

**STATE OF NORTH CAROLINA
COUNTY OF McDOWELL
BOARD OF COMMISSIONERS
REGULAR SESSION – DECEMBER 12, 2011**

ASSEMBLY

The McDowell County Board of Commissioners met in regular session at 5:00 p.m. on Monday, December 12, 2011, in the Commissioners' Board Room, the usual place of meeting.

MEMBERS PRESENT

David N. Walker, Barry E. McPeters, Michael K. Lavender, and Joshua R. Dobson.

THOSE ABSENT

Andrew K. Webb (Sick)

OTHERS PRESENT

Charles R. Abernathy, County Manager; Carrie Padgett, Clerk to the Board; Theresa Strickland (Filming); Fred Coats, County Attorney; and reporter Mike Conley, for THE McDOWELL NEWS.

CALL TO ORDER

Commissioner David Walker called the meeting to order. The invocation was given by Commissioner Dobson, followed by the pledge of allegiance led by Commissioner Lavender.

APPROVAL OF MINUTES

Minutes of the November 14, 2012 regular session were presented for approval. Commissioner McPeters made a motion, seconded by Commissioner Dobson, to approve the minutes as recorded. By a unanimous vote, the minutes were approved.

APPROVAL OF AGENDA

Chairman Walker advised that Item B under Old Business would be moved up for discussion purposes.

SELECTION OF CHAIRMAN/VICE-CHAIRMAN

Commissioner Walker turned the meeting over to the Clerk to the Board for selection of Chairman and Vice-Chairman for the year 2012.

Nominations were taken for Chairman. Commissioner McPeters nominated Commissioner Walker. With no further nominations made, the Board voted and Commissioner Walker was selected as Chairman for the coming year by a vote of 4-0.

Nominations were then taken for Vice-Chairman. Commissioner Lavender nominated Commissioner Dobson as Vice-Chairman for the coming year. Chairman Walker nominated Commissioner McPeters. With no further nominations, the Board voted in reverse order and results were two votes for Commissioner Dobson (Lavender and Dobson) and two votes for Commissioner McPeters (Walker and McPeters). The vote being tied, Commissioner Dobson stated he would withdraw.

A second vote was then taken on Commissioner McPeters as Vice-Chairman for the coming year. The resulting vote was 3-1 in favor of Commissioner McPeters, with Commissioner Lavender casting the opposing vote.

BUDGET UPDATE AND MATTERS

In his monthly Budget update, the County Manager began with the following budget amendments:

GF 2 – Transfers funds from fund balance to complete the South Creek/Harmony Grove water line extension

GF 3 – Places the Elections Board on a monthly stipend instead of a “per meeting” payment to be more consistent with how elections boards are paid. The same dollar amount is transferred from election expense to salaries and payments will be on a W-2.

GF 4 – Appropriates donations and grant funding.

GF 5 – Allocates donation funds in the Library that were carried forward from the previous fiscal year.

GF 6 – Regards business audits conducted by the Tax Assessors’s office. Audit payments come from collected discoveries.

HGSCP1 – Records the South Creek/Harmony Grove water line share of the project.

SP1 – Receives ADM funds held by the State for School Construction and computer purchases

A motion was made by Commissioner Dobson to approve budget amendments GF 2 through GF 6, HGSCP1 and SP1. Commissioner Lavender seconded the motion which passed by a unanimous vote.

Mr. Abernathy then presented expenses and revenues for the month, including a report of sales tax which was received today. He advised DSS Director Phillip Hardin wanted to donate twelve (12) computers to McDowell Mission and CULA. A resolution authorizing this action was presented for the Board's approval.

A brief discussion followed.

Commissioner Lavender made a motion to approve the resolution authorizing the donation of computers to CULA and McDowell Mission. Commissioner McPeters seconded the motion and with unanimous approval, the motion passed as follows:

**RESOLUTION AUTHORIZING DONATIONS OF
PERSONAL PROPERTY TO NON-PROFIT ORGANIZATION**

WHEREAS, the County of McDowell desires to donate (8) computers to the McDowell Mission and (4) computers to the Centro Unido Latino-Americano (CULA); and

WHEREAS, G.S. 160A-279 permits the Board of Commissioners to donate personal property to non-profit organizations that carry out a public purpose; and

WHEREAS, records of all donated property will be maintained by the County; and

WHEREAS, all donated personal property will be returned to the County of McDowell if the Agency receiving the item ceases to continue to use for public purpose.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of McDowell County that:

The County of McDowell desires to donate (8) Computers to the McDowell Mission and (4) Computers to the Centro Unido Latino-Americano (CULA).

This resolution shall become effective upon adoption.

ADOPTED this the 12th day of December, 2011.

Further, Mr. Abernathy presented five (5) Nebo Water System accounts for which the Finance Department was recommending an adjustment. The total amount for all five is \$134.67.

Commissioner McPeters made a motion, seconded by Commissioner Dobson, to approve the five (5) Nebo Water System adjustments as presented. By unanimous approval, the motion carried.

UNIVERSAL BUILDING UPDATE

The County Manager advised that he and the Finance Officer did have a conference call with the Local Government Commission and it appears the application will be on the LGC's agenda in February. He pointed out there are a number of issues related to timing, and the schedule is very tight, but he saw no reason why this would not materialize. He said there are four items that are underway that needs to be completed by early January in order to be included with the application being sent for the LGC to consider in February. These are a completed boundary survey, an environmental audit, and appraisal, and bank bids. Regarding the financing, Mr. Abernathy recommended a fifteen-year term as shown in the amortization schedule which he provided, although it could go longer or shorter as the Board desires. He pointed out there is an issue with financing that is different to what we have ever done in that some of the loan will be "taxable" with a higher interest rate than the public portion, or the "non-taxable" amount. Some of the land and building will be private in use, meaning it will have a different interest rate, and this requires us to estimate the percentage in each case.

Mr. Abernathy advised the County's debt is very low, some of which will be rolling off the books over the next 24 months. The total is \$270,348.88 and the alleviation of debt covers much of the estimated amortization schedule, but there is about \$70,000 that will not be covered just by the change in the debt. The purchase price is \$2,550,000; he recommended financing \$2,950,000, primarily based on the match that is related to the Rural Center grant application that is scheduled later on the agenda. Mr. Abernathy pointed out that a Rural Center Building Reuse Grant was being submitted in the amount of \$240,000 based on the job creation proposed by Tilson Machine (20 jobs). Tilson is only using half the amount for which they are eligible and Mr. Abernathy suggested roofing the section of the building they will occupy and the County will have to match this amount, or \$115,000. He pointed out that essentially the County will be receiving \$230,000 in roof work on this section for half County money.

A general discussion followed on the amount of space currently being used, the amount Tilson will occupy, and what amount of space will be used by the College and the School System. Mr. Abernathy advised it is impossible to give precise numbers at this time because nothing has been suggested by the College and there is not yet a consensus with the Board of Education. Commissioner McPeters pointed out he had heard some very positive comments on the concept of this project. Commissioner Dobson said he had opposed this project initially, but assured the other members of the Board that he wants to be on board to make it succeed as things move forward.

Commissioner Lavender pointed out that he too wants this endeavor to be successful although he still has some misgivings, particularly with the financing, terms, etc. Chairman Walker pointed out the importance to the County of having this property for expansion purposes of both the College and the School System, as well as economic development purposes.

Further general discussion followed.

The County Attorney left the meeting at this time.

AUDIT PRESENTATION

Chairman Walker recognized Kathy Atkinson, CPA from Johnson, Price & Sprinkle, for presentation of the Annual Audit Report. Mrs. Atkinson was accompanied by April Westmoreland, the Audit Manager for this process.

First, Mrs. Atkinson thanked Mr. Abernathy and County staff for their cooperation and assistance during the County's audit process. She then distributed some items, including an audit letter, noting that an electronic version of the Audit Report was provided to the Board previously. The Audit Report was submitted to the North Carolina Local Government Commission on November 21, 2011 and was accepted and approved by the LGC on December 8, 2011.

Mrs. Atkinson proceeded with a general summary of audit results, including GASB-54 requirements, fund balance, schedule of findings and questioned costs, etc. Fund balance results are summarized as quoted from the audit letter:

“For the year ended June 30, 2011, total fund balance increased by \$263,285, of which \$188,873 represents the increase related to the implementation of GASB-54, composed of the opening balances of the revaluation fund, the industrial park fund and the recreation funds. The income number of \$74,412 also includes the activity of all those prior year funds that are now combined with the general fund. Fund balance available for appropriation decreased by \$127,750, resulting in a slight decrease in fund balance percentage to 24.11%. The current year increase in overall fund balance exceeded expectations, primarily due to a healthy increase in the County's share of fourth quarter local option sales tax.”

Mrs. Atkinson encouraged each member of the Board to read every word of the report, and to call any time should they have questions.

The County Manager commented on the lack of staff as noted in the Finance Office. He advised the quality is there even with a lack of staff; therefore, he did not see the need for additional personnel at this time.

Discussion followed on the self-insurance fund, the impact of expenditures, etc.

A motion was made by Commissioner Dobson to accept receipt of the Audit Report as presented. Commissioner McPeters seconded the motion and by unanimous approval, the motion carried.

GOLDEN LEAF UPDATE

In a brief update, Mr. Abernathy advised he had met with the community initiative group again last week. They are ready to start considering specific projects and this will occur in January. The County will need to submit its form by January 17th.

WATER STUDY RFP

Mr. Abernathy reported the Request for Proposal process for the STAG grant had to be initiated twice because only one company had responded in the first round. The second round resulted with six proposals being received. Those six proposals had been carefully reviewed and a general summary was provided for the Board's review. Mr. Abernathy advised he was comfortable with accepting the proposal from McGill Associates and had no reason to go with someone else.

In discussion, the suggestion was made to go with McGill Associates since they are close and travel expenses would be less. Also, it was pointed out that they are most familiar with the Nebo System, the previous water system study, the property and previous meetings held over a several year period.

Commissioner Lavender made a motion, seconded by Commissioner McPeters, to approve McGill Associates as the engineering firm due to their proximity to the County, their experience, etc. By a unanimous vote, the motion carried.

Mr. Abernathy then addressed the monthly report form that he is working on and refining and reviewed the figures as follows:

Nebo Water System
Monthly Financial Report
November 30, 2011

YTD Operating Expenditures	\$ 8,300.71
YTD Payments to City for Water per Master Meter	11,020.66
YTD Revenues Received	<u>27,695.02</u>
Revenues over Expenditures	<u>\$ 8,373.65</u>

Customers:

Residential

154

Commercial

17

A brief discussion followed.

WELLNESS INITIATIVE UPDATE

The County Manager addressed the County's Wellness Initiative, noting the County has a fair program and is not having mandates yet. However, he said this may be the direction to go. With reference to results compiled from the County Wellness Fair, he reviewed the areas showing issues with medical problems, questioning whether education or something else might be in order. No ready to do a major overview. He advised what he had come up with is a recommendation to implement a voluntary wellness, goal setting program, one that is flexible, not intense or strict, with its outcome as a start. He suggested starting with \$100.00 and let this be an incentive.

In discussion, Commissioner Dobson said he appreciated the creativity in regard to the Wellness Program, and that he is in full support. Commissioner Lavender echoed those comments.

CABLE MAINTENANCE AGREEMENT

The County Manager said he was sorry it had taken so long for the interconnection of the two cable systems in McDowell County in order for the Government Channel to be broadcast on the "Nebo Channel". However, the Maintenance Agreement provided by Charter Communications that will allow this process to move forward had finally been received and the interconnection will occur in January.

Commissioner Lavender made a motion, seconded by Commissioner McPeters, to approve the Maintenance Agreement with Charter Communications as presented. By a unanimous vote, the Maintenance Agreement was approved.

BOARD APPOINTMENTS

The County Manager reviewed current board vacancies which included one vacancy for an alternate member on the Planning Board, received on first reading with two applicants. Also, the re-appointment of a member of the Adult Care/Nursing Home Community Advisory Committees, Pat Burnette, who had served the initial one-year term and is eligible for re-appointment.

A brief discussion followed.

The Board voted, by written ballot, on the re-appointment for the Adult Care/Nursing Home Community Advisory Committees. By a unanimous vote of those

present, the Board re-appointed Pat Burnette to the Adult Care/Nursing Home Committees.

The vacancy for the alternate member on the Planning Board will be advertised for a second reading at the January meeting.

TAX MATTERS

The monthly listing of tax releases and refunds were presented for the Board's approval and are summarized as follows:

Releases under \$100.00	Amount released \$725.43
Releases over \$100.00	Amount released \$16,846.21
Motor Vehicle Releases/over \$100.00	Amount released \$612.52
Motor Vehicle Releases/under \$100.00	Amount releases \$993.01
Release Refunds	Amount refunded \$17,460.20

Upon motion by Commissioner McPeters and a second by Commissioner Dobson, the tax releases and refunds were unanimously approved as presented.

PAYMENT FOR JURY COMMISSIONERS

The County Manager advised that a request had been received from the Clerk of Superior Court for the Board's approval of compensation for the Jury Commission, including an increase from \$250.00 to \$300.00 per jury commissioner. He pointed out the increase is covered in the Clerk of Court's budget.

Commissioner Dobson made a motion, seconded by Commissioner Lavender to approve payment for the Jury Commission as requested with the \$50.00 increase, from \$250.00 to \$300.00. By unanimous approval, the motion carried.

RURAL CENTER GRANT/RESOLUTION

The County Manager provided background and a general summary of the building reuse application to be submitted to the North Carolina Rural Economic Development Center for Tilson Machine, Inc. He introduced a RESOLUTION FOR THE COUNTY OF McDOWELL APPLICATION FOR NORTH CAROLINA RURAL ECONOMIC DEVELOPMENT CENTER FUNDING FOR THE TITLSON MACHINE BUILDING REUSE PROJECT for the Board's approval.

A brief discussion followed.

A motion was made by Commissioner Lavender to approve the resolution for Tilson Machine as presented. Commissioner McPeters seconded the motion and by a unanimous vote, the resolution was adopted as follows:

**RESOLUTION FOR THE COUNTY OF McDOWEL APPLICATION
FOR NORTH CAROLINA RURAL ECONOMIC DEVELOPMENT
CENTER FUNDING FOR THE
TILSON MACHINE BUILDING REUSE PROJECT**

WHEREAS, the McDowell County Board of Commissioners has previously indicated its desire to assist in economic development efforts within the County; and

WHEREAS, the Board wishes to pursue a formal application for NC Rural Center funding to benefit the Tilson Machine project which would create 20 new permanent jobs in the former Universal Building; and

WHEREAS, the Board certifies it will meet all requirements of the Building Reuse Program including the required five percent local match.

NOW, THEREFORE BE IT RESOLVED, that the County Manager is authorized to submit a formal application to the North Carolina Rural Economic Development Center for the Building Reuse Grant Program for the Tilson Machine project.

ADOPTED this 12th day of December, 2011.

ANNUAL BUDGET AND TAX SURVEY

Chairman Walker made note of the annual budget and tax survey which was received as information.

CITIZEN COMMENT

No one had signed up to speak, therefore this item was deferred.

At this time, Chairman Walker recognized Scout Duncan Davidson from Troop 210 who was attending tonight's meeting for merit earnings as a Scout.

REPORTS AND COMMUNICATIONS

The County Manager noted the NJROTC function on Tuesday, December 13th, 7:30 a.m. at McDowell High School.

CHRISTMAS UPDATE/GREETINGS

Each Commissioner was given opportunity at this time to extend a Christmas greeting to the public. As Chairman Walker gave his greeting, he included greetings on behalf of Commissioner Webb as well. The Chairman then read the Christmas story from Luke 2, verses 1-19.

CLOSED SESSION/ECONOMIC DEVELOPMENT

Chairman Walker called for a motion to go into closed session in accordance with G.S. 143-318.11(4).

Commissioner McPeters made a motion, seconded by Commissioner Lavender, to go into closed session for discussion of an economic development matter. By unanimous approval, the motion carried.

A lengthy discussion followed on the economic development matter.

Commissioner McPeters made a motion, seconded by Commissioner Lavender, to go out of closed session. By unanimous approval, the motion carried.

REGULAR SESSION RESUMED

When back in regular session, Chairman Walker the closed session just ended regarding an economic development matter and asked the County Manager to give a recommendation on the action needed from the Board.

Mr. Abernathy advised the Board had authorized a non-binding letter of intent to North Carolina Rural Energy, LLC, a North Carolina company. County property in two parcels for the purpose of construction of a solar farm and creation of solar energy, the revenue to be generated off the lease is still to be determined although there is a general concept about this. There could be a small employment number of 12 that may occur as a result, and perhaps some training program opportunities to occur as well. A contract will be brought back to the Board, along with every detail or answer that the Board may require between January and February.

Commissioner Lavender made a motion to this effect, as recommended by the County Manager. Commissioner McPeters seconded the motion and by unanimous approval, the motion carried.

ADJOURNMENT

There being no further business to transact at this time, upon motion by Commissioner Lavender, a second by Commissioner McPeters and by unanimous approval, the meeting was adjourned.

David N. Walker, Chairman

Carrie Padgett, Clerk to the Board