

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in a Regular Session on Monday, June 20, 2011 at 3:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

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

Members Absent: None

Call To Order

Chairman Poteat called the meeting to order at 3:31 p.m.

Scott Heath led prayer.

Chairman Poteat stated that if anyone would like to speak to an agenda item, they must sign up on the sheet with the clerk otherwise there would be a time of public comments.

Public Comments

There were no public comments.

Martha Hicks announced that the High Country Workforce Board would be at the Morrison Library on June 21, 2011 at 9:00 a.m. to 4:00 p.m. to choose 16 solar installers.

Chairman Poteat stated that several citizens had talked to him about parking at the courthouse which has been a problem for many years. A local man witnessed a few months ago an elderly couple walked a great distance to get into the courthouse. He suggested one hour parking closest to the courthouse. Chairman Poteat instructed the County Manager to research one hour parking at the courthouse. Phyllis Forbes suggested that there be a designated parking area for employees.

Board Appointments

Jury Commission

Robert Wiseman, County Manager, stated that every two years the Clerk of Court, Resident Superior Court Judge and the County Commissioners each appoint one member to the Jury Commission. It has been recommended by the Clerk of Court that the Board of Commissioners reappoint Linda Taylor. Ms. Taylor has served the last two terms and done an excellent job.

Motion by Phyllis Forbes and second by Glenn Johnson to appoint Linda Taylor to the Jury Commission for a two year term. Motion unanimously approved.

Avery Airport Authority

The terms of Bob Barinowski and Bill Erhart have expired and the terms for Sam Ray and Sam Calvert are expiring. Mr. Ray and Mr. Calvert have indicated their willingness to continue to serve and these two gentlemen need to be reappointed. To fill Mr. Barinowski and Mr. Erhart's positions, there are two applicants recommended by the seated airport commission and those are Mr. Ray Knowles and Mr. Dean Harris.

Motion by Glenn Johnson and second by Martha Hicks to reappoint Mr. Sam Calvert and Mr. Sam Ray to the Avery Airport Authority for a four year term. Motion unanimously approved.

Motion by Scott Heath and second by Martha Hicks to appoint Mr. Ray Knowles and Mr. John D. Harris to the Avery Airport Authority for a two year term. Motion unanimously approved.

Chairman Poteat announced that anyone that would like to speak to an agenda item must sign up on the sheet with the clerk. There are two sheets; one is for the budget for the upcoming year and one for any other agenda item.

County Manager Updates – Robert Wiseman

Town of Newland Tag Office

The Town of Newland has agreed to continue the service of the Newland Tag Office. The County's allocation will increase from \$10,000 to \$20,000.

Economic Development Director

Martha Hicks, Glenn Johnson, Phyllis Forbes and Robert Wiseman interviewed five candidates for the economic development director's position last Friday. There was an interview via webcam. This has been narrowed down to the top three applicants. There will be a meeting on Wednesday at 9:00 a.m. for discussion regarding this.

Weight Limit on US 221

Robert Wiseman, County Manager, stated that at the request of Mr. Junior Sluder, NC DOT was contacted regarding Hwy 221 and the weight limit concerns. Mr. Wiseman said that Ms. Austin had spoken with Mike Pettyjohn with the NC DOT and that Mr. Pettyjohn had stated that “all bridges are inspected every two years. If there is any question of stability/safety, the limits are lowered for the bridge. If possible, the DOT makes necessary repairs/changes to make the bridges safer; and, if they can do so, the limit is increased again. There is no exception to emergency vehicles. The DOT realizes that emergency vehicles might still cross in certain situations, but should the bridge fail, then the DOT is not liable for any losses. This is the main reason for the signs being posted. If it is not a structure fire, then it is recommended that either a smaller vehicle be used or an alternate route be used.” Mr. Wiseman stated that another informed source had said that it was not the intent to prohibit emergency vehicles but large commercial vehicles. Daryl Smith said that he had spoken with the DOT and that this issue was with the whole road not just the bridge and it was mainly directed to big trucks. Mr. Sluder questioned what the fire departments should do about this. Chairman Poteat questioned if there was liability insurance coverage to cover accidents or things that might happen with the fire departments. Mr. Smith stated that yes the fire departments did have liability coverage. Chairman Poteat said “Junior, to answer your question “roll” this will be taken care of”. Mr. Smith stated that he had asked to be sent a letter from the NC DOT.

Public Hearing – Avery County Community Development Block Grant

Motion by Martha Hicks and second by Glenn Johnson to go out of Regular Session and into a time of Public Hearing at 3:50 p.m. regarding the Avery County Community Block Grant. Motion unanimously approved.

Michael Walser with Hobbs, Upchurch and Associates explained that they have been working on the grant application in conjunction with the N.C. Department of Commerce. The CDBG are federal funds that come to the State Department of Commerce and they make these funds available to the counties. This particular grant is for tax credit housing developments. This is where you have a developer who is making application for tax credits. Specifically, this is for the Linville Cove project and the application is for \$192,000. The funds will be used to assist for development in providing infrastructure specifically water lines, sewer lines, sidewalks and some street repairs. The Linville Cove development will be located at 501 Linville Street area in Newland. This is a 32 unit development for the purpose of providing affordable housing to folks who are elderly. This is the final public hearing for this grant. The applications are due on Friday. There is an authorizing resolution that authorizes the Chairman and County Manager to furnish information and execute documents as may be required.

The County Manager stated that this grant would in no way commit Avery County to any financial obligations.

There were no public comments.

Motion by Martha Hicks and second by Glenn Johnson to go out of the time of Public Hearing and back into Regular Session at 4:00 p.m. Motion unanimously approved.

Motion by Phyllis Forbes and second by Scott Heath to adopt and have the chairman to sign not only this Resolution but any needed documents regarding the Avery County Community Block Grant. Motion unanimously approved.

Chairman Poteat announced that there would be a Public Hearing next on the agenda regarding the upcoming budget and that there was a sign up sheet if anyone wanted to speak regarding the upcoming budget.

Recess

Chairman Poteat called for a 5 minute recess so that the chairman could sign documents.

Motion by Phyllis Forbes and second by Martha Hicks to amend the agenda to place the Jail Updates and Banner Elk School updates by Jeff Hurd next on the agenda. Motion unanimously approved.

Banner Elk School/Jail Updates – Jeff Hurd

Banner Elk School

Jeff Hurd, MB Kahn, reported that the Certification of Occupancy for the new Banner Elk School should be issued by July 5th or July 6th. The Geothermal systems are 75% complete. 80% of the mechanical system came out and went back new with a new contractor. The final punch list is scheduled to start Wednesday morning. The FFE is completely procured and scheduled to start arriving the third week of July. The landscaping is well underway as well as fencing, etc. There is nothing at this point in time that would prevent the opening of the Banner Elk School.

Jail Updates

The shop drawings, submittal process, critical delivery items, etc, everything is on schedule or better than called for schedule. The schedule in the back of the report is on track if not ahead of schedule. Progress is exceptional by Vannoy Construction. Jeff Hurd stated that we are on track on recovering the 51 days and I am confident that

we will be there by fall.

County Manager Updates Continued--- Robert Wiseman

Turn Lanes at Banner Elk School

Mr. Wiseman advised that in the 2010/2011 budget year the County has gotten \$300,000 to cover the “soft costs” which would be the engineering studies, drawings, etc. everything getting it ready to go to bid. Hopefully, that will be significantly more than it will take for preparing the studies and drawings. Out of the 2011/2012 fiscal year after the drawings are made and there are cost estimates, we can go back to the State for the money that is needed for the construction. It is going to take a sponsor to sponsor the bill for \$80,000 to \$90,000 out of DOT contingency money to purchase right of way. The \$300,000 cannot be used to purchase right of way.

Recess

Chairman Poteat called for a 2 minute recess.

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

Public Hearing- Fiscal Year Budget 2011/2012

Motion by Martha Hicks and second by Glenn Johnson to go out of Regular Session and into a time of Public Hearing regarding the Fiscal Year 2011/2012 budget at 4:30 p.m. Motion unanimously approved.

A power point presentation was presented regarding the Fiscal Year Budget 2011/2012. Mr. Wiseman stated that the current economic conditions make balancing the County’s budget extremely difficult. Overall revenues, not including fund balance appropriations, are projected to increase only \$302,000 or 1.3% from 2010-2011 budget. In addition, the Jail expansion will necessitate the County hiring up to 14 additional jailers. This will be partially offset by a net reduction in force of 3 positions in other departments. The 2011/2012 budget is balanced based on a total appraised value of \$4.549 billion. This represents a decrease of \$26 million or 0.6% over last year’s valuation of \$4.575 billion. The general fund tax rate remains 33 cent (\$0.33) per \$100 valuation which will generate an estimated \$14.6 million dollars. The lower tax base along with a reduction in the forecasted collection percentage of property taxes from the current year translates into a decrease in projected tax revenue of \$293 thousand or 2.0% from the 2010/11 fiscal year. The county wide fire tax rate remains the same at 4 cents (\$.04). This rate of 4 cents is estimated to produce \$1.75 million dollars. The Avery County Fire Commission will also receive \$100 thousand dollars from the General Fund. This will ensure all of the long term debt of the Fire Departments will be paid in full by the end of the 2011/2012 fiscal year. The combination of these two rates results in an overall tax rate of 37 cents (\$0.37) for the fiscal year 2011/2012. This rate reflects no tax increase.

Chairman Poteat said that this was his 17th year and this has been the most challenging budget in 17 years. These are not great economic times. The first goal for the coming year was to try to maintain and hold an equal ground. Many counties are hurting more than Avery County. We have been able to maintain.

Daryl Smith, Chairman of the Avery County Fire Commission, thanked the Board for what has been done for the fire departments. Mr. Smith said that the Fire Commission disagreed with this year’s budget. The Fire Commission requested 5 ½ cents but the Board only allowed 4 cents plus \$100,000. Mr. Smith stated that this was a lot of money but it costs a lot of money to run the fire departments and most of the work is volunteer. He said that the Fire Commission felt like they had been very prudent with the County’s money also. Over the past four years when this year’s budget has been completed, the Fire Commission will have paid off over \$3,000,000 in debt plus the operating funds. Having the lowest tax rate is wonderful as long as it provides the services that need to be provided. The fire departments have done a good job in keeping the insurance rates low. The place that I feel like you are “killing” us is on the truck replacement schedule which is behind two years now. We ask that you reconsider and give the 5 ½ cents that the Fire Commission has asked for.

Junior Sluder, Avery Fire Association President, stated that he felt like that the budget should be in the fire department’s hands before the public hearing was held. Mr. Sluder said “if you are not going to listen to the Fire Commission, why did you appoint them.” In the last four years, the fire departments have saved the taxpayers over \$6,000,000. The volunteers do not get paid to go out on calls. Please listen to the Fire Commission.

Ken Journey, part-time resident who lives in Statesville but also has a home at Mountain Glen, said that he volunteers to help fire departments improve their insurance ratings. Newland’s fire rating was dropped to a 6 and this saves more than the fire tax that is paid. Mr. Journey stated that he pays the same tax rate as everyone else in the county but with the 6 rating gives him an 8 cent advantage over homeowners in a 7 rated district and 16 cent advantage over homeowners in a 9 rated district. The fire departments can provide and maintain service to their district, if and only if, we have fire tax that is 5 ½ cents. Mr. Journey thanked the County Commissioners, Fire Commission and the County staff for the service to the county and for supporting the fire departments.

Jim Brooks, Beech Mountain Fire Department, suggested that the Commissioners allow the Fire Commission to keep the low interest Federal loan on the ladder truck and use the money to continue the truck purchase program and allow the Fire Commission to put some money toward these other ratings.

Neil Reece, Chief of Elk Park Fire Department, explained that Elk Park Fire Department had worked over the last few years to get the rating lowered which had saved the citizens a lot of money. Mr. Reece requested that the Board reconsider giving the Fire Commission 5 ½ cents that they requested. The Fire Commission has kept us under a very tight budget and it is like we work and work but get less for it. Mr. Reece also asked that the Commissioner's meetings be moved to later in the evening so that more citizens can attend.

Bob Garland, Chief of Avery County Ladder Company, stated that over the years there have been some rough spots with the Fire Commission but the fire departments and Fire Commission has worked together over the past year or two to bring fire service in Avery County where it should be. Some of the spending was reduced that maybe wasn't spent in the proper way and they have tried to maintain our monies. The Fire Commission and Board of Commissioners should work together and when the Fire Commission says that they need 5 ½ cents that the commissioners should take that into account. Listen to what the Fire Commission has to say; sometimes you have to increase taxes.

Jake Owens, Avery Fire Commission member, stated that he was a County Commissioner when the Fire Commission was formed. The Fire Commission has done an excellent job for the county. The fire departments are doing a real good job for the county turning around and saving the taxpayers nearly \$7,000,000. The Fire Commission gave the commissioners a good budget and a lot of time was spent on this budget. Mr. Owens stated "I feel you are wasting my time on this by not listening to what we have to say."

Tony Hunter, Chief of Fall Creek, stated that Fall Creek had two stations and that it was a requirement that there be 28 people to keep the doors open and if you have one station it is a requirement to have 23 people. That is approximately 194 volunteers and the County pays for only 8; this is a win-win situation. The trucks need to be replaced after 20 years; Fall Creek's truck is a 1986 model and we are not going to get one this year or next year. The fire departments are doing a good job and I think we need this fire tax raised.

Chairman Poteat stated that the budget that the Board is seeking approval for today will allow the substation at Elk Park to be opened by Linville Central Rescue Squad.

Scott Heath stated "when I came on four years ago the Fire Commission was in place and at that time there was not a strong movement toward ratings and full time firemen but a truck replacement schedule. There was also a debt schedule. We raised the fire tax the first year by 1 cent to try to get down the debt. We have come out of the hole in a relatively short period of time and that was solely because of the Fire Commission. This year is not the year to raise taxes. Next year I see the fire tax being whatever it needs to be to get the two new trucks."

Phyllis Forbes stated "we do appreciate the Fire Commission and all the volunteers. I couldn't see raising taxes. I know a lot of people that has a hard time putting a tank of gas in the car. I hope we can do more next year for you. We have been fortunate in Avery County in that we have had a good fund balance but everyone has to bite the bullet sometime. It was just not possible this year."

Martha Hicks stated "I do thank the Fire Commission for everything they do and the fire departments for all the hours that they put in. This year the revenue was not up like it has been. We did try to get the rescue squad at Elk Park started back again. If the economy picks up, maybe next year we can do more."

Glenn Johnson said "while I do not like to raise taxes, I do believe that the fire tax needs to be funding our fire departments. We have decided, much to my chagrin, to take \$100,000 out of general fund to help fund the fire department. I consider money paid to a bank a waste of money. If we can, we must avoid that at any cost. If we had raised the fire tax by ½ cent it would have enabled us to not take \$100,000 out of general fund plus we would have had some \$116,000 extra. I would not have given the fire departments a full 1 ½ cent but I did advocate giving them something. We are talking about next year or some point in the future rolling the rescue squad under the Fire Commission. We are incurring an additional \$155,000 in additional debt if we roll the rescue squad into the Fire Commission next year. While I will vote for this budget because it is a good budget, I don't agree with this one particular item but I can't throw the entire budget out because of one thing."

Chairman Poteat said "I appreciate what the fellow commissioners had to say. Volunteer firefighting can be tough and life threatening. It is our charge to the best of our abilities to see what we see is proper and fit for the entire county. There are so many people with very worthy needs and legitimate requests. We have to try to balance all of those numbers and keep the taxpayer in mind. I was not for increasing overall the taxes."

Scott Heath stated "I do not raise taxes because it is politically correct. Next year the fire tax will need to be raised to cover the equipment and I for one am committed to do that. The fire tax does need to support the fire departments. What is coming up next year also is the one-on-one initiative which will need to come out of ad valorem and I am committed to that also. I felt this is where we needed to be for this budget."

Motion by Phyllis Forbes and second by Martha Hicks to go out of the time of Public Hearing and back into Regular session at 5:40 p.m. Motion unanimously approved.

Chairman Poteat stated it is our task to adopt the budget. This budget must be in place by July 1, 2011.

Motion by Scott Heath and second by Phyllis Forbes to adopt the 2011/2012 Fiscal Year Budget based on a total tax rate of \$0.37; \$0.33 cents ad valorem and \$0.04 cents fire tax.

Scott Heath stated that if we wait on the economy to get better to raise taxes, we will never raise taxes. Based on my comments earlier, I look at the fire tax and ad valorem having to come up.

Phyllis Forbes said she appreciated Mr. Heath's opinion but that she was not going to promise what she would do because she didn't know what next year would hold.

Glenn Johnson stated that he would agree with Ms. Forbes. He stated staying out of debt is one of his #1 priorities.

VOTE: Motion unanimously approved.

House Resolution 715

Chairman Poteat stated that he was not advocating making a decision today on this resolution but that it was a worthy request. Consensus by the Board to make a decision on House Resolution 715 at the next meeting.

Finance Officer Report – Tim Greene

Budget Amendment #

Avery County will collect fire taxes in excess of budgeted figures. A budget amendment is required in order to pass through the additional tax collections.

Motion by Martha Hicks and second by Scott Heath to approve the Budget Amendment of \$20,000 as a debit to Fire Commission (206600.4012) and a credit to Tax Collections – Fire (203100.0000). Motion unanimously approved.

Budget Amendment #

Tim Greene, Finance Officer, states that the Sheriff's Department has exceeded its budgeted salary line item by \$65,000. We did meet with the Sheriff and Troy Cook. In the 2009/2010 budget year there was a lot of holiday time and we did a budget amendment and paid out everyone's accrued holiday time. This is the first year we went forward paying that out and as a result additional dollars should have been budgeted for that. Out of the \$65,000 there was \$32,000 which was not budgeted in the 2012/2013 budget. Chairman Poteat stated that the sheriff was due a public apology. Apparently the overtime was inflated. He said that there would be a budget amendment later on in the year. Scott Heath questioned why this could not be done now. Hal Harrison, attorney, recommended that the budget be adopted first and take effect before the budget amendment is made. Martha Hicks said that there is still a \$33,000 shortfall.

Motion by Phyllis Forbes and second by Glenn Johnson to approve the Budget Amendment of \$65,000 with a debit of \$50,000 to Salary-Deputies (105100.0220) \$15,000 to Salary-Detectives (105100.0230) and a credit of \$65,000 to Fund Balance Appropriation (103990.0000). Motion unanimously approved.

Budget Amendment #

Mr. Greene requested that the Board amend the Banner Elk School Capital Project Ordinance and the current year budget. As part of having construction management on board, they pull the third party testing out of the general contractor and manage that themselves. The construction management philosophy is to let the construction management hire the third party engineers and do the third party testing.

Motion by Glenn Johnson and second by Scott Heath to amend the Banner Elk School Capital Project Ordinance and the current year budget with a debit of \$175,000 to Architect/Engineering Fee (436600.4005), \$5,000 to Permit, Insurance, Surveys (436600.4006), \$10,000 to Attorney Fees (436600.4010) and a credit of \$190,000 to General Construction (436600.4004). Motion unanimously approved.

County Attorney Report – Hal Harrison

There were no items to be reported to the Board at this time.

Approval of Minutes

Motion by Phyllis Forbes and second by Scott Heath to approve the April 4, 2011 Regular Meeting; April 19, 2011 Public Hearing; April 26, 2011 Budget Workshop and April 27, 2011 Special Meeting. Motion unanimously approved.

Agenda Consent Items

Adopted by Consensus of the Board.

Upcoming Meetings

The next Regular Meeting will be Tuesday, July 5, 2011 at 3:30 p.m. instead of Monday due to the Independence Holiday.

Adjourn

Motion by Scott Heath and second by Martha Hicks to adjourn this meeting at 6:05 p.m. Motion unanimously approved.

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

ATTEST: _____
Cindy Turbyfill, Clerk