

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in Regular Session on December 1, 2008 at 3:30 p.m. in the Commissioners Boardroom, Avery County Administrative Complex, Newland, NC.

Members Present: Kenny Poteat, Chairman, Phyllis Forbes, Martha Hicks, Scott Heath and Glenn Johnson

Members Absent: None

Call To Order

Chairman Poteat called the meeting to order at 3:41 p.m.
Scott Heath led prayer.

Appointment of Glenn Johnson

Chairman Poteat read aloud in accordance with General Statute 153A-27.1 (d), the seated Board must appoint the recommendation of the Republican Executive Committee to fill the vacancy of Colonel Dan South. The recommendation of the said executive committee is Mr. Glenn Johnson. Mr. Glenn Johnson was sworn in this morning, stated Chairman Poteat.

Motion by Phyllis Forbes and second by Scott Heath to appoint Mr. Glenn Johnson to fill Colonel Dan South's vacancy on the Avery County Board of Commissioners.

Chairman Poteat stated the appointment of Mr. Glenn Johnson would continue for the term of two full years.

Motion unanimously approved with those eligible to vote (4-0).

Organizational Meeting

Election of Officers

Chairman Poteat turned the meeting over to the County Manager for the purpose of electing the Chairman. The County Manager opened the floor for nominations for Chairman of the Avery County Board of Commissioners.

Motion by Phyllis Forbes and second by Glenn Johnson to nominate Kenny Poteat as Chairman of the Avery County Board of Commissioners. There were no further nominations. Motion unanimously approved.

The County Manager turned the meeting back over to Chairman Poteat. Chairman Poteat thanked the other Board members for their confidence in him to nominate him as Chairman of the Board. Scott Heath stated that there is an art to running a meeting and that Chairman Poteat done a very good job. Phyllis Forbes said that this was a time consuming position and she appreciated the time that Chairman Poteat dedicated to this position. Chairman Poteat asked for nominations for Vice-Chairman.

Motion by Scott Heath and second by Martha Hicks to nominate Phyllis Forbes as Vice-Chairman of the Avery County Board of Commissioners. There were no more nominations. Motion unanimously approved.

Appointment of Officers

Chairman Poteat stated as part of a normal routine there were certain positions in the organization that were called to "serve at the will of the Board" and each year these positions must be approved. The positions are County Attorney, Clerk to the Board, Finance Officer and County Manager.

County Attorney

Motion by Phyllis Forbes and second by Scott Heath to reappoint Harrison and Poore as the County Attorney firm.

Motion unanimously approved.

Clerk to the Board

Motion by Scott Heath and second by Glenn Johnson to appoint Cindy Turbyfill as Clerk to the Board. Motion unanimously approved.

Finance Officer

Motion by Scott Heath and second by Martha Hicks to reappoint Tim Greene as Finance Officer. Motion unanimously approved.

County Manager

Motion by Glenn Johnson and second by Phyllis Forbes to reappoint Robert Wiseman as County Manager. Motion unanimously approved.

Phyllis Forbes stated that she felt the County was very fortunate to have an excellent group of people that the Board has made appointments for and that she appreciated the hard work that everyone does. Chairman Poteat said it was as fine a group as he has ever worked with.

Public Hearing – CDBG Scattered Site Housing Program

Motion by Scott Heath and second by Glenn Johnson to go out of Regular Session and into a time of Public Hearing concerning CDBG Scattered Site Housing Program. Motion unanimously approved.

Attending the hearing were: Chairman Kenny Poteat; Vice-Chairman Phyllis Forbes; Commissioner Hicks; Commissioner Heath; Commissioner Johnson; Robert Wiseman, County Manager; Tim Greene, Finance Officer; Michaelle Poore, County Attorney; and numerous members of public and press.

Chairman Poteat turned the meeting over to Michelle Ball, Community Developer/Planner High Country Council of Government.

Ms. Ball stated that for the past several years she had been administering the Scattered Housing Grant in Avery County. Ms. Ball advised that the purpose of the public hearing is to closeout the 2006 Scattered Housing Grant. Every three years each county within the state received \$400,000 for Scattered Site Housing Rehabilitation Program to provide grant funding for low income homeowners. This program tries to bring the homes into compliance with codes. In 2006, the County was able to treat five households. Four of these households received replacement homes. Ms. Ball stated that \$1200.00 was used to clear homes; \$290,418.40 was spent in relocation activities which went toward purchases of new homes; \$63,453.75 was spent on rehabilitation of a home and \$43,500 for planning and administration for the 3 year program. Ms. Ball advised that out of the \$400,000 there was \$1434.87 of the funds not used and those monies would go back to the state to be used for future CDBG funds.

Chairman Poteat stated that Ms. Ball had done a fine job with utilizing these monies. Chairman Poteat questioned if these were Federal and State monies. Ms. Ball stated that these were all Federal monies. Glenn Johnson questioned how many applications were taken for these grants. Ms. Ball answered that approximately 40 applications were received. Ms. Ball also stated that there was a long process in making the selections and that she visited each home, took pictures and brought the information back to a committee that the Commissioner's had chosen.

There were no public comments.

Chairman Poteat declared the Public Hearing closed and the meeting back in Regular Session after a time of Public Hearing.

Motion by Phyllis Forbes and second by Scott Heath to approve the closeout of the Avery County CDBG Scattered Site Housing Program Grant 06-C-1518. Motion unanimously approved.

Board Appointments

The County Manager suggested that the Board forego the appointments today because there were several boards that Susan Pittman and Dan South were on and that these needed to be discussed further in January when all the boards had been contacted.

Voting Delegate for Legislative Goals Conference

Chairman Poteat advised that he would be attending the Legislative Goals Conference and would represent the Board as the voting delegate if the Board so wished.

Motion by Phyllis Forbes and second by Scott Heath to appoint Chairman Kenny Poteat as the voting delegate for the Legislative Goals Conference in January. Motion unanimously approved.

Annual Audit Review – Sharon Gillespie

Sharon Gillespie with Young, Miller, and Gillespie Audit Firm praised the Finance Department for the job that the Finance Department does and also praised Tim Greene for his excellent recordkeeping. Ms. Gillespie explained that other auditors were pulled in on the audit because of the Avery Airport Authority. Ms. Gillespie advised that the Management and Analysis pages were a condensed version of the audit. Ms. Gillespie reported that the net assets increased by 1.5 million dollars. She stated there were two ways to present a financial statement for a government; one is just like a regular business and as a regular business entity there was a profit of 1.5 million dollars; the other method that is used by the Local Government Commission is the current economic flow method. This method is basically the money that came in for one year and the money that was spent in one year. Ms. Gillespie stated that the County was able to maintain a 20% fund balance which is a goal that is strived for to make sure the County is

financially stable. Additionally, the County has been able to put aside some money for capital projects. Ms. Gillespie reported that the debt reduction was 1.4 million dollars.

Ms. Gillespie explained that the Tax Collection Percentage was 97.31% which is higher than the statewide averages.

Chairman Poteat questioned Ms. Gillespie about what an unqualified opinion was. Ms. Gillespie explained that an unqualified opinion meant that there was a clean financial statement without qualifications or reservations. Chairman Poteat questioned regarding the statement "segregation of duties". Ms. Gillespie reported that it was found that the County was entrusting the finances to approximately 3-4 people to handle all of the financial duties and with the limited number of people there could be the possibility of wrongdoing and that the audit firm just wanted the Board to be aware that there is an opportunity with just a few people. The County Manager stated that having been in this arena for a number of years that every audit he had seen had an issue with segregation of duties and as far as he knew there could never be enough people involved where segregation of duties would not be an issue.

Ms. Gillespie stated that Tim Greene and the Finance Department were doing an excellent job.

Motion by Scott Heath and second by Glenn Johnson to approve the Audit Report for year ending June 30, 2008 as presented. Motion unanimously approved.

The County Manager stated that the Local Government Commission mandated that the audit be presented by December 1, 2008 and that he had worked at several places where it was presented much later and since the County has been working with Ms. Gillespie's firm that it had been timely and that the audit firm should be commended on their work.

Tax Collector Report – Phillip Barrier

Phillip Barrier, Tax Assessor, gave the Tax Collector's Report in Mary Daniel's absence. The total collections for the month of November 2008 were \$1,922,618.08.

Motion by Phyllis Forbes and second by Scott Heath to approve the Tax Collector's Report as presented. Motion unanimously approved.

Tax Assessor's Report – Phillip Barrier

Real and Personal Releases

Mr. Barrier stated there were three Real and Personal Releases for the month of November 2008. The County Tax release is \$170.21 and the Fire Tax Release is \$18.37, totaling \$188.58.

Motion by Scott Heath and second by Martha Hicks to approve the Real and Personal Releases for the month of November 2008. Motion unanimously approved.

Real and Personal Refund

Mr. Barrier advised that the refund was a correction of acreage where the citizen was paying for more acreage than they actually owned. The County Tax Refund is \$449.11 and Fire Tax Refund is \$39.77.

Motion by Phyllis Forbes and second by Glenn Johnson to approve the Real and Personal Refunds as presented. Motion unanimously approved.

Mr. Barrier advised that the sales statistics were included in the Commissioner's packets to track the weekly account of what the Tax Assessor's Office considers a qualified sale. There were 9 sales that totaled \$5,769,500 worth of property sold in Avery County and if the Land Transfer Tax had been enacted at this time the tax would total \$23,078. Chairman Poteat stated that August 5, 2008 through November 24, 2008 there was \$60,470,800 worth of transfers in Avery County that would equate to \$241,631.20 in Land Transfer Tax.

Mr. Barrier also reported that he had attended a conference in Greensboro regarding the applications for the property tax relief. Mr. Barrier stated that he included in the Commissioner's packets the applications for the property tax relief. There are three ways to get property tax relief; elderly and disabled exclusion; disabled veteran exclusion and circuit breaker tax deferral program. Mr. Barrier stated that if a citizen already had the elderly tax exemption that there would not need to be another application handed in unless the citizen's income had changed. Scott Heath questioned if this was state mandated. Mr. Barrier answered that this was a state law. Mr. Barrier advised that his office would help any citizen fill out the applications. Mr. Barrier explained the disabled veteran exclusion and the circuit breaker tax deferral program.

Subdivision Approval – The Fall's at Hawk's Crossing

Loretta Smith, Ordinance Administrator, stated that the Avery County Planning Department and Avery County Planning Board is submitting The Falls at Hawk's Crossing for final approval of Phase I. The overall project consists of approximately 224.6 acres with a variety of natural features and terrain ranging from gentle wooded valleys to steep wooded ridges and water falls. Phase I of the project consists of

84.861 acres representing 19 lots. The minimum lot size for this phase is 1.879 acre and the maximum lot size is 9.996 acres and will have individual wells and septic. This site has been visited by the Avery County Fire Marshall and been approved for access per the letter attached. There is an E mail from the Department of Transportation saying that the entrance to The Fall's at Hawk's Crossing has been approved. Chairman Poteat questioned if this is Phase I of several different phases. Craig Orange, Engineer with Pesterfield, PA from Asheville, advised that he represented the owner and that his firm were the civil engineers. Mr. Orange stated that in the summer of 2006 he was approached by KMS to provide a proposal to develop a road system through this piece of property for development of a subdivision. The scope of services was limited to development of roads, erosion control, storm water management and lot design. Mr. Orange advised that they worked 4 to 5 months with the Avery County Planning Board to get an erosion plan which was approved and then the owner elected not to use Pesterfield, PA during the course of construction. Mr. Orange stated that there were some areas where the original roadway layout was not going to work and had to be changed significantly. Mr. Orange advised that there were at least 2 site visits going out with Marvin Nunley, Tommy Burleson and the contractor Derek Buchanan basically trying to find the best way to get from the bottom to the top and after that it was basically the contractor Derek Buchanan, Avery County, Tommy Burleson and Loretta Smith to finish out the project. Mr. Orange stated that the main obstacle was the road grade and that it was "steeper than a horse's face". Mr. Orange advised there is only so much you can do without turning the whole mountainside into a rock quarry. Mr. Orange said that back in September Pesterfield received a call from the owner to get back into the game to help do some things that Avery County was requiring. Mr. Orange stated that he met with Tommy Burleson, Loretta Smith and Derek Buchanan and drove from the top to the bottom and came up with a lot of items that were listed in the report. There were a couple of meetings and the last meeting which took place a week ago there was some discussion on the steepness of the road from the Fire Association questioning the grades of the roads and the turnarounds. The County Attorney was present at that meeting and at that time it was decided to request a variance of the planning board to add some verbiage to a sign at the base of the mountain or possibly on the plat stating there were steep road grades and that emergency services might not be available during times of inclement weather, stated Mr. Orange. Mr. Orange reported that the road is paved out, the site is stabilized with grass, stone in the culvert outlets and there is a pond that is constructed for emergency fire vehicles. Mr. Orange stated that on a day like today he did not know if anyone could get to the top. Mr. Orange asked respectively that the Board consider the recommendation from the Avery County Planning Board to approve Phase I of the plat which will be three Phases.

Tommy Burleson, Inspections Department, reported that in order to pass a variance there needed to be shown due diligence.

Mr. Burleson handed out a document to the Board regarding the hillside ordinance development. Mr. Burleson stated that there are slopes greater than 20 to 25% at Diamond Creek, Linville Ridge, Elk River, Land Harbor, Appletree Ridge, Headwaters, Eagles Nest, Cranberry Creek and there were state roads with slopes greater than 20 to 25%, i.e. Beech Mountain Parkway, Dark Hollow, Sugar Mountain.

Chairman Poteat questioned if Green Valley Fire Department had signed off on this subdivision. Mr. Burleson stated that Green Valley Fire Department would serve this subdivision if weather permitted but had not signed off on it.

Mr. Burleson discussed the slope and percent of land surfaces in Avery County. Mr. Burleson stated that 41% of Avery County is 26-45% grade. Mr. Burleson advised that when there was a situation of cutting up a mountain, habitat could be affected and water could be affected.

The County Attorney stated that the Subdivision Ordinance requires that grades within subdivision roads be 18% or less. This proposed subdivision has roads with grades that go up to 34% and there are quite a few sections of the roads that are in the 22 to 24% range. Because the proposed subdivision roads are in violation of the ordinance, in order for the final map to be approved a variance has to be granted. The request for the variance was oral and was requested by Mr. Craig Orange on behalf of the developer. In order to grant a variance, the Board of Commissioners has to make specific findings. There are four specific findings that the Board of Commissioners has to make to grant a variance and it is not just due diligence. The County Attorney explained the four findings to grant a variance to the Board. The Board of Commissioners can request further findings and research of this issue before granting a variance. The County Attorney advised that it was her understanding that the master plan of the map that was initially approved showed an entire development and not a phase development and the final map that was submitted was a phase and it is her understanding under the Subdivision Ordinance that the master map has to show the phases. Chairman Poteat questioned if there had been a variance request in the past. The County Attorney stated not to her knowledge there had not been a request for a variance. Chairman Poteat stated that he had more than one call and concern about this particular development. Chairman Poteat advised that as a Board this development should be viewed personally sometime in the immediate future and that he personally would prefer not to sign off on this development today. Chairman Poteat said it was the charge as County Commissioners not to just "rubber stamp" this variance. Rachel Deal, Planning Board member, stated that the roads are excellent and lots of money has been put into this road.

Scott Heath advised that he needed to understand the original intent of the ordinance and therein lays the issue with a variance. This ordinance was put in to place for a reason. We do not need a development hanging off every rock cliff in Avery County. Mr. Heath stated that he takes the ordinances very seriously and why were we spending the time to create ordinances that we are not going to adhere to. Mr. Heath said that sometimes we need to say “no” to keep the validity of the ordinance intact. Mr. Heath stated that he would have trouble putting in a variance. Mr. Heath advised that the law is the law and the ordinance is the ordinance and we need to keep the validity of the ordinance and don’t just say these are just minor suggestions. Glenn Johnson questioned the County Attorney what the ordinance said. The County Attorney stated that the ordinance said 18% and not in excess of 18%. Mr. Johnson questioned at what point was the decision made if the ordinance said 18% that the grades could be up to 34%. Tommy Burleson advised that he wanted this development less than 25% but the way the waterfalls set there was no way to get there. Mr. Johnson said that obviously somebody must have known when the roads were being graded that the roads were out of ordinance. Mr. Orange stated that a plan was designed that met all of the requirements of the ordinance. Mr. Orange advised that the plan complied with the 18% road grade from the bottom to the top and what happened there were false readings with thickets, etc. Mr. Orange stated that typically after a road is designed that the engineer firm liked to go on site and that the engineers were not allowed to do that because they were released and so when the owners elected not to continue with the engineer firm it became the responsibility of Wheels Construction, Avery County and Marvin Nutley running grades day in and day out and it really wasn’t until they got into construction that they found out that there was a situation that would not comply with the ordinance and probably a variance should have been asked for then. Mr. Johnson stated that once the roads were in the process of being graded that was the time to ask for a variance instead of waiting until the roads were graded and paved. Mr. Burleson stated that the developer was close to one million dollars invested when it was discovered about the roads. Mr. Heath stated that money should never be a consideration in his opinion. Mr. Heath said essentially what is being said is “if I have millions of dollars then I can get around the ordinance”. Mr. Heath advised that the Board has a right to say no at this point to a variance even though the developer has millions of dollars invested. Mr. Heath stated it is the Board’s obligation to look into the taxpayer’s interest and the citizens of Avery County’s interest and these ordinances are put into place and if someone put more money than they wanted to or should have that are not the taxpayers of Avery County’s fault. Mr. Heath advised that money is not an issue or who the person is but that the ordinances are put into place for a reason. Phyllis Forbes stated that giving a variance this time sets precedence for a next time.

Derek Buchanan, Wheels Construction, questioned Tommy Burleson if the subdivision ordinance was capped at 18% regardless of paving or not. Mr. Burleson stated that it was capped at 18%.

Motion by Scott Heath and second by Glenn Johnson to table the discussion of said subdivision concerning the approval or disapproval of the subdivision until the January meeting.

Scott Heath stated that the Board needed to take seriously variances and take serious what had happened here today.

Motion unanimously approved.

County Manager Report – Robert Wiseman **County Manager Updates**

Rabies Action Team

The County Manager stated that by statute the Board of Commissioners appointed themselves as the grievance committee for the “vicious animal” statute. The County Manager advised that if the Sheriff has to deal with a vicious animal that there has to be a board in place to hear the grievance and that the Rabies Action Team would be assigned to be the grievance committee. Each Commissioner was given a draft of the Rabies Action Team bylaws to review and give recommendations. The County Manager stated that first and foremost if there is a rabies situation it is the Toe River Health District Director’s responsibility.

Banner Elk Day Care Center

The County Manager advised that he had postponed the appraisal on the Banner Elk Day Care Center given the fact that the zoning classification is not at the highest and best use. The County Manager stated that he had been in contact with the Ordinance Administrator in the Town of Banner Elk to investigate what would be involved in getting this property rezoned. This would be a 45 day process. The property is not zoned educational but zoned governmental. Scott Heath questioned if this zoning would knock Lees McRae College out at this point. The County Manager advised that from the Town of Banner Elk’s prospective it could be used as a maintenance facility. The County Manager stated with the Board’s approval he would further investigate this situation.

Puckett Property

The County Manager advised that an appraisal had been done on the Puckett Property and if it is the Board's intent to sell this property it could be advertised for sale. Scott Heath questioned if the appraisal amount would be public knowledge or would this constitute closed session. The County Attorney stated that this would be a closed session matter. The County Manager advised that the Board would need to consider setting a minimum bid. Martha Hicks questioned if the school system had looked into this piece of property to see if the school system had any use for this property. The County Manager stated that the last meeting with the representatives from the school along with the architects laid down the basic footprint for the new Banner Elk School and the "Puckett Property" was not identified in the basic footprint. The County Manager noted that the Board of Education to his knowledge had no problem with this property being sold and the proceeds going back into the new Banner Elk School. Chairman Poteat stated that in actuality there is a green area that separates the Puckett Property from the new Banner Elk School property. The County Manager advised that there is also a little trout stream that cuts across the 10 acre piece of property that provides a natural barrier and at this time there is no planned use for that piece of property. Martha Hicks stated she was concerned about selling the Puckett Property because that the new Banner Elk School might need to use this for an entrance and that once the Board sells this property it cannot be gotten back. Chairman Poteat advised that it was his understanding from the Board of Education that the state approvals do not include any of the Puckett Property nor the property behind the water stream. The County Manager reported that Mr. Jaynes, Dr. Eades and he had discussed that there needed to be a joint meeting with the Board of Education to discuss all of these issues. Chairman Poteat stated it would be wise before a decision was made to sell the Puckett Property to have a joint meeting with the Board of Education.

Hospice House

The County Manager explained that Medical Services of America was taking over Avery County Hospice and that from now until the fiscal year ended that Medical Services of America would be the management entity for Hospice and come the new fiscal year they would take over officially and be a private-for-profit organization. The County Manager stated that he asked if before the fiscal year was up if Hospice experienced financial difficulties would Hospice come before the Board to ask for help and he was given a definite "no" answer. The County Manager also stated that he asked the President of Medical Services of America what if the opportunity came up for a Hospice House which the President of MSA advised there was not a lot of enthusiasm about pursuing a Hospice House at this point. Chairman Poteat said that when Hospice became a for profit organization that this sheds a different light on the Hospice House. Chairman Poteat stated that public funds being used for private use was unprecedented in Avery County. Ms. Forbes advised she would like to know more about Hospice near budget time.

Memorandum of Understanding for Non-Profits

The County Manager reported that the Board had a list of non-profit organizations in their packet that Avery County supports and that a Memorandum of Understanding had been drafted between Avery County and these organizations so that as a condition of releasing the funds these organizations agree to report their expenditures on a quarterly basis. The County Manager stated that he wanted to proceed with execution of this Memorandum of Understanding if it was the consensus of the Board.

By Consensus of the Board, the County Manager is to proceed with execution of the Memorandum of Understanding for Non-Profits.

Transfer Tax

The County Manager stated that a draft copy of the pamphlet about the Transfer Tax was included in the Commissioners packet for their review. The County Manager advised that a planning committee was being organized to discuss advertising, town hall meetings, etc. Glenn Johnson stated that it would be a good idea in January to have town hall meetings, etc.

Jail Design

The County Manager advised that he had been on the phone with the architect and hopefully by the end of the week there will be some kind of basic plans to look at with the new jail. The County Manager said that the jail consultants that are representing the County are probably impeding the process but the finished project would be well worth the time spent.

Avery Airport Authority

The County Manager reported that the Morrison Air Field has no finances or operation to speak of and Morrison Air has offered Avery County 20 acres of property for \$1 dollar. The County Manager stated that the cost for sedimentation and erosion control would be extensive even with the involvement of Unimin. The County Manager read aloud a letter from the NC Department of Transportation that stated the Division of Aviation concurred with the request of the County Manager to allow existing non-primary grants to be utilized for safety area improvements and would pursue modifying the scope to existing State Aid to Airport grants to help facilitate the requested improvements. The County Manager stated he would be working with Sam Calvert to present the plan to the Board of Commissioners in the near future.

Cost of Living Raises for Elected Officials

The County Manager advised that historically elected officials, i.e. Sheriff, Tax Collector, Register of Deeds and Commissioners have not been subject to Cost of Living increases until the first of December. Chairman Poteat stated that historically over the last few years the commissioners have declined the Cost of Living raise. Chairman Poteat advised that personally he felt that a 3% increase be entertained for the Sheriff, Tax Collector and Register of Deeds to become effective December 1, 2008.

Motion by Scott Heath and second by Phyllis Forbes to approve the 3% Cost of Living increase for the Sheriff, Register of Deeds and Tax Collector for the period December 1, 2008 continuing through November 30, 2009. Motion unanimously approved.

Chairman Poteat remarked that being a Commissioner was very hard work, time consuming and that the no one was in it for the money. Scott Heath stated it did not matter to him either way if the Commissioners received the 3% increase but the problem with not receiving any increases was that someone who worked for hourly wages could not afford to take off work and this might deter someone from going into public service. Phyllis Forbes agreed with Mr. Heath and said that being a Commissioner entailed more than just the Commissioners meeting but other meetings and traveling. Tim Green stated that the pay for the Commissioners had been the same for the past 5 years. Chairman Poteat advised that this was worthy of continued discussion and could possibly come up on the January agenda. Chairman Poteat stated that it is precedent of the Board to do an evaluation of the County Manager and that it will be set for the January meeting in Closed Session concerning Personnel.

Sheriff Frye invited the Commissioners, County Manager, County Attorney and Clerk to the Sheriff's Department Christmas Dinner at Louises Rockhouse December 5, 2008.

Finance Officer Report – Tim Greene

Tim Greene, Finance Officer, stated that it had been an honor to serve in Avery County as the Finance Officer for the past 5 years and thanked the Board for his reappointment.

The Finance Officer advised that the Worker's Compensation premium is based on the projected payroll salaries for the upcoming fiscal year. When the fiscal year ends, an audit is conducted to get actual salaries. The insurance premium is then adjusted based on actual salaries. After conducting the audit for the 2007/2008 fiscal year, the County has been assessed an additional premium of \$57,736.00. Chairman Poteat stated that these are new monies coming out of fund balance and that the County has gained more than invested because of the use of the said monies throughout the year.

Motion by Phyllis Forbes and second by Scott Heath to approve a budget amendment with a debit amount of \$57,736.00 (106600.5500) Ins. Various/Worker's Comp and a credit amount of \$57,736.00 out of (103990.0000) Fund Balance Undesignated. Motion unanimously approved.

Scott Heath asked the Finance Officer his opinion on the audit. The Finance Officer advised that he had a very capable and competent staff that did much of the work. The Finance Officer stated that he felt very comfortable with the audit firm and that they were very thorough and knowledgeable. The Finance Officer also said that he tried very hard to segregate the duties.

County Attorney Report – Michaelle Poore

Michaelle Poore, County Attorney, thanked the board for the reappointment. The County Attorney stated she had nothing to report regarding any pending litigation.

Approval of Minutes

Motion by Scott Heath and second by Glenn Johnson to approve the Regular Session October 20, 2008 minutes; Special Meeting- Land Transfer Tax October 30, 2008; and Special Meeting – Land Transfer Tax, November 10, 2008. Motion unanimously approved.

Agenda Consent Items

Chairman Poteat stated that John Hicks made a request for a monument to be placed in the Newland Square. Chairman Poteat requested that the existing monument that is by itself be placed in the vicinity of the other monuments.

Agenda Consent Items adopted by consent.

Upcoming Meetings

The employee Christmas Luncheon will be December 17, 2008 at 12:30 p.m. at the Old Cranberry High School. The next Regular Meeting will be January 5, 2009. Chairman Poteat asked the other Board members for \$25.00 for door prizes for the Christmas Luncheon.

Motion by Scott Heath and second by Glenn Johnson to adjourn this meeting at 6:40 p.m.

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

Attest: _____
Cindy Turbyfill, Clerk