

**STATE OF NORTH CAROLINA
COUNTY OF McDOWELL
BOARD OF COMMISSIONERS
REGULAR SESSION – DECEMBER 14, 2009**

ASSEMBLY

The McDowell County Board of Commissioners met in regular session at 5:00 p.m. on Monday, December 14, 2009, in the Commissioners' Board Room, the usual place of meeting.

MEMBERS PRESENT

David N. Walker, Barry E. McPeters, Dean Buff, Michael Lavender, and Andrew K. Webb.

OTHERS PRESENT

Charles R. Abernathy, County Manager; Carrie Padgett, Clerk to the Board; Terry DePoyster, Facility Maintenance Director (Video); and Reporters Mike Conley, for THE McDOWELL NEWS, and Wendy McAnally from THE NEWS BULLETIN OF McDOWELL COUNTY.

CALL TO ORDER

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

APPROVAL OF MINUTES

With no minutes ready for approval at this time, Chairman Walker stated they would forego this item at this time.

APPROVAL OF AGENDA

Chairman Walker asked if there were any additions to be made by the Board regarding the agenda.

Commissioner Lavender made a motion to table Item C "Request to Survey Northern County Line" until the next meeting. Commissioner McPeters seconded the motion and by a unanimous vote, the motion carried.

SELECTION OF CHAIRMAN AND VICE-CHAIRMAN

Commissioner Walker noted the first item of business required by North Carolina State law at the December Board meeting is the selection of a Chairman and Vice-Chairman. The nomination process is typically handled by the Clerk to the Board, Carrie Padgett. Chairman Walker turned the meeting over to the Clerk for this purpose. Miss Padgett asked if there were nominations for the position of Chairman of the Board. Commissioner McPeters nominated Commissioner David Walker to continue as Chairman for the 2009-2010 year. There being no other nominations, the Clerk called for a vote on retaining Commissioner Walker as Chairman of the Board of Commissioners. The resulting vote was 4-0 (with Commissioner Walker not voting).

Nominations for the position of Vice-Chairman were next requested. Commissioner Lavender nominated Commissioner McPeters to serve in the position of Vice-Chairman. With no further nominations, the Clerk called for a vote on keeping Commissioner McPeters as Vice-Chairman of the Board for the coming year. The resulting vote was 4-0 (with Commissioner McPeters not voting).

Mr. Walker thanked the Board members for the confidence they had demonstrated in him and that he looked forward to continuing the good work and progress being made.

BUDGET AMENDMENTS

The County Manager and Finance Officer provided the Board with an update on financial and budget matters as well as a series of budget amendments. The Finance Officer presented the monthly budget report in the new format. A number of concerns were again reviewed with the Board including a series of local government revenues received from the State that were eliminated. The "Jail Revenue" which is a reimbursement in the annual amount of \$90,000 would no longer be received. The County was also made to assume responsibility for housing the Adult Probation Office. This cost totaled \$22,000 annually until a building decision is finalized to house this State agency. The property tax collections were down approximately 1% and sales tax is on target with budget projections. A number of additional issues were reviewed including the replacement of communication equipment, repairs to the Library roof, paving the jury parking lot and cost associated with water line projects.

Budget amendments were reviewed by the Finance Officer as follows:

- GF 10 Amendment adds grant funding to the Emergency Services budget. The grant is for training.
- GF 11 Amendment carries forward cable TV reserve funds and adds them to the designated fund balance.
- GF 12 Amendment is for the loan proceeds for four Sheriff's cars and the Rescue Squad ambulance.

- GF 13 Amendment transfers funding from Workman's Compensation to the Unemployment line item in an equal amount.
- GF 14 Amendment carries forward donations and grant funding for the Library. The grant is for technology.
- GF 15 Amendment amends the budget due to tax audits and foreclosures (attorney fees).
- GF 16 Amendment carries forward Volunteer Center reserve funds.
- GF 17 Amendment carries forward reserve 911 funds.
- GF 18 Amendment allocates 911 fund balance for the previously approved communications equipment.

Upon a motion by Commissioner Webb and a second by Commissioner McPeters, the Board approved the budget amendments by a vote of 4-0 (Commissioner Buff was temporarily out of the room during the vote).

RECREATION PLAN UPDATE

An Old Business item on the agenda was an update to the Board on the plan to update the County Recreation Plan, to incorporate this Plan into the Trail Master Plan previously adopted by the Board of Commissioners and to specifically address the public input process. The County intends to submit a PARTF grant for the funding of a trail around the YMCA and the McDowell Hospital. A PARTF grant was previously submitted and was not funded. This current application is due in February and will have a heavier emphasis placed on the public participation and plan update component. The firm of Wither and Ravenal has been hired to perform this service and the process will include a series of public input sessions, citizen surveys, a public hearing by the Board of Commissioners and approval of the new planning document by the Board of Commissioners. Assistance will be provided by the McDowell Trails Association and the Recreation Area Directors.

Chairman Walker commented on the importance of this trail initiative and the positive results for the community if the trail is constructed.

A motion was made by Commissioner Lavender to authorize County staff to designate the steering committee as recommended. Commissioner Webb seconded the motion and a brief discussion followed. When put to a vote, the motion carried unanimously.

TROUT STREAM DESIGNATION INFORMATION

The County Manager advised the State of North Carolina would be conducting a public hearing on January 25th at 7:00 p.m. The hearing concerns the implementation of a Reclassification of a small section of the Catawba River headwaters in the Old Fort community and will be conducted by the Division of Water Quality. The hearing is to be held at the auditorium of the Old Fort Elementary School. Mr. Abernathy reported that the issue has been placed on two agendas of the Board of Commissioners and the County has taken the additional step of notifying the affected property owners even though it is not a local process. The affected number of property owners was described as limited with the bulk of the affected area in the National Forest. The Commissioners expressed appreciation for the additional steps taken by County staff to notify affected property owners and encouraged people to attend the hearing. The recommendation was made to send notice to *all* affected property owners, not just those with large tracts.

By consent, the Board agreed to move forward as noted.

BUDGET COMPARISON INFORMATION

The Chairman next recognized the County Manager for a presentation regarding comparative budget and fiscal numbers with other units of County government.

Mr. Abernathy explained that he annually takes survey information compiled by the North Carolina Association of County Commissioners and presents consolidated information to the Board. The information compares McDowell County to the twenty-five counties most similar to McDowell in population. The counties are ranked in a manner that half of the counties are larger and half are smaller. In other words, McDowell County is placed at the median of twenty-five counties that are most similar to McDowell in population. A summary of the information is that McDowell County was smaller in number of employees than all of the counties (including the smaller ones) except one, had a smaller budget than all of the counties except one, had lower tax rates than all of the counties except five, had lower effective tax rates than all of the counties except four, and had no counties spend less on a per capita basis than McDowell County. Mr. Abernathy commented that the purpose of the presentation was to simply point out that the County is providing a significant service level with very limited resources.

The Board expressed appreciation for the information and to the County department heads for the quality service level and the fiscal responsibility that occurs.

REQUEST AND UPDATE FROM TRAILS ASSOCIATION

Bill Hendley, President of the McDowell Trails Association, appeared before the Board of Commissioner to provide an update on the activity of the Trails Association and to request involvement by the County in the second phase of the Catawba Greenway extension. The update included a review of Phase 1 of the Greenway Project, the clean-up and maintenance efforts on the Point Lookout Trail and the progress being made on

the Catawba Falls access trail. Mr. Hendley complimented the County on their intent to submit a PARTF grant for the YMCA and McDowell Hospital trail.

Commissioner Lavender made a motion to agree to accept the second phase of the Catawba Greenway extension and to hold title. Commissioner McPeters seconded the motion and the vote was unanimous.

The request from the Trails Association concerned the construction of the second phase of the Catawba Greenway. Mr. Hendley suggested that the grant application for the second phase would be enhanced if the County were formally involved with the process and the grant. It was also explained that the grant would cover the extension behind the McDowell House and that as the owner of the facility, the County should be an equal participant. The Board members expressed strong support for the initiative and expressed interest in being involved. It was suggested that the matter be discussed with City officials or in the Joint Utility Committee and placed on the January agenda for more specific action. This was the consensus of the Board

PUBLIC HEARING: ECONOMIC DEVELOPMENT PROJECT

Chairman Walker introduced the next item on the agenda and declared the Board in a public hearing for purposes related to an economic development project and the potential granting of incentives. The County Manager reviewed the requirement of GS 158-7.1 regarding the granting of incentives by units of local government and that all requirements including the public notice requirements were met. The project involved a small metal sales company named Maximum Metals proposing to locate in the 7,500 square foot H and M building on Ashworth Road. The company would employ thirteen people over a three-year period. The company essentially purchases and distributes the raw metal project and enhances the value by cutting the metal to the specifications of the manufacturing operation requiring the product. The incentive offered by the County would total \$26,000 and would be distributed to the company only after verification of the job creation has taken place. The amount would be paid in three equal payments over a three-year period in the amount of \$2,000 per job. In a letter to the Board, the owner thanked the “creative and resourceful” staff assistance and that they looked forward to a “strong, long-term relationship with McDowell County”.

Chairman Walker opened the floor for comment from the public, but there was no response from any one desiring to speak.

A motion was made by Commissioner Lavender to close the public hearing. Commissioner McPeters seconded the motion and the vote was unanimous.

A motion was made by Commissioner Lavender and seconded by Commissioner McPeters to approve the incentive package as presented and to authorize the execution of the associated contract after review by the County Attorney. After a brief discussion, the motion passed unanimously.

OVERVIEW OF FOOTHILLS PILOT PLANT PROJECT

The Chairman next recognized County staff and Mr. Smithson Mills with Mars Hill College regarding the Foothills Pilot Plant Project. This project is designed to enable small growers of chickens, turkeys, rabbits and other related examples to process their animals for sale in an efficient manner. The concept is routinely referenced as Value Added Agriculture. The idea is to enable smaller or part-time farmers to supplement their income. The proposal has been previously presented to the Board of Commissioners and the MEDA Board and the Board of Commissioners had committed an approximate acre of land adjacent to the Agriculture Extension Barn on Highway 226 South for this purpose.

Smithson Mills reviewed the status of various grants that have been obtained to construct the facility as well as the timetable for the project. The project cost including site development, utilities, equipment and building is currently estimated at \$721,000 and funds are available to proceed. Mr. Mills and the County Manager both cautioned that the funds available and the room for adjustment or contingencies were almost non-existent. The timetable for the project was to bid the facility by late January or early February with bids opened in March. Mr. Mills stated that a “soft opening” would be sought for August.

Mr. Mills also reviewed the operational strategy and stated that the project would strive to be self-sustaining with fees charged to cover the cost of the operation.

The operational and legal structure was reviewed in significant detail. Essentially, the proposal is for the Foothills Pilot Plant to operate within the legal structure of the McDowell Economic Development Association in a manner similar to Blue Ridge Food Ventures in Asheville. This operation provides kitchen facilities to small food providers for processing and operates under Advantage West. Foothills Pilot Plant would be a Single Member LLC and would carry its own liability insurance. A legal separation would be created between the LLC and MEDA although MEDA would ultimately be the entity with legal responsibility for the operation. A Foothills Pilot Plant Advisory Board would be created that would provide input to the growers and make recommendations to the MEDA Board of Directors.

There was considerable discussion on the funding, the management and the legal operation. Individual members expressed support for the project saying that the project represented an opportunity for diversification for the work force and income enhancement.

A motion was made Commissioner Lavender at this time to authorize the next steps as outlined in the process and to agree conceptually to the legal and management arrangement. The motion was seconded by Commissioner Webb and it passed unanimously.

MUDDY CREEK PARTNERSHIP REQUEST/UPDATE

The next item on the agenda was an update provided by members of the Muddy Creek Partnership. The discussion was led by Andy Brown with Equinox Environmental. Mr. Brown thanked the Board for the opportunity to address a number of issues and for their past support. The Muddy Creek Partnership was created twelve years ago and has constructed well over thirty miles of stream stabilization work. The accomplishment occurred in a voluntary manner with property owners participating in the program. The Partnership includes a variety of citizens and agencies including the Soil Conservation, Cooperative Extension, Trout Unlimited, the RC and Ds, Duke Energy, Counties and Municipalities in both Burke and McDowell and others.

Mr. Brown discussed the Partnership transitioning from its more separate current condition to one where McDowell County would more fully own and take responsibility for the continuation of the project. This transition was presented as being necessary because of the long-term continuation of County Government and the stability to the future sustainability of the maintenance of what had been accomplished. The transition was presented as occurring over three years with a phased-in cost to the County initiated at \$5,000 and increasing to \$20,000. Mr. Brown hastened to add that the future for grants and assistance was most unknown because of the financial crisis in the State and that he wanted to be cautious with future commitment. It was suggested that the location for the operation be placed with Soil Conservation and that it was most consistent with their current mission. Mr. Brown stated that meetings had occurred with Mr. Doc Buckner with the Soil Conservation service and that this Board was already on record supporting this step.

Chairman Walker acknowledged the good work and impressive results of this volunteer effort. Commissioner Andy Webb stated that the project was consistent with the philosophy of the Board's previous action regarding voluntary participation in stream stabilization measures and that he would continue to support this program.

In conclusion, the County Manager advised there was no action needed tonight as long as there was a general consensus. He said their proposal would be in line with budget sessions, that there would be a memorandum of agreement drafted, etc.

No action was taken as a general consensus was indicated.

UPDATE ON SMOKY MOUNTAIN MENTAL HEALTH MATTERS

An update was next provided by staff members of the Smoky Mountain Mental Health Service. Claudia Earle and Shelly Foreman introduced Mr. Bryan Ingram who was recently named the Director of the regional mental health service. Mr. Ingram overviewed current trends in the mental health area, especially as it relates to the State budget crisis, as well as the more immediate issues facing Smoky Mountain Mental Health Service, including the transition taking place and issues related to service

reductions and elimination. The focus is to preserve the most critical “safety net” services and to address the current and pending fiscal crisis.

The Board asked a number of questions related to the use of the agencies fund balance, the service level and the transition. Chairman Walker recognized Commissioner Lavender who represents the Board of Commissioners on the Area Authority Board and thanked him for his excellent service.

CATAWBA FALLS GRANT REQUEST FROM NATURE CONSERVANCY

An update was provided by County staff regarding a request from the Foothills Nature Conservancy. The Federal funding to purchase the access area of the Catawba Falls area had been approved and is awaiting the signature into law by the President. The County along with many partners has sought this access for purposes related to tourism and promotion of the Catawba Falls scenic area. The Foothills Conservancy had previously submitted a \$75,000 grant to the North Carolina Division of Parks and Recreation for funding to assist with the development of the access area. The grant would provide for signage, a pedestrian bridge and parking. The Foothills Conservancy had been told that the grant would be more competitive if submitted by the County.

A motion was made by Commissioner Lavender and seconded by Commissioner Webb to authorize County staff to submit a grant for this purpose in cooperation with the Foothills Conservancy. The motion passed unanimously.

REVIEW OF BLACK BEAR LEASE

The Board of Commissioners reviewed a framework for a lease agreement with Duke Energy for an area around Lake James known as Big Island and an additional seventy acres of property. The property was being made available to McDowell County as part of the relicensing process underway with the Federal Energy Relicensing Commission. The property would most likely be leased to the County for a forty-year period. In order to receive the property, the County would be required to make improvements to the site enabling the property to be used by the public for recreational purposes. The improvements would include primitive camping, parking, restroom facilities a small pier and perhaps rental cabins. The improvements would have to occur over a five-year period and the process would maximize requests to State agencies and grant agencies for assistance. Small fees could be charged for the County to recover the operational expenses associated with the project. The Commissioners expressed support for the draft outline presented to them but cautioned that much work remained to be completed in order to move forward. On suggestion made was to have the Sheriff use some of his fines and forfeiture money to fund. The County Manager suggested that the issue be placed back on the agenda for additional discussion in the spring.

APPROVE JURY COMMISSION COMPENSATION

A memo was received from the McDowell County Clerk of Court regarding the compensation paid for Jury Commissioners. The memo recommended the sum of \$250.00 per Jury Commissioner as just compensation. This is consistent with the amount budgeted.

A motion was made by Commissioner Webb and seconded by Commissioner Buff to fix the compensation level at \$250.00 per member. The motion passed with a unanimous vote of the Board.

CITIZEN COMMENT

With no one having signed up to speak, there was no "citizen comment" for tonight.

TAX RELEASES, REFUNDS AND REBILLS

The usual listing of tax releases, refunds and rebills were presented for the Board's approval. In summary, they were:

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|---------------------------------------|-------------------------------|
| Releases/Under \$100.00 | Released amount of \$1,599.63 |
| Releases/Over \$100.00 | Released amount of \$4,411.64 |
| Motor Vehicle Releases/Under \$100.00 | Released amount of \$1,012.62 |
| Motor Vehicle Releases/Over \$100.00 | Released amount of \$378.20 |
| Release Refunds | Refunded amount of \$2,154.74 |

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

REPORTS AND COMMUNICATIONS

Chairman Walker made reference to the letter received from the pastor of Nebo Baptist Church who had commented on the Board's practice of opening its meetings with prayer. The Chairman expressed his appreciation for the comments made.

Commissioner McPeters, who represents the Board on the Area Health Board, advised that interviews would be held the following day in the selection process for a new health director.

CLOSED SESSION/PROPERTY MATTER AND ECONOMIC DEVELOPMENT

At this time, Chairman Walker called for a motion to go into closed session on a property matter and to receive updates on various economic development projects, citing GS 143-318.11(4) and (5).

Commissioner Lavender made a motion to go into closed session for the purpose as stated by the Chairman. Commissioner McPeters seconded the motion and the vote was unanimous.

The County Manager provided information concerning the property matter and updated the Commissioners on various economic development projects in which he was involved.

Upon motion by Commissioner McPeters and a second by Commissioner Lavender, the Board voted unanimously to return to regular session.

REGULAR SESSION RESUMED

When back in regular session, the County Manager advised that due to the decision made by the State of North Carolina requiring the relocation of adult probation, the County had been in negotiations with the owner of the former ESC building on State Street. As a result, the owner had accepted an offer by the County of \$189,000. He pointed out there would obviously be some upgrading to the building such as bringing the restrooms into ADA compliance, construction of offices (carpet, paint and drywall) along with related changes to some of the air returns.

A motion was made by Commissioner Lavender to authorize the purchase of the former ESC building on State Street at \$189,000 and to authorize upgrading of the building. Commissioner McPeters seconded the motion and the vote was unanimous.

OTHER MATTERS

At the request of Chairman Walker, Commissioner McPeters read the Christmas message from the Book of Luke, Chapter 2, verses 1-20. After this, the Board of Commissioners and the County Manager each wished the citizens of McDowell County a Merry Christmas. The Board expressed the hope that 2010 would be a more prosperous year for the nation and the community, and Chairman Walker asked people to remind others of the reason for the Christmas season.

ADJOURNMENT

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

DAVID N. WALKER, CHAIRMAN

CARRIE PADGETT
CLERK TO THE BOARD