Blue Ridge Parkway is over \$1.3 billion annually, supporting over 15,000 jobs; and*

***WHEREAS**, the Blue Ridge Parkway contains 8 concession facilities along its 469 miles, intended*

*to enhance and support visitor experience; and*

*WHEREAS, Doughton Park, located at milepost 241, is the largest recreation facility along the Blue Ridge Parkway, covering 7,000 acres and containing 30 miles of hiking trails; and*

*WHEREAS, Doughton Park honors Robert L. Doughton of Laurel Springs, who served in the US House of Representatives continuously from 1911 until 1953, and who was instrumental in the development and location of the Blue Ridge Parkway in northwestern North Carolina; and*

*WHEREAS, Doughton Park contains Bluffs Lodge, a restaurant, and gift shop which have been closed since 2010 and have fallen into disrepair; and*

*WHEREAS, necessary repairs to the facilities at Doughton Park are estimated to cost \$3,688,461; and*

*WHEREAS, availability of the concession facilities at Doughton Park are important for attracting visitors to the relatively-remote section of the Blue Ridge Parkway, located between the more popular Blue Ridge Music Center to the north and Moses Cone and Julian Price Parks to the south; and*

*WHEREAS, the reopening of Doughton Park concession facilities will have direct positive economic impact on the surrounding businesses, workforce, and Town and County governments.*

*NOW, THEREFORE, BE IT RESOLVED, that the Avery County Board of Commissioners support efforts of local governments and the Blue Ridge Parkway Foundation to reopen the facilities at Doughton Park.*

### **Tax Administrator Report – Phillip Barrier**

#### **Tax Collections Report**

The Tax Collections Report for the month of May 2017 is \$70,752.77.

**Motion by Blake Vance and second by Wood Hall Young, Jr. to approve the Tax Collections Report for the month of May 2017 as presented. Motion unanimously approved.**

#### **Regular Releases**

The Regular Releases for the month of May 2017 is \$657.33.

**Motion by Blake Vance and second by Tim Phillips to approve the Regular Releases for the month of May 2017 as presented. Motion unanimously approved.**

#### **Refund**

The Total Refunds for the month of May 2017 is \$75.14.

**Motion by Blake Vance and second by Wood Hall Young, Jr. to approve the Refunds for the month of May 2017 as presented. Motion unanimously approved.**

#### **Sales Statistics**

Phillip Barrier gave the total sales for May 2017 which was 59 sales compared to 28 last year.

### **County Manager Updates – Phillip Barrier**

#### **Broadband Update**

Mr. Barrier reported that there were two possibilities for grants that could change the internet capabilities for the county. One of them is the Appalachian Regional Commission Grant and the other grant has been applied for by Skyline/Skybest.

#### **Convenience Center Holiday Schedule**

Mr. Barrier stated that he was proposing some extra holidays for the trash site attendants. We will look at these every fiscal year and make a schedule. A notice will be placed at the front of the site to notify the public about the holiday closing.

#### **Tax Administrator Position**

We did interview for this position and have selected a candidate. The candidate has accepted. His appointment will be on the July 3<sup>rd</sup> agenda.

#### **Agricultural Building and Swimming Pool Project**

The geotechnical information is in for the Ag Building. Rob Johnson advised us to get the overall approval of the design phase going and we met with the Agricultural department last week.

We have talked with the architect on the swimming pool project. We would like to do the geotechnical studies on these two projects at one time so we could hopefully save some money.

#### **Demolition of Building beside the Courthouse and the old Swimming Pool**

The bids are advertised in the paper and we will open bids on June 21, 2017.

Avery County Economic Development Committee

The Economic Development Committee has met for their first meeting. We now have a chair, vice-chair and secretary.

Blake Vance stated that in the budget is included \$10,000 for economic development. This is a budget for the entire department. No one is being paid to serve on that board. There was a misconception that we were being paid \$10,000 to serve on that board. \$10,000 is the amount that we budgeted for the entire department. That is a volunteer board.

**Recess**

Chair Hicks called for a brief recess until the public hearing at 4:30 p.m.

Chair Hicks declared the meeting to be back in session after a brief recess.

**Public Hearing--Fiscal Year Budget 2017/2018**

**Motion by Blake Vance and second by Wood Hall Young, Jr. to go into a time of Public Hearing regarding the Fiscal Year Budget 2017/2018 at 4:30 p.m. Motion unanimously approved.**

Phillip Barrier, Interim County Manager, presented the budget message.

In accordance with North Carolina General Statute 159-11, the Avery County Fiscal Year 2017-2018 proposed budget is respectfully submitted for your review and consideration. This document provides the financial framework for the programs and services which Avery County government will be undertaking in the next fiscal year. The budget provides the resources needed to ensure the delivery of governmental services in a fiscally responsible manner. The proposed budget is a continuation of the financially sound and conservative practices Avery County government has established and embraced. The Board held budget workshops in order to make changes to the proposed budget. North Carolina General Statute 159-11 stipulates that a public hearing be held in order to inform the public and allow any interested citizens the opportunity to express their opinions on the budget after the budget message is presented. This budget message represents an explanation of the budgetary decisions derived as a result of in depth dialogue between the County Manager, Finance Officer and Department Heads and changes made during budget workshops. The cumulative total of necessary operational and capital expenses considered in light of revenues generated by the departments, combined with State and Federal funding, determines the amount of funding which will be necessary from the citizens of Avery County.

The 2017/18 budget as presented is balanced based on a total property valuation of \$3.734 billion. This represents an increase of \$62.2 million or 1.6% over last year's valuation of \$3.672 billion. The general fund tax rate will increase to 48 cents (\$0.48) per \$100 valuation which will generate an estimated \$17.6 million dollars in revenues. The county wide fire tax rate will increase to 7.0 cents (\$0.07). The Fire Commission and volunteer fire departments will receive an estimated \$2.5 million dollars in revenue.

**The combination of these two rates results in an overall tax rate of 55 cents (\$0.5500) for the 2017/18 fiscal year.**

**GENERAL FUND**

*Expenses*

The total General Fund Budget is set at \$28.6 million. This is a \$2.2 million dollar increase from the 2017/18 fiscal year. The increases included \$492 thousand dollars additional capital expenditures.

General Government is increasing \$314 thousand dollars. The increase is primarily attributed to overall insurance, capital expenditures and repairs and maintenance in the administration, elections, finance, tax, register of deeds, and buildings and grounds departments.

Public Safety is increasing \$367 thousand dollars. The increase is primarily insurance for sheriff, jail, inspections, emergency management, EMS and central dispatch departments. Capital expenditures include much needed renovations of the EMS building, a new truck and radios for Emergency Management.

Transportation is decreasing \$23 thousand dollars due to reduced capital expenditures.

Environmental Protection is decreasing \$84 thousand dollars due to reduced capital expenditures in the Solid Waste Department.

Economic and Physical Development is increasing \$66 thousand dollars. The increase is primarily due to the establishment of the Economic Development Board, the new IPM agent in Ag. Extension and increased capital expenditures.

Funding for Human Services is increasing \$291 thousand dollars. The increase is primarily due to overall insurance, a new position added for Social Services, and the Senior Center building renovation to adequately serve the growing demand.

Cultural and Recreation is increasing \$63 thousand dollars. The primary reason is increased insurance, much needed renovations of our county museum, and an increase in staff for our public library.

Education is increasing \$505 thousand dollars from the previous year's original budget. The primary reason is overall increased operational expenses and capital projects including new handicapped activity bus, much needed air conditioning for Avery Middle School and new playground equipment for Riverside Elementary.

Public Safety is the largest expenditure for the County consuming 29% of the total budget. Education and the associated debt service is the next largest expenditure at 23%. Human Services is third largest at 19% while all other County functions total 29%.

### *Revenue*

Property tax revenue is projected to increase \$3.8 million dollars or 28% from last fiscal year. The increase is due to a \$62.2 million dollar increase in the ad valorem tax base and the proposed increased tax rate.

Local Option Sales Taxes are projected to increase \$180 thousand dollars. This does not reflect the decrease in tax revenue if Senate Bill 126 passes the House.

Other Taxes and Licenses are projected to increase \$50 thousand dollars.

Intergovernmental revenues are projected to increase \$186 thousand dollars primarily due to federal and state grants.

Licenses and Permits are projected to increase \$15 thousand dollars from last fiscal year.

Sales and Services are projected to increase \$281 thousand dollars primarily due to increased revenue collections in EMS, jail fees and solid waste tipping fees.

Investment Earnings and Other Income are projected to increase \$37 thousand dollars due to higher forecasted investment income.

Property tax revenue will generate 62% of the County's revenue, followed by sales taxes at 17%, intergovernmental transfers at 10%, fund balance appropriation at 0% and all others at 11%.

## **OTHER FUNDS**

### *Fire Tax Fund*

The Fire Tax Fund budget for the 2017/18 fiscal year is \$2.5 million dollars or \$147 thousand dollars more than last fiscal year.

### *E911 Fund*

The E911 Fund budget for fiscal year 2017/18 is \$186 thousand dollars. This is a decrease of \$85 thousand dollars from the prior fiscal year.

### *Revaluation Fund*

The Revaluation Fund budget is \$123 thousand dollars for the fiscal year 2017/18. Avery County budgets annually for the mandatory revaluation. It should be noted that the County performs an in-house revaluation using existing staff as opposed to contracting this service out.

## **FINANCIAL STABILITY**

At the end of FY 2016 Avery County had a fund balance reserve of \$10,896,691. Avery County is proud to report that this fund balance exceeds the state requirements. This amount provides great financial stability and coverage in the event a catastrophic event was to strike the county. The County must have the financial resources available to address unknown and unexpected situations that could cripple our community, if found unprepared. In order to balance the 2016/17 budget there was a \$2.4 million dollar fund balance appropriation. This budget for 2017/18, as presented, does not include any fund balance

appropriation. This proposed budget also continues the capital philosophy to pay as you go and establishes an allocation of \$683,000 to a capital reserve “project” fund.

## **CAPITAL PROJECTS**

Over the past several years, Avery County has developed and adhered to a strict financial plan designed to promote a “pay-as-you-go” capital philosophy. As a result of this philosophy, the county has funded the Veteran’s Monument project, Courthouse Renovation, Jail Renovation and addition, the Landfill expansion project, and the new Banner Elk Elementary School. The County was able to fund these projects in cash with the exception of the Banner Elk Elementary School which was funded in part with a loan.

The current major capital projects are:

### **Agriculture Building**

Start Summer 2017  
Finish Summer 2018  
Estimated Cost - \$1,500,000

### **Swimming Pool**

Start Summer 2017  
Finish Summer 2018  
Estimated Cost - \$1,620,000

The Agriculture Building project will involve the construction of a new facility to house the Agriculture department. It will be located at the Heritage Park site.

The Swimming Pool project will involve the construction of a new pool to be located on the recreation property. This will allow the county to fulfill the conditions of the 2008 grant.

Future capital projects are expected to be the commitment to Avery County High School and additional development for the recreation property.

## **OVERVIEW**

The attached 2017/18 FY Budget Ordinance for Avery County contains the detailed breakdown of anticipated revenues and expenses for the year to end June 30, 2018. This Ordinance is respectfully presented for adoption this 5<sup>th</sup> day of June 2017.

### **Public Comment for Public Hearing**

Brenda Lyerly, Banner Elk resident, stated “it has come to my attention that you have not included Oasis in the budget as you had in the past. Since 2013 when Oasis began serving abusive homes they have served 314 clients, 75 of those have been in the last fiscal year, 1000 bed nights have been used since 2013. If you are getting 1000 Avery County women and children in three years who needed a place to go, why did the county commissioners not want to fund the organization that cares for the most vulnerable of our citizens? Even if you thought there was one of the citizens that should not have been served what about the other 999. It is not our job as human beings not to judge, that is our Lord. It is our job to help the least among us. This organization has the ability to help children to sleep safely at night and give them hope for the future. I ask again how could you consider not funding Oasis? Who is going to fill the void in Avery County? Please consider reassessing the decision.”

Tiffany Moon, Oasis coordinator, read a letter from Carmen Lacey in support of restoring funding of Oasis.

Ms. Moon said “I wanted to provide some clarification. Oasis is here to serve all victims of crime related to domestic and sexual violence. We exist to prevent, support, and respond to victims of domestic and sexual violence because in this community we don’t want anyone to experience violence. I wanted to see if you would be willing to share with us why you did not want to fund Oasis. That was not clear in the recent article in the Avery Journal. I wanted to give you the opportunity to share with community members and citizens why you chose not to fund Oasis.”

Blake Vance stated “We are not obligated to respond. You can ask but I will say that as a whole we dialed back on nonprofits this year. We focused more money into the education system and capital projects like the museum which is a county owned building so we focused more on our own rather than nonprofits. We had multiple requests which we did not fund.”

Ms. Moon stated “In the paper it was appearing that you were allocating funds for different nonprofits.” Blake Vance said “we still are funding nonprofits; we get 25 requests and we are funding less than 10.”

Ms. Moon said "In the April 26, 2017 article entitled 'Commissioners Delve Into Details of Proposed Budget', there is about 12 nonprofits that are listed with the various funding with Oasis being the only nonprofit not reported on the funding. In the budget workshop on April 24, 2017, it says 'Vance advocated denying a \$5,000 request for Oasis for reasons he would not discuss in a meeting; the Board agreed by consensus not to fund the organization'. We wanted to give you the opportunity because even though you have made education priority you did fund nonprofits that are rescuing animals. Our organization that funds victims of violence was chosen not to be funded and you declined to comment on it."

Blake Vance stated "Again, it was not the only one that was not funded and we are under no obligation to fund nonprofits." Ms. Moon stated "I wanted to share with the community why I feel that this organization is not being funded. Based on a conversation held after the April 3<sup>rd</sup> Board of Commissioners meeting one commissioner approached me and it was my impression that Oasis is not receiving this funding based on services being available to victims of domestic and sexual violence that identify as lesbian, gay, bisexual or transgender. I wanted to share that information with our citizens so if that was inaccurate that could be shared with the public." Mr. Vance said "That commissioner was me and that is inaccurate. That is not why Oasis was not funded."

Jennifer Herman, Oasis Director, stated "The only agenda in coming and serving Avery County is to help victims of domestic and sexual violence, helping the children get out of the homes. All of our Federal and State funding has asked us to be very proactive in reaching out to disadvantaged individuals. That is what Oasis is trying to do through our Spanish language crisis line and also through different images to help the community. We are here for everyone."

Blake Vance said "Since this was called out I will take an opportunity to respond, it is not a discussion we will have back and forth this is just my response. That was taken out of context and I don't appreciate the implication that I would deny services based on something like that when I can't unilaterally do that. We have multiple requests that we decide what is the priority for Avery County taxpayer money. I think you know me better and I don't appreciate that implication. That is certainly not the case; that is illegal to discriminate based on that."

Chair Hicks stated "We give much consideration to our Special Appropriations and we have talked about for the last couple of years not even funding any Special Appropriations. We have talked about next year possibly doing a grant and organizations applying for a grant."

Bill Beuttell, Avery Fire Commission, stated "We are a totally volunteer organization. Thank you for what you have done for the fire departments. We appreciate you looking at the current and future needs of this county."

Dedy Traver, Sugar Mountain resident, commented that she was in support of the increase in the taxes. We support you and what you are doing.

Glenn Johnson, Crossnore resident, congratulated the commissioners to have the courage to raise taxes and not play politics with a tax cut. I feel like that is what was done in the past. The local people were very much misinformed. Most local folks like to hear about a tax cut. When you cut taxes in this county you are basically doing the local people a disservice. The previous tax cut saved the average taxpayer in Avery County on a \$100,000 house \$73.80. If you have a \$25,000 valuation, it saves that person \$18.45. If you jump to \$1,000,000 valuations, it saved that person \$738.00. On a \$3,000,000 house it saved \$2214.00; on a \$5,000,000 home it saved that person \$3690.00. On the new tax rate, on \$25,000 your taxes will be \$137.50; on \$50,000 \$275.00; on \$100,000 \$550.00 on \$1,000,000 \$5500.00. I want to say one thing to the Board that I would encourage everyone to vote for the tax increase. On the pool my opinion is to build an indoor pool or don't build anything. We need to do something with the recreation property. The board is charged with maintaining the financial stability and this tax increase will do this for a while."

Chair Hicks commented "Mr. Johnson and I was on the board together at one time, the fire departments were 2 ½ million dollars in debt. We paid the debt off. Mr. Beuttell presented to us that we are not buying but one fire truck so that will get us behind again. It was time to raise the fire tax so that we could meet the needs of the fire department. I did not vote for the tax decrease because I knew if I was reelected I would be back here to raise it back up. We have had 2.4 million dollars in the hole to start out with. You cannot continue to take out of the fund balance. You will be without anything to work with. We do want to move on in the county. We want to see the children, adults, and seniors to have the best that the county can give."

Tim Phillips stated "I am in full support of what the Board has done. We cannot continue to pull money out of the general fund to balance the budget. I think this is an opportunity to serve. None of us wanted to raise taxes but it was something we had to do to be fiscally responsible."



Blake Vance said "I am going back to the June 1, 2015 minutes and read directly. 'This budget is bad for Avery County. We are funding recurring expenses every year with nonrecurring revenue. What comes after that is a tax increase. The fact of the matter is in 4 or 5 years, little sooner than that, there will be five people sitting here having to raise taxes; it is not their fault is the fault of whoever votes for this budget tonight.' I said that in 2015 when the taxes were cut. I went on to point out that the decrease in taxes saved me \$87.04 per year; a house at Diamond Creek saved \$1659.02. Who did it help? Nobody. I have said the only end to this is to raise taxes. I don't want to raise taxes. I don't think anyone sitting up here wants to raise taxes. It is going to cost all of us more money. It is not our desire to just raise taxes. What is our desire is to keep Avery County healthy financially, provide services for the citizens, grow economically, to provide adequate funding for education, to provide adequate funding for public safety. I believe that is our desire. Avery County has low taxes. After this tax rate change that I think is going to happen, Avery County will still have low taxes. If you compare us to our closest neighbor, Mitchell County, they had before this year's budget an ad valorem tax of 53 cents; our ad valorem is going to 48 cents. Mitchell is entertaining a 5 cent tax rate increase. That is the ad valorem rate and does not include the fire tax. What we don't have is a sustainable path without changing the rate. 2.4 million dollars being appropriated out of fund balance does not work. We are behind on the high school, behind in economic development. We have multiple projects that need to be undertaken at this point. The simple fact is you can't spend more than you take in. You can't do that for any sustainable amount of time. It was an approximately 8% fund balance appropriation for the last two years. In Avery County to make our expenditures match our revenue without matching the tax rate we would have to abandon any project at Avery High School, forget doing anything on the roof of Crossnore Elementary, forget doing the Ag. Building which is already in process, forget the swimming pool, forget future for recreation. We would have to stop these projects and then we would have to start cutting services, cutting jobs. It is not sustainable. Raising taxes is not something we want to do but as I said two years ago that decision was made June 2015; it is not being made tonight. We are adjusting that rate back where it was before that cut and we are adding 2.9 cents for schools and 3/10<sup>th</sup> of a cent for fire departments. It is my personal belief that everything we do as commissioners the most important two things we do is education and public safety. This is really only a 2.9 cent increase after fixing the mistake that was made two years ago. To public sentiment, in 2015 13 people spoke in public comments, all 13 were opposed to cutting taxes. Tonight, 2 people spoke in reference to the tax rate and both of those people were in favor of the tax increase. That is 15 out of 15 people that have addressed this issue in public comment saying that we need a tax increase. Not that we want to raise taxes but we have to keep the county government running and provide the services we have provided."

Faith Lacey stated "I have an obligation to represent the taxpayer's of Avery County and I cannot vote for this budget. I cannot put this on people who have limited incomes. It is not fair. This past year the Board has spent over 3.1 million for special projects one of them including the pool. We have at least 60% of our children who have poverty level. We have about that many who get reduced lunches. The Board has also raised the budget. We were not broke by any means and I can't vote for a budget that is going to make a hardship because we are a county, not many of us have million dollar homes. I feel like I was voted to represent everybody in the county and this budget is way out of line. Maybe the people that you know have plenty but I know a lot of people who don't and this tax raise will hurt. I would like to say that this raise has come from overspending and not from necessity. It is good to have all of these things but they are not necessary. Good economics is low taxes."

Chair Hicks stated "I believe in our workshops as we were trying to set the tax rate, I believe Ms. Lacey at one time said 10 cents would not be enough, we would have to raise it 14 cents." Ms. Lacey stated "I did that in trying to get them to see the whole picture not that I meant to raise it 14 cents. I have fought against these programs. This is not going to turn into an argument. I am just voting against the budget."

Blake Vance said "I want to address that idea that we are not headed for broke. 10.8 million dollars, some of you on facebook may have saw this, is what we have in fund balance. The state requires 8% but strongly recommend a county of our size keeps 20% of the previous year's budget in fund balance. Mitchell County has a policy that they keep 28%. That equates to around \$5,000,000. We have approximately 2.7 million in intergovernmental restricted funds that we can't spend that brings us to 3 million spendable dollars. This year started out with a 2.4 million dollar fund balance appropriation. That fund balance is gone. That does not take in to account the 2.4 million appropriation from the fund balance in last year's budget. That does not take into consideration obligations that we have. We are not broke yet but we are headed on a one way track for broke if we don't do something. That is just math." Faith Lacey said "It may be math but the audit said on page 48, have you looked at what the audit said we have. Ms. Lacey asked Mr. Barrier if he could tell the Board what was in the fund balance now. Mr. Barrier said no. Ms. Lacey said so you don't know if we are broke or not. Mr. Vance said "I can use the audit and sit down for about two hours with our auditor who agreed with my assessment so I am going to take the auditors opinion on that. It is simple math." Ms. Lacey said "I still say we are not broke, I am not voting for this budget."

Wood Hall Young, Jr. stated "I was elected to do what I thought was right. I was not elected to be a career politician. I thought the county was headed in the wrong direction and I wanted to see if I could help turn it around. I really feel like this is what this budget has done. I told the board early on that I was

not going to blame the past boards for anything. I think this board needs to take what we have got, what we have inherited, where we are today and move forward with it and see what we can do. I think this is what this board has done. There is a tax increase. A former colleague of mine told me that he was retired on a fixed income and had inherited several acres of land from his family. I am in the same boat. Yes this will raise my taxes as well as everyone else. I have 8 grandchildren that I want to inherit a successful Avery County. I think this has gotten us started in the right direction because we are funding our children and our grandchildren's future. If anyone is upset with me over the budget that is fine, I have done what I said I was going to do and that was to make my own decision. I thank this Board for looking to the future of the county."

**Motion by Blake Vance and second by Wood Hall Young, Jr to go out of the Public Hearing regarding the Fiscal Year 2017/2018 Budget at 5:24 p.m. Motion unanimously approved.**

**Motion by Wood Hall Young, Jr. and second by Tim Phillips to adopt the Fiscal Year 2017/2018 Budget.**

**VOTE: Motion passes 4 to 1.**

**FOR---Chair Hicks; Blake Vance; Tim Phillips; Wood Hall Young, Jr.**

**AGAINST-----Faith Lacey**

**Finance Officer Report—Nancy Johnson**

**Budget Amendment**

The Avery County Transportation Department requests the following budget amendment for part-time salaries to cover costs through June 30, 2017.

**Motion by Blake Vance and second by Wood Hall Young, Jr. to adopt the budget amendment in the amount of \$22,030.00 for the Avery County Transportation Department with a debit of \$20,000 to Salary—Part-time (106300.0220); debit of \$1,530.00 to FICA (106300.0500); debit of \$500.00 to Retirement (106300.0600) and a credit of \$22,030.00 to Capital Outlay—Vehicles (106300.7400). Motion unanimously approved.**

**Budget Amendment**

The Avery County Buildings and Grounds Department requests a budget amendment for cleaning windows at the courthouse and the administration building.

**Motion by Tim Phillips and second by Blake Vance to adopt the Budget Amendment in the amount of \$2,100.00 for the Buildings and Grounds department with a debit of \$2,100.00 to Repairs and Maintenance (105000.1510) and a credit of \$2,100.00 to Available for Appropriation (107000.6000). Motion unanimously approved.**

**County Attorney Report – Michaelle Poore**

Nothing that needs action by the Board. Proceeding with tax foreclosures.

**Approval of Minutes**

**Motion by Wood Hall Young, Jr. and second by Blake Vance to approve the minutes for March 20, 2017 Special Meeting; April 3, 2017 Regular Meeting. Motion unanimously approved.**

**Agenda Consent Items**

**Adopted by Consensus.**

**Upcoming Meetings**

We will have a second meeting in June; June 19, 2017 at 3:30 p.m.

Blake Vance said we have saved 1,063 pages and 3 ½ hours with the Ipads.

**Adjourn**

**Motion by Wood Hall Young, Jr. and second by Blake Vance to adjourn at 5:36 p.m. Motion unanimously approved.**

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

ATTEST: \_\_\_\_\_  
Cindy Turbyfill, Clerk

