

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in a Joint meeting with the Avery County Board of Education on July 6, 2009 at 6:00 p.m. in the Commissioners Board Room, Avery County Administrative Complex, Newland, NC.

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

Board of Education Members Present: John Greene, Chairman; Jamey Johnson; Marty Dellinger; Phillip Shomaker; Kathey Aldridge. Others Present: Dr. Keith Eades; Diane Jaynes; Jeff Jaynes; Danny Clark.

Chairman Poteat advised that the Board of Commissioners was in a recess from the Regular Meeting of the Board and declared the Board to be back in session after a brief recess.

Beech Mountain Community Club – Boyd McCloud

Boyd McCloud stated he was here to talk to the Avery County Board of Commissioners and Avery County Board of Education about the Beech Mountain Elementary School. He said that there were over 300 students when the school was first started and now it was down to 20 or less and that was why the school was going to close. Mr. McCloud stated that the Beech Mountain Community wanted to know what was going to happen to the Beech Mountain Elementary School and that he would like to get a commitment tonight to turn the school over to the Beech Mountain Community and would like for a letter of intent to be signed. He said that they could not do anything until they had a letter of intent. He advised there were a lot of things that the Beech Mountain Community wanted to do with that school and that there were some organizations that would help such as Mayland Community College would like to have classes there at some point. He also stated that if there was an agreement to do this that the Beech Mountain Community would have to have some financial help to keep the building up, insurance, heat, etc because a small community cannot generate the finances that would be needed to keep the school open. Mr. McCloud said that the county was putting recreation in different parts of the county but that the Beech Mountain Community did not have anything but the school and that would be closing next year. He stated that he did not want to wait another year to find out what is going to happen.

Kelly McGuire, Beech Mountain Community Club, advised that Beech Mountain School is about all Beech Mountain has and we would like to keep it for the community to use. She stated to please do anything financially to help the Beech Mountain Community. Ms. McGuire said that the community club is willing to take the responsibility to look after the school and see it is run like it is supposed to.

Chairman Poteat questioned what was the actual date for closing of the Beech Mountain School. Dr. Keith Eades, Superintendent of Avery County Board of Education, answered that the closing would be July 1, 2010 at the end of this academic year. John Greene, Chairman of the Board of Education, questioned Ms. McGuire if the Beech Mountain Community Club had nonprofit status. Ms. McGuire stated that Beech Mountain Community Club did have nonprofit status. Phillip Shomaker stated that the community would like to keep the building in good condition and the reason that they would like to start now so that people could be contacted to begin fundraising and trying to get grants. Mr. Shomaker asked if there was any way possible to get a letter of intent from the Board of Commissioners and Board of Education.

Chairman Poteat questioned who owned Beech Mountain Elementary School. Dr. Eades stated that the Board of Education owns Beech Mountain Elementary School but by general statute when it is declared surplus it must be offered to the Board of Commissioners at fair market value or a price negotiated between the two Boards. John Greene, Chairman of the Avery County Board of Education, stated that informally that the board members had talked about Beech Mountain Elementary School and if it is feasible it is important for Beech Mountain to use that building because it is the center of their community. He also said that on behalf of the Board of Education that the Board would like to continue to see something to continue at old Beech Mountain School but there has been no formal action on this matter.

Chairman Poteat stated that to give property away to someone is one thing but sustaining money is another; monies that would continue into the future. He said that he has heard the plea and that would involve further discussion of whose responsibility that would be. Chairman Poteat advised that, in his opinion, once the building ceases to be used for public education then it would be the County's responsibility and this is something that would have to be addressed if indeed this property is given to them. Chairman Greene said that the Board of Education would need to check with the attorney as well as the legalities are concerned. Michaelle Poore, County Attorney, questioned if the Board of Education attorney has done a title search on the property which she said would be the first step. She explained that sometimes there is a provision in the deed that would say if it is no longer used for school purposes that it would go to the County or someone else.

Chairman Poteat said that basically it is in the Board of Education's "lap" rather than the Board of Commissioners. Chairman Greene said there could be no action taken tonight because of the points that the County Attorney brought up to be investigated.

Scott Heath advised that everyone needed to be upfront, honest and fair and that he didn't think that there could be a commitment now because there is a state mandated process. He said he didn't think that we could lead the Beech Mountain Community to believe that in three months we can commit to them the building. Mr. Heath stated that his concern if the Beech Mountain Community members left from this meeting with the opinion that they were going to get the Beech Mountain School and started raising money and then at the "twelfth hour" someone else gets it then the Beech Mountain Community would be very angry and that is not fair to anyone.

Further discussion regarding the Beech Mountain Elementary School.

Dr. Eades stated that the Board of Education would know more about this issue when they got direction from their attorney.

Recess

The Boards took a brief recess at this time.

Puckett Property

Dr. Eades stated that the BOE had informal discussions about the Puckett property and Mr. Shomaker, Mr. Greene and Dr. Eades walked over the property to see if there was a use for this piece of property. During the budget process, it was discussed that possibly the sale of this property could go toward the purchase of the old hospital offices in Linville. Mr. Greene advised that the BOE did not see any need for that piece of property. Mr. Shomaker stated that the right of way needed to be looked at because we will have buses going down that road. The County Manager advised that the Board of Commissioners by unanimous motion declared that piece of property surplus and there have been appraisals on that property. Chairman Poteat instructed the County Manager to pursue the road width regarding bus travel. Martha Hicks stated that she didn't feel that the property should be sold if the property was needed for the road.

Resolution – Qualified School Construction Bonds

Dr. Eades explained that the qualified school construction bonds are interest free bonds that are available for capital projects that do not include central office, athletics, etc. The Board of Education did pass a resolution to enable the County Commissioners to use interest free bonds for any capital projects. Jeff Jaynes advised that the information received with the stimulus package that President Obama passed was regarding Q-zab bonds and a new bond called the Qualified School Construction Bond. The minimum allotted amount for Avery County is 1.178 million. This is not free money, however it is interest free. Mr. Jaynes stated that there would need to be submitted to Raleigh a detailed plan as to how much funding we are asking for, budget outline, project timeline, etc. and the counties that do not meet the deadline basically would forfeit their allocation. Mr. Jaynes said that the Board of Education passed a resolution which simply says as a board we are accepting this responsibility and passing it on to the Board of Commissioners. This bond is for new construction, rehabilitation or renovation. Tim Greene, Finance Officer, stated that the way we are planning on financing the price of the new school is partly through installment financing, partly through capital reserve and partly through the sale of the old Banner Elk School. He said that certainly the more that can be borrowed on the Qualified School Construction Bonds the better. Chairman Poteat stated that by consensus the Board would allow the Finance Officer and County Manager to take advantage of the Qualified School Construction Bonds by July 31, 2009.

Funding Formula

Dr. Eades explained that at a meeting last year the Boards had looked at a projected county funding formula. The idea was that if there was a funding formula that the school board would know what to expect when the budget is being put together. The framework would be looking at a per pupil allocation with adjustments of the consumer price index or whatever else the boards could agree on. He said that he had worked with this formula in other counties and this worked well. Dr. Eades stated that a pitfall would be how it would fluctuate depending on the student enrollment. He said that this is an issue to consider possibly at the next quarterly joint meeting.

Historic Designation of Banner Elk School

Chairman Poteat stated that the Board of Commissioners had a lengthy discussion at the Regular meeting earlier today concerning the historic designation of Banner Elk School. John Greene advised that there had not been formal discussion with the school board but that the school board wanted as much latitude as possible in disposing of the property. The County Manager stated that the placement of property on the National Historic Registry would not appear to have any adverse effects on the property per the school board's attorney, however, it states in the memorandum that any pre-existing restrictions that were applicable to that particular property would still be in effect. After discussion with legal counsel, it would appear that any municipality that had zoning restrictions could pass an ordinance in concert with

their zoning board that would be applicable to any piece of property that was placed on the National Registry. In other words, there could be an amendment to the zoning ordinance made prior to the time the property went on to the National Registry. Mr. Glenn Johnson stated that he spoke with Becca Johnson in the Asheville Office of the state Historic Preservation Office and questioned her several times about the same things. The first question to her was what can an owner or subsequent owner if the property is sold do with a piece of property that is on the National Registry and she said anything could be done with the property including tearing it down. As a private owner, there can be an objection to the property being put on the study list and there can be objection if it is public property but this would not do any good as far as a public entity was concerned. Mr. Johnson said that this problem with this is that it is fine to put the property on the National Registry but after the property is sold. Scott Heath stated that the new manager of the Town of Banner Elk made a public appearance and threw out words like condemnation and zoning and pretty much he said they could use their powers to devalue the property. He said that he felt that as far as the Banner Elk School is concerned this is going to get nasty and the taxpayers are going to lose. Mr. Heath stated that we need to be proactive in working with the town of Banner Elk. We want the Beech Mountain School and the Banner Elk School for the community. He said we do have a taxpayer issue here. Mr. Heath stated that the Board needed to get in touch with the Town Council of Banner Elk regarding this issue. John Greene advised that the Board of Education met with the Town of Banner Elk in May. He said that the Town of Banner Elk wanted to tie the annexation, water and sewer along with the property and Dr. Eades said these were two separate issues and we couldn't talk about that because the property is not surplus yet. He said they did reassure us that we would have water and sewer and that the other issue as far as the Banner Elk School would not come into play.

Chairman Poteat stated that a group of persons such as Scott Heath; Phillip Shomaker; the County Manager and the Superintendent should meet with the Town Council of Banner Elk and bypass the manager. Chairman Poteat instructed the County Manager to set up a joint meeting with the Town of Banner Elk which would include John Greene, Phillip Shomaker, Dr. Eades, Scott Heath, Chairman Poteat, Robert Wiseman and Michaelle Poore.

Annexation of Banner Elk School

The County Manager stated that Dr. Eades and himself would meet and discuss this issue at a later date.

Management of Banner Elk School Construction

The County Attorney stated it is her understanding that the construction phase is coming up and typically the school board is going to handle that entirely and there needs to be a motion that the boards will enter into a memorandum of understanding that would be approved by both of the attorneys where management of the project would be handled by the school board. The County Attorney said she had spoken with Mr. Campbell, Board of Education attorney, today and he was in agreement with this.

Motion by Phyllis Forbes and second by Martha Hicks to enter into a Memorandum of Understanding where management of the project would be handled by the school board. Motion unanimously approved.

Motion by Marty Dellinger and second by Kathy Aldridge to enter into the said Memorandum of Understanding. Motion unanimously approved.

Motion by Phyllis Forbes and second by Martha Hicks to adjourn this meeting at 8:10 p.m. Motion unanimously approved.

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

ATTEST: _____
Cindy Turbyfill, Clerk