

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in Regular Session on Monday, June 3, 2013 at 3:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC 28657.

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

Members Absent: None

Call To Order

Chairman Poteat called the meeting to order at 3:30 p.m.

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 comment.

Chairman Poteat led prayer.

Public Comments

Betty Erhart, Drug Abuse Resolution Team member, stated that she wanted to check about a meeting about a lease for the Avery Cares Building. I understood from the last meeting in May that we were going to have a meeting prior to the expiration of the lease. I know that Mr. Lacey had requested that DART have a representative there and Drug Treatment Court have a representative there. We have a real interest in the use of the Avery Cares Building. Daymark is the treatment provider for drug treatment court which DART supports. The AA and NA meetings are the meetings that drug treatment court people are required to attend. The Avery Cares meeting is very good site for that because most of them are familiar with that building. We are also asking for the possibility of having some office space in the Avery Cares Building for the drug treatment court coordinator. I am here to inquire if there is a meeting and if DART and drug treatment court can be a part of that meeting.

Chairman Poteat said that the County Manager and I have been in conversation about this for quite a while and we are working toward a possible meeting.

Robert Wiseman, County Manager, stated that his office had been in contact with Mr. Billy West and all of the other parties I thought had agreed on the 11th for a luncheon meeting. I have had no input whatsoever on a representative from DART and drug court being included. Ms. Erhart stated that at the time that Mr. Robbie Lacey had presented a presentation to the Board he had requested who he would like to see at that meeting and also a letter followed regarding this.

Ms. Erhart stated that it was her understanding that when Mr. Robert Lacey came and gave his presentation to the Board that he requested that we be a part of that group. He has also written to Mr. Poteat in which he outlined the people that he would like to be seen at that meeting. Mr. Wiseman stated that we will be having a meeting on the 11th of June. Chairman Poteat stated that a representative from DART and drug treatment court be included in this meeting. Ms. Erhart said that she will let the clerk know who will be the ones that will attend the meeting.

Reo Griffith welcomed former county commissioner Wood Hall Young, Sr. Mr. Griffith stated "The United States Supreme Court Justice Hugo Black said 'the framers of the constitution knew that free speech is the friend of change and revolution but they also knew that it was also the deadliest enemy of tyranny'. A question has arose in the last week or so that came to my attention, Reo just what does he expect of economic development. I am going to answer that. First, my expectations come from the taxpayers of the county. Under North Carolina law, economic development must help create jobs and expand Avery County's tax base. General Statute GS 158-7.1 requires that if a county leases property below fair market value that the lessee create a substantial number of jobs which must pay at or above the median wage of the county. Also, the lessee must add improvements to the property that will generate tax revenue to make up all of the rent subsidies. This protects taxpayers and private enterprises. I have been asking questions related to these statutory requirements since the March 4, 2013 meeting. I am still awaiting answers. Additionally, I expect transparency in order to have an effective and efficient government that uses taxpayers dollars wisely. Transparency is necessary. I expect the Board to address the concerns of its citizens in open meetings. Economic development must relentlessly pursue funding from grants and the private sector instead of relying on the county The county's role in economic development should be a facilitator and not the investor. The National Business Incubator Association recommends, of which the county is a member of, a solid financial plan. Creating an incubation program is not an inexpensive endeavor from conducting the feasibility study to launching the incubator you must

piece together funds from a variety of sources to increase your program's chances of long term success. The National Incubation Association states that a critical early step in this process is to develop and implement a realistic business plan. I am not aware of a written business plan being provided for the board to review. I have asked for the business plan. Another critical step is to have a board of directors or advisors that will assist in shaping the program. The Board of Commissioners has not voted on who should serve on the Board. I expect economic development to understand the county, its business climate, its unique assets, its strengths and weaknesses. I expect economic development to measure the community's needs through feasibility studies and according to the National Incubator Association feasibility studies are vital to determine the optimal size, location and scope of your program or help you recognize when a project has little chance for success. We have many skilled county employees that could perform such a study. Such a study would have answered the following questions: What would the project cost? What are the incubators operating costs? Will it ever be profitable? I requested the County Manager at the last meeting to provide answers to these questions and I am still awaiting his response. According to the NC School of Government, with economic development there is no silver bullet, no single strategy saved any community. Instead small communities must rely on a variety of comprehensive packages and tools to create economic development. The National Business Incubation Association states 'don't expect an incubator to cure decades of community decay'. Business Incubators can play a vital role in a community's economic development but seldom can they turn around a local economy singlehandedly. The AC PRIDE seems to be putting most of our eggs in one basket. I also want to make it clear that my opposition in the AC PRIDE project does not mean I am against economic development. During the budget process, I fought hard to ensure that the recreation center could be built as it helps our children and should help local businesses when out of county teams visit Avery. I can see a return on the county's investment by improving children's lives, health and an impact on local businesses. I have fought hard to prevent a tax increase which hampers economic development. The more tax dollars a government takes from its citizens the less money the citizens have to spend or invest. It is an honor to serve on the board of commissioners with such outstanding citizens. I am thankful to live in a country where we have a right to free speech. While I might not always agree with my fellow board members, I know it is their right to express their opinions as it is mine. I represent the people of Avery County and the people elected me to voice their concerns. This simple freedom is what defines being an American."

Chairman Poteat requested that the County Manager answer the questions that Mr. Griffith has by the June 17th meeting. Mr. Wiseman stated that he had the handwritten answers to his questions on his desk. He said these are the kind of questions that are difficult to answer when there is no historical data. It is very difficult to come up with the kind of formal answers that I know you expect. What amount of sales tax will the incubator produce? Until we know whether the incubator is full and what kind of businesses, it is hard to project what kind of sales tax. It is not that I have ignored you. I will have that typed up. I don't think the comments I have will be the answers you expect to your questions. It is very hard to answer these questions.

Glenn Johnson said "I want to read a statement just for the record. We have received some communication from an attorney and I do not wish to open myself up for any type of liability nor this Board:

I have not and will not now or any time in the future participate in any discrimination, condemnation, verbal abuse or hostility toward any employee of Avery County. To do so opens the door to personal liability as well as Board and Avery County Taxpayer's liability. I do not believe this kind of behavior is fitting for a County Commissioner or any person for that matter.

This is a statement I would like to have in the record at this time."

Phyllis Forbes stated "I like what he said. I feel the same way. I don't want any disparaging comments made about any employees or staff of Avery County or the county itself to be linked to me."

Reo Griffith said "I feel that Mr. Johnson mentioning that communication that the client privilege has been waived by mentioning such communication but we will go on the advice of the county attorney."

Board Appointments

Jury Commission

Pursuant to NC GS9-1 the county commissioners must appoint one member to the Jury Commission. Linda Taylor has been the county commissioner's appointee for the last three terms. Lisa Daniels, Clerk of Superior Court, recommends that Ms. Taylor be reappointed for another two year term.

Motion by Phyllis Forbes and second by Martha Hicks to appoint Linda Taylor to the Jury Commission for another two year term. Motion unanimously approved.

Banner Elk Planning Board Extraterritorial Jurisdiction Appointment

The Banner Elk Town Council is requesting that the Avery County Board of Commissioners appoint Mr. William Mauney, IV as an Extraterritorial Jurisdiction representative on the Banner Elk Planning Board.

Motion by Phyllis Forbes and second by Glenn Johnson to appoint William Mauney IV to the Banner Elk Planning Board as an Extraterritorial Jurisdiction Appointment. Motion unanimously approved.

Avery County Planning Board

The Avery County Planning Board requests that the Avery County Board of Commissioners reappoint Mr. Jack Wiseman and Mr. James Pitts to the Avery County Planning Board for a three year term.

Motion by Phyllis Forbes and second by Martha Hicks to reappoint Mr. Jack Wiseman and Mr. James Pitts to the Avery County Planning Board for a three year term. Motion unanimously approved.

Region D Development Corporation Appointments

Region D Development Corporation is a certified development Company that partners with lending institutions and the US Small Business Administration to deliver the SBA 504 Loan Program. The bylaws require that Boards of County Commissioners appoint four persons to serve as members of the development corporation. The current members of this Board are Tommy Burleson (representative of the community organization); Daryl Smith (representative of the business organization) Tena Trice (employee of a lending institution); Robert Wiseman (local government representative). These four members have indicated their willingness to continue to serve on this Board.

Motion by Martha Hicks and second by Glenn Johnson to appoint Tommy Burleson; Daryl Smith; Tena Trice and Robert Wiseman to the Region D Development Corporation Board for a one year term. Motion unanimously approved.

Avery County 2012 Scattered Site Housing Program

Michelle Ball stated she had received the funding agreement for this grant. The funding was dropped from 400,000 to \$225,000 and we have got two homes that we have scheduled to treat this year. These are replacement homes and that is based on the applicants received. For this program the Board is required to adopt several policies which are the 88 pages included in the packet. Included in that is the 504 Grievance Procedure; Local Economic Benefit for Low Income Persons Plan; Procurement Policy; Code of Conduct; Residential Antidisplacement Plan; Optional Coverage Resolution; Optional Coverage Policy; Citizen Participation Plan; Equal Employment & Procurement Plan; Complaint Procedure; Language Access Plan; Fair Housing Resolution

Motion by Glenn Johnson and second by Martha Hicks to adopt the 12 compliance policies as stated above for the 2012 Scattered Site Housing Program. Motion unanimously approved.

Michelle Ball stated that the Project Ordinance needs to be approved and the contract for administration services with the High Country Council of Government for the CDBG Scattered Site Housing Program needed approval.

Motion by Phyllis Forbes and second by Martha Hicks to approve the Project Ordinance and the Contract for Administration Services with the High Country Council of Government for the CDBG Scattered Site Housing Program. Motion unanimously approved.

Tax Administrator Report – Phillip Barrier

Tax Collection Report

The Tax Collection Report for the month of May 2013 is \$149,403. \$35,000 was for back taxes collected from 2002 through 2012.

Motion by Martha Hicks and second by Glenn Johnson to approve the Tax Collection Report for the month of May 2013. Motion unanimously approved.

Real Property Releases

The total Real Property Releases for the month of May 2013 is \$8456.96.

Motion by Glenn Johnson and second by Martha Hicks to approve the Real Property Releases for the month of May 2013 as presented. Motion unanimously approved.

Motor Vehicle Releases

The motor vehicle releases for the month of May 2013 is \$801.51.

Motion by Martha Hicks and second by Phyllis Forbes to approve the Motor Vehicle Releases for the month of May 2013 as presented. Motion unanimously approved.

Tag and Tax Together Program will begin on September 1, 2013.

Sales Statistics

Mr. Barrier reported that there was 3 million dollars in sales for the first of the month and 3 million dollars sales the last of the month.

58 lots were sold at Eagles Nest but that is at a reduced price for what we had them on for.

County Funding Plan/HCCBG – Avery Senior Services

Phillip Adams, Avery Senior Services Director, stated that he was here to speak about the Home and Community Care Block Grant for the Senior Services. Last year this was \$198,438; this year it is \$195,022. At this point that is the cut so far. The good news is that the USDA subsidy for meals has gone up and the increase is going to be \$7875.00 based on the current number of meals that we serve. This is the funding for the first quarter. We have to spend this money the way that the HCCBG tells us how to spend it. We are asking for today for the Board to approve the funding plan as directed by the Area Agency on Aging . These are grant monies.

Motion by Martha Hicks and second by Reo Griffith to approve the Home and Community Care Block Grant for the Senior Services in the amount of \$195,022. Motion unanimously approved.

County Manager Updates – Robert Wiseman

Robert Wiseman, County Manager, stated that last week the bids were opened for the renovation of the Avery County Courthouse and we received 3 qualified bids which is the minimum to open the bids. There is a bid tabulation sheet included in the agenda packet. We are basing our projections on the low base bid. The trench rock and unit rock we will not have to do hopefully. The base bid which was submitted by J.E. Green came in at \$2,517,000. That was only \$180,000 from the low bid and only \$438,000 off the high bid. Usually you will have low ball and someone high and then 3 or four in the middle. That base bid is considerably lower than the architects estimate on what it would cost. We have had two very good bids, one being on the jail and now this one. As we speak, our architect and construction manager are verifying all of the information by J.E. Green such as worker's compensation, etc. We need to authorize the County Manager to execute after verification a notice to proceed.

Motion by Martha Hicks and second by Phyllis Forbes for the County Manager to proceed with the documents regarding the bids on the courthouse renovation. Motion unanimously approved.

Insurance Quotes – Peggy Wallace

Peggy Wallace, Human Resources Director, stated that there had been a considerable amount of work regarding the insurance for Avery County. We have had several conversations with the current insurance carrier representatives and BCBS representatives. The proposal that is included in the agenda packet is a richer plan design. The benefits are lower out of pocket expenses, lower doctor's copay and it also has a comprehensive network of providers. If we stay with the current carrier, we are looking at a much smaller network through Cigna which causes us some concern. Currently Johnson City Medical Center is in the BCBS network. There have been some concerns about BCBS and Johnson City Medical Center not working out negotiations by July 1st. BCBS is very confident that the relationship with JCMC will continue beyond July 1st. McDowell County and Watauga County both have BCBS plans, one is fully insured and the other is partially self-insured and they were very happy with this. There are some negatives with being a fully insured plan as opposed to self-insured plan. Under a self insured plan if the claims are less, then you reap the benefits, if they are more you will have to obtain lasers and things that will designate that this persons medical expenses are more therefore you are going to share more of the burden. We are currently partially self-insured. With BCBS, we will be fully insured. BCBS does have a comprehensive wellness plan. My recommendation is for BCBS insurance. There will be no lapse in services.

Consensus of the Board to allow management to decide on the county's insurance carrier.

Rural Hope Grant – Alice Salthouse

Alice Salthouse, CEO of High Country Community Health, explained that HCCH was incorporated in July 2010 and was funded as a federally qualified health center in 2012 and that means we have been able to bring health care to both Watauga and Avery County in the form of dental, medical and mental health for

people regardless of the ability to pay. We are very fortunate that we have operational funds that are helping us to open these services and the Avery County Health department has shared space with us as we begin operations. However, what we need to do in order to provide dental, medical and behavioral services is a space that is larger than what we are able to have at the health department currently. We have identified the old Sherman's store as where we would like to renovate for the health care facility. We will have 6 dental chairs, 10 exam rooms, multipurpose room and a small pharmacy. In order for us to renovate this space, we are looking for funding and we are going to several places to get grant funding. One of those entities we would like to approach for grant funding is the Rural Hope Initiative. It is a nonprofit and has both private and public funds to help with different operations and one of those is funding for organizations that would like to renovate space that has been closed for a while in the community. This grant in particular says that for every job we create they will let us have \$5000. We plan to have 14 jobs and so that means we are eligible to apply for \$70,000. We are not able to apply ourselves because they only allow governmental entities to apply for these grant funds. I am coming to you today to see if Avery County would be the government entity that would front the application for us. There is one caveat and the caveat is that the governmental agency that supports this application would have a 10% match. I also wanted to let you know that High Country Community Health would make you whole for the 10% match.

Robert Wiseman, County Manager, stated that the services are needed for indigent residents and it would not be for certain ethnic groups only but would be for everyone. I would remind the Board about what happened with Pro Tek and the claw back. If the venture falls through, we have gambled and lost but I don't think the venture will fall through. Legal counsel has had a copy of the preapplication and application. I think this is a very worthy cause and the most we would stand to lose is \$7000.00.

Ms. Salthouse commented that Avery County has an uninsured rate of over 25% that means 1 in 4 people in your community are uninsured. There is a poverty level of 20%. Also, if you look at the county rankings, Avery County stands at #100 out of 100 counties in this state for lack of healthcare.

Glenn Johnson questioned what impact that this would have on the local hospitals, doctors, Daymark and the dentists. Ms. Salthouse stated that the average of Avery County dentists is 10,000 to 1. There will be some economic impact on the county because there will be some folks coming in from other counties.

Ms. Salthouse said the grant application deadline is June 21, 2013 and the funds will be awarded on August 28, 2013. This is not a competitive grant. The total renovation costs are \$750,000 including the equipment. Ms. Salthouse said the Golden Leaf Grant had been applied for also and it was looking very positive at this time. The operating funds for this project are secure. Ms. Salthouse reiterated that it was the intention to pay back Avery County.

Motion by Phyllis Forbes and second by Martha Hicks for Avery County to act as a lead agent for the Rural Hope Grant for the High Country Community Health and the application can proceed on with the condition that the County is provided with documentation as to what the maximum amount of the match is required by the County with the match not to exceed \$7000.00.

Chairman Poteat stated that he thought this was a very worthy project.

Motion unanimously approved.

Ms. Alice Salthouse again stated that it was her intention to make the county whole with the funding.

Finance Officer Report – Tim Greene

Tim Greene, Finance Officer, requested that the Board make a motion to approve Young, Miller & Gillespie, P.A. to audit the financial statements of the County of Avery as of and for the year ended June 30, 2013. The audit will begin in July 2013 and their report will be issued no later than October 31, 2013 at a price not to exceed \$34,000.00. This represents a 6.6% increase from the prior year. The price also includes the Fire Commission audit.

Motion by Martha Hicks and second by Glenn Johnson to approve Young, Miller & Gillespie, PA as the auditors for Avery County and authorize to sign the contract. Motion unanimously approved.

Budget Amendment #

As a result of the effect of Sequestration, our federal bond interest subsidy on the Banner Elk School loan's May payment will be reduced to a total of \$4,903.00. The August 2013 interest subsidy will be reduced by \$4,802.00 for a total reduction of \$9,705.00.

Motion by Martha Hicks and second by Phyllis Forbes to approve the Budget Amendment of \$4,903.00 with a debit to Federal Bond Interest Subsidy (106800.6090) and a credit of \$4,903.00 to Fund Balance Appropriation (103990.0000). Motion unanimously approved.

Budget Amendment #

The JCPC Adolescent Life Skills program has received \$19,600 in discretionary funds to be used to purchase a van. Any match will be provided by Daymark Recovery. No county funds are expended. We will receive the money and pass it on.

Motion by Glenn Johnson and second by Martha Hicks to approve the Budget Amendment for \$19,600.00 with a debit to Adolescent Substance Abuse (107000.6148) and a credit of \$19,600.00 to Juvenile-Adolescent Substance (103490.0000). Motion unanimously approved.

Recess

Chairman Poteat called for a brief recess.

Chairman Poteat called the meeting back into session after a brief recess.

Public Hearing – Secondary Roads Construction Program – Ivan Dishman

Motion by Phyllis Forbes and second by Reo Griffith to go into a public hearing regarding the Secondary Roads Construction Program at 5:11 p.m. Motion unanimously approved.

Chairman Poteat turned the meeting over to Ivan Dishman with the North Carolina Department of Transportation to present the Secondary Road Construction Program for Avery County for the Fiscal Year 2013.

Mr. Dishman presented the Annual Secondary Road Program for Avery County as follows:

FY 2013 Anticipated Allocation

| | |
|---------------------------------|---------------------|
| Highway Fund (G.S. 136-44.5b,c) | \$105,785.78 |
| Trust Fund (G.S. 136-182) | <u>\$140,345.65</u> |
| Total | \$246,131.43 |

I. General Secondary Road Improvements

Paved Road Improvements

___Maintenance on various roads as needed; functions may include paved road improvements, safety Projects, etc. Estimated Cost: \$75,000.

Unpaved Road Spot Improvements

Total of \$120,000 for unpaved spot road improvements

Funds reserved for surveying, right of way acquisition, road additions, contingencies, overdrafts, and paving entrances to certified fire departments, rescue squads, etc. ---- \$51,131.43

Mr. Dishman advised that the program is subject to availability of funding, right of way, and environmental review; proposed funding allocations are only projections so should the actual allocations be greater, NC DOT will continue down the priority list to fund additional secondary road projects; and when secondary roads cannot be paved due to the inability to obtain right of way, NC DOT will continue down the priority list to fund additional secondary road projects.

GRAND TOTAL: \$246,131.43

Phyllis Forbes questioned if the \$51,131.43 was not spent what happens to it. Mr. Dishman stated that this money would stay in Avery County and would be used on some projects that were ongoing.

Martha Hicks questioned what happened with the remainder of Dark Ridge Road. Mr. Dishman stated that right now there was not enough funding. It still needs more funds to come in because of contingencies and overruns on the previous project. It is not out of order from the priority order. Ms. Hicks asked Mr. Dishman to send a summary regarding Dark Ridge Road to the Clerk.

Wood Hall Young, 98 year old resident from Minneapolis, spoke regarding the Old Toe River Road. He gave a history on the road situation with Old Toe River Road. The road is almost completed except for approximately 1 mile that would connect Hwy 19E at Minneapolis. Mr. Young requested that the NC DOT look into finishing this section of Old Toe River. Mr. Young said he had worked all of his life to get this road completed.

Mr. Dishman stated he would look at the old information, locate the properties that were not signed and then talk to these property owners. He said it would be beneficial to have a petition from the property owners located on that road.

Glenn Johnson suggested sending a resolution to NC DOT regarding Old Toe River Road and Dark Ridge Road.

Vivian Greene, resident of Minneapolis, spoke about the Old Toe River Road and requested that NC DOT take another look at completing the rest of Old Toe River Road.

Phyllis Forbes commented that there was a safety issue on Stamey Branch Road where a culvert that goes under the road has washed out and could cause the road to cave in. Ms. Forbes asked Mr. Dishman to have someone take a look at that.

Martha Hicks stated that on Curtis Creek Road there is a deep ditch that has been washed out and one lady has busted two tires in that road. She said that the ditch lines needed to be cleaned out also. Mr. Dishman advised that he would look into all of these issues and get back with the Board in a couple of weeks.

Motion by Martha Hicks and second by Glenn Johnson to go out of the Public Hearing Regarding the Secondary Road Program and back into Regular Session at 5:40 p.m. Motion unanimously approved.

Motion by Martha Hicks and second by Phyllis Forbes to approve the Secondary Road Program for FY 2013 in the amount of \$246,131.43. Motion unanimously approved.

County Attorney Report – Michaelle Poore

Ms. Poore stated that she did not have anything to report that had not already been discussed.

Reo Griffith requested that the Attorney provide for the Board an explanation in writing specifically subsection D2 of GS 158-7.1. I would like general information about the statute.

Approval of Minutes

Motion by Martha Hicks and second by Glenn Johnson to approve the Regular Session Minutes of April 1, 2013. Motion unanimously approved.

Agenda Consent Items

Adopted by Consensus of the Board.

Upcoming Meetings

There will be a second meeting in June on June 17, 2013 for a public hearing for the 2013/2014 FY budget. This will occur at 4:00 p.m.

Adjourn

Motion by Phyllis Forbes and second by Martha Hicks to adjourn this meeting at 5: 50 p.m. Motion unanimously approved.

Kenny Poteat, Chairman
Avery County Board of Commissioners

ATTEST: _____
Cindy Turbyfill, Clerk

