

**STATE OF NORTH CAROLINA  
COUNTY OF McDOWLL  
BOARD OF COMMISSIONERS  
REGULAR SESSION – DECEMBER 3, 2012**

**ASSEMBLY**

The McDowell County Board of Commissioners met in regular session at 5:00 p.m. on Monday, December 3, 2012, in the Commission Boardroom, the usual meeting place. With the General Election held on Tuesday, November 6, 2012, Commissioner Barry E. McPeters was reelected to another four-year term and Van Randy Hollifield was elected to a four-year term. They had taken their oath of office before District Court Judge C. Randy Poole in the Courtroom of the McDowell County Courthouse earlier this date. Therefore, the Board met the first Monday instead of the second Monday for organizational purposes.

**MEMBERS PRESENT**

Josh Dobson, Randy Hollifield, Michael K. Lavender, Barry E. McPeters, and David N. Walker

**OTHERS PRESENT**

Charles R. Abernathy, County Manager; Carrie Padgett, Clerk to the Board; Fred Coats, County Attorney; Ashley Wooten, Assistant to the County Manager (Filming); and Mike Conley, Reporter for The McDowell News

**CALL TO ORDER**

Commissioner David Walker called the meeting to order. Commissioner Barry McPeters gave the invocation, followed by the pledge of allegiance, led by Commissioner Randy Hollifield.

**APPROVAL OF AGENDA**

The County Manager advised the Register of Deeds would be present for the item concerning her bond.

A motion was made by Commissioner McPeters and seconded by Commissioner Lavender to approve the agenda as presented. By unanimous vote, the agenda was approved.

## **APPROVAL OF MINUTES**

Minutes of the November 5, 2012 regular session were presented for approval. With no corrections made, upon motion by Commissioner Dobson and a second by Commissioner Lavender, the minutes were unanimously approved as recorded.

## **SELECTION OF CHAIRMAN AND VICE-CHAIRMAN**

The first item of business was the selection of Chairman and Vice-Chairman for the coming year. Commissioner Walker asked the Clerk to proceed.

The Clerk called for nominations for Chairman. Commissioner Hollifield nominated Commissioner David Walker for Chairman. With no further nominations made, the Clerk asked for a show of hands for Commissioner Walker as Chairman. By unanimous approval, Commissioner Walker was chosen as Chairman for the coming year.

The Clerk then called for nomination for Vice-Chairman. Chairman Walker nominated Commissioner Barry E. McPeters for Vice-Chairman. With no further nominations made, the Clerk asked for a show of hands for Commissioner McPeters as Vice-Chairman. By unanimous approval, Commissioner McPeters was chosen as Vice-Chairman for the coming year.

At this time, on behalf of the Board, Chairman Walker welcomed newly elected Commissioner Hollifield, this being his first meeting with the Board, noting they looked forward to working with him. In response, Commissioner Hollifield said, "Thank you, it is my pleasure".

## **PRESENTATION OF UNIVERSAL BUILDING PRELIMINARY DESIGN**

Chairman Walker welcomed Roger Holland, Holland and Hamrick Architects, P.A., who had produced a draft design for the Universal Skills Training Center. The Chairman then asked the County Manager if he had any comments prior to hearing from Mr. Holland.

Mr. Abernathy advised the Universal Building Committee had met three times, and was divided into two sub-committees. Committee A is the technical one charged with cooperating with the architect to finalize the design; Committee B is looking at the marketing, programs, and the actual courses that will be offered. Both sub-committees had been meeting as well. The full committee had met on Friday and spent some time working on the loading dock areas, one of which might be relocated. Mr. Abernathy stated, to his knowledge, the committee is through, and if the Commissioners had questions or input, this should be handled now. Then when the Board is ready, the direction to the architect would be to proceed with the design and the bidding of the project. He pointed out for now, the process is on schedule.

Mr. Holland stated he was impressed with the array of industrial and business leaders, educational and government leaders that are involved with this project and applauded Mr. Abernathy in getting this group assembled. He said it was exciting to see the cooperation and how they worked together and, in some cases, willing to compromise their wishes. However, he said he felt the end result would be that the College and the industrial people will be getting basically what they were wanting.

Mr. Holland then gave an overview of the draft design, pointing out minor rearrangement of space in order to have adequate office and classroom space, a multi-purpose room, parking, etc. He advised the Training Center will have a separate entrance and the gated security feature will still be utilized on the industrial side of the complex.

In discussion, the Board raised questions about additional classroom and office space, having sufficient electrical hookups and adequate storage, noise, and whether exit access is adequate in the event of an emergency or evacuation. In addressing these issues, Mr. Holland pointed out that no additional classroom or office space had been mentioned; however, he agreed to assess these areas further if necessary.

In conclusion, Mr. Abernathy advised they would proceed with bid documents, if the Board agreed.

#### **UNIVERSAL SITE PLAN OVERVIEW**

The County Manager reviewed the preliminary Universal Site Plan prepared by Mike Lavoy with Alliance Engineering, and noted how the additional space might be utilized. He pointed out the property needed to have 3-4 soil borings done for environmental purposes. He said if the Board agreed he would like to have the engineer come to the Board's meeting in about 60 days to have discussion about some of this.

The Commissioners indicated they were in agreement.

#### **SETTING OF BOND FOR REGISTER OF DEEDS**

The Chairman advised that by law, the Board of Commissioners sets the bond for the newly elected Register of Deeds. He welcomed Tonia Hampton, newly elected McDowell County Register of Deeds. The County Manager welcomed Ms. Hampton as well, and advised the Register of Deeds bond is recommended in the amount of \$50,000.

Commissioner Lavender made a motion, seconded by Commissioner Hollifield, to approve the bond in the amount of \$50,000 for the new Register of Deeds. A brief discussion followed. By unanimous approval, the motion carried.

## **REGISTER OF DEEDS DISPOSITION AND RETENTION SCHEDULE**

The County Manager advised the County is periodically asked to approve the Register of Deeds Records Retention and Disposition Schedule. The Register of Deeds stated no changes were needed.

Commissioner Dobson made a motion, seconded by Commissioner McPeters, to approve the Records Retention and Disposition Schedule as presented. By unanimous approval, the motion carried.

## **BUDGET UPDATE AND AMENDMENTS/RESOLUTION TRANSFERRING PROPERTY**

The County Manager began with a brief overview of sales tax, which he noted is about \$47,000 overdue. Property tax was also reviewed since it is impacted in the month of December. The current percentage is 58.20% and is 1.45% ahead of the same period last year. Mr. Abernathy pointed out he would fill Commissioner Hollifield in on how the levy affects the collection rate, etc.

A brief discussion followed on Article 40 & 42 of sales tax.

The Finance Officer then reviewed budget amendments as follows:

Amendment SP1 – Appropriates \$540,900 for the renovations at East Junior High School which the Board had already agreed to establish. The amendment allocates funds from the lottery funds held by the State and keeps the school project on schedule.

Project Budget Ordinance – Universal Career Pathways Skill Center. The establishment of this Project Budget Ordinance is consistent with previous presentations, with dollars representing the grant received from Golden Leaf. Other grants are pending and this Ordinance will almost certainly require an additional amendment.

Project Budget Ordinance – Scattered Site CDBG Grant. The establishment of This Project Budget Ordinance had also been approved since a CDBG grant for Scattered Site Housing improvement was received several months ago.

Commissioner Lavender made a motion, seconded by Commissioner McPeters, to approve budget amendment SP1, Project Budget Ordinance Universal Career Pathways Skill Center, and Project Budget Ordinance Scattered Site CDBG Grant as presented. By unanimous approval, the motion carried.

Concerning the resolution to transfer County property, Mr. Abernathy advised statutes allow the County to transfer County property to non-profits, in this case a

stretcher which is no longer used by EMS. They want to transfer this item to the McDowell County Rescue Squad.

A motion was made by Commissioner McPeters, and seconded by Commissioner Lavender, to approve the resolution, thereby authorizing the transfer of property. By unanimous approval, the motion carried and the resolution was adopted as follows:

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

**WHEREAS**, the County of McDowell desires to donate (1) 2006 Stryker Power Pro. Stretcher to McDowell County Rescue Squad and Ambulance, a non-profit entity; 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.

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

The County of McDowell is authorized to donate (1) 2006 Stryker Power Pro. Stretcher to McDowell County Rescue Squad and Ambulance, a non-profit entity.

Serial #060439540

This resolution shall become effective upon adoption.

**ADOPTED** this the 3<sup>rd</sup> day of December, 2012.

**PRESENTATION OF AUDIT**

Kathy Atkinson and April Westmoreland from Johnson Price Sprinkle, PA, came before the Board to present the Audit Report for 2011-2012.

First, Mrs. Atkinson expressed her appreciation for the opportunity to perform the audit and thanked the staff and management for their cooperation throughout this process. She advised that in accordance with state statutes, the County is required to have an audit and, because of the level of state and federal funding the County gets, it must have an audit under governmental auditing standards and an A-133 audit (single audit standard related to the extra steps that have to be reported on state and federal financial assistance that the County receives).

In addition to an electronic draft of the audit which the Board had received in the agenda, a hard copy of the draft was also distributed to the Board rather than the usual

large bound copy. Mrs. Atkinson advised her office was still waiting to hear from the Local Government Commission (LGC), pointing out they are a little behind this year and have not yet completed their review. She pointed out County staff had already given its approval and if there are any changes, they may have to come back for further review of the audit report.

Mrs. Atkinson advised the audit report contains an unqualified opinion which is the desired result of the audit process. She noted other reports in the single audit section that are required such as the one related to internal control over financial reporting and on McDowell County's compliance with general statutory requirements. Two other reports commonly referred to as the single audit reports are required to communicate items related to internal control over major federal and state financial assistance. She made reference to the section entitled Schedule of Findings and Questioned Costs, which is included even if there are no "findings and questioned costs". It summarizes the entire audit results and it does say that we have an unqualified opinion.

Mrs. Atkinson did identify one internal control item over financial reporting that is considered a material weakness, but pointed out there are no findings in other audit reports under the compliance section. This item, which has previously been mentioned, is that there is insufficient segregation of duties in the Finance Office for any one to be performing an internal audit or monitoring type function. One example she mentioned was the item approved tonight with the transaction for moving the stretcher. She advised these non-financial transactions that take place in this "body" do not flow through cash receipts and cash disbursements, and someone needs to be constantly monitoring this type of things.

Discussion of the General Fund balance followed. Mrs. Atkinson stated this had been an incredibly good year for the General Fund and for the unit overall. She advised the fund balance is now at 26½%, available for appropriation. This can include uncommitted fund balance, fund balance that is already been restricted, or committed, or assigned in some way, but it is still available for appropriation for those purposes for which it has been committed or assigned. She noted from the management letter a point made that in the June 30, 2011 year, there was a new financial reporting standard (GASB 54) which required the renaming of all the different elements of the fund balance. This is to give the reader more information about what restrictions are on the fund balance, what restrictions come from outside, and which ones come from internal actions of this body, as well as what is completely unrestricted. Along with that new reporting standard there was a recommendation that the Board adopt two things—a spending policy to determine what order money will be spent; the other element of that is to adopt a fund balance policy. Mrs. Atkinson pointed out that for a long time the County was not in position to do that because of insufficient fund balance. The County has now reached the ability to say it will not go below a given percent.

The increase in fund balance this year for the General Fund was \$1.2 million.

Discussion followed on the need for more staff for separation of duties to keep the Finance Officer from having to do journal entries, key-punch transactions, etc. when someone is out. Mrs. Atkinson pointed out a need for more training and dedication in the area of fixed assets in order to capture all the activity.

There was a lengthy discussion of incentive contracts and county-related activities with MEDA, monitoring the performance of companies involved, and of being more transparent in this area. It was noted that while some records are available through MEDA on the various economic development projects, performance monitoring of the various companies is done on the state level. Commissioner Lavender said he felt more of this information should be available on-line for the benefit of the public.

Commissioner Lavender made a motion to accept the 2011-12 Audit Report as presented by Johnson, Price & Sprinkle, pending approval by the LGC, and being copied on any changes that are made at the state level. Commissioner McPeters seconded the motion and by unanimous approval, the motion carried.

### **RECYCLING DISCUSSION/RECOMMENDATIONS**

Public Works Director Mike Gladden came before the Board for discussion of the County's Recycling Program.

First, the County Manager gave a summary of the discussion to this point that would bring improvements to the operation of recycling that would allow the County to generate a small amount of revenue and to handle a larger volume of recyclable materials. He pointed out the total enterprise fund budget for this fiscal year is \$6 million and a \$1,144,000 transfer from the general fund was necessary to balance the enterprise fund based on the fact that the County does not charge full fees. Among the recommendations made were paving a larger area in order to handle a large inflow of recyclable materials, the purchase of a forklift, and the continued use of inmate labor. The estimated cost would be \$60,000. In the future they are looking at a cover, a conveyor belt, perhaps a "boon" truck with dumpsters at the convenience centers where larger inflows can be handled.

Mr. Gladden addressed the materials they hope to target that will create revenue without any associated fees or taxes. He noted they have more than doubled their plastic and aluminum materials. He advised they want to provide more education, distribute some flyers, use the state's recycle people, use more signage, etc. He proposed to expand the concrete area, purchase a Bobcat, create a new fenced-in area, and continue use of inmate labor. Anticipated results would be 30 tons of commingled recyclables each month.

A general discussion followed. Mr. Gladden advised the improvements being recommended would cost about \$60,000 and he proposed taking that amount from the solid waste disposal tax. An amendment would be made to that fund to cover the items requested.

Chairman Walker mentioned that they needed some numbers on the benefit of a regional recycling program and what the proceeds might be. Again, Mr. Abernathy said they were asking for permission to do the fenced area, the concrete pad, purchase of the skid-loader, and proceed with the signage at the convenience centers. These improvements would enhance the operation for now as well as open up any future options.

Commissioner Lavender made a motion to authorize staff to proceed with the improvements at the Landfill to include the concrete pad, the fencing, the signage and the skid-loader, with funds for these to be taken from the state solid waste disposal tax fees that we receive. Commissioner Hollifield seconded the motion and by unanimous approval, the motion carried.

### **PRESENTATION OF McDOWELL HOUSE HISTORIC REPORT**

Chairman Walker welcomed Architect John Horton who came before the Board to present a summary of his Historic Structure Report for the McDowell House. Also present were Jill Lucas and her husband, and Dr. James Haney.

The County had paid for this report with National Park Service funds, the purpose of the report being to identify the age of the house, provide some information on its history, and provide some recommendations on renovation and/or repair.

Mr. Horton advised a grant was received from the Park Service to take the project to the next step. He provided a power point summary of the McDowell House, a timeline of the McDowell Family, etc.

Discussion followed on the type of nails found in the House and what they tell as to the age of the House, when it was built, etc.

### **CLOSED SESSION/ECONOMIC DEVELOPMENT MATTER**

Chairman Walker called for a motion to go into closed session in accordance with G.S. 143-318.11, section 4 for economic development.

Commissioner McPeters made a motion, seconded by Commissioner Dobson, to go into closed session as stated by the Chairman. By unanimous approval, the motion carried.

Economic Development Director Chuck Abernathy provided an update on two projects that are considering McDowell County as a business location.

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



## **REGULAR SESSION RESUMED**

When back in regular session, Chairman Walker announced that no action was taken in the closed session just ended.

## **CITIZEN COMMENT**

No one had signed up for this item; therefore, no comments from citizens were heard.

## **BOARD APPOINTMENTS**

Chairman Walker stated the Board would need to appoint a Commissioner to those committees on which former Commissioner Andrew Webb had served. Those included the City-County Utility Committee, the Joint Education Committee, and McDowell Economic Development Association (MEDA).

Commissioner Lavender said he would offer to someone else either TDA or the McDowell House Committee for meetings on the 3<sup>rd</sup> or 4<sup>th</sup> Tuesday. He noted the McDowell House Committee meets on Tuesday afternoons.

Chairman Walker then asked if any one would want to serve on any of the committees/boards on which Commissioner Webb had served. Commissioner McPeters advised he would be interested in serving on the Joint Education Committee. Commissioner Lavender said he was interested in serving on the MEDA Board and Commissioner Hollifield did as well. Commissioner Lavender consented for Commissioner Hollifield to take the MEDA Board. Commissioner Hollifield said he would accept the Utility Committee also.

Commissioner Dobson made a motion, seconded by Commissioner Lavender, to approve the appointments of:

Commissioner McPeters on the Joint Education Committee  
Commissioner Hollifield on the MEDA Board and the City-County Utility Committee

By unanimous approval of the Board, the motion carried.

A vacancy on the Agriculture Advisory Board was presented on first reading.

## **TAX MATTERS**

For the benefit of Commissioner Hollifield, the County Manager briefly reviewed the process of approving tax releases and refunds and why they are needed.

The monthly listing of tax releases and refunds were then considered for approval. In summary, they were:

Releases Under \$100.00	Released amount of \$811.20
Releases Over \$100.00	Released amount of \$452.81
Motor Vehicle Releases Under \$100.00	Released amount of \$527.37
Motor Vehicle Releases Over \$100.00	Released amount of \$735.43
Release Refunds	Refunded amount of \$667.11

Commissioner McPeters made a motion, seconded by Commissioner Dobson, to approve the tax releases and refunds as presented. By unanimous approval, the motion carried.

#### **NCACC VOTING DELEGATE**

Chairman Walker advised a voting delegate was needed for the upcoming NCACC Legislative Goals Conference to be held in January, 2013, noting the person could be either a Commissioner or staff member.

A brief discussion followed, during which Commissioner Lavender was asked if he would be able to serve this time since he had served as the voting delegate several times previously. Commissioner Lavender declined. Commissioner Hollifield agreed to serve, even though he is "the new kid on the block" so to speak.

Commissioner McPeters made a motion, seconded by Commissioner Dobson, to appoint Commissioner Hollifield as the Voting Delegate for the 2013 Legislative Goals Conference. By unanimous approval, the motion carried.

#### **CHRISTMAS EVENTS UPDATE**

The County Manager advised the Annual Employee Christmas Party is scheduled for December 6<sup>th</sup> at the Senior Center, that County Offices would be closed on December 24<sup>th</sup>, 25<sup>th</sup>, and 26<sup>th</sup>, in observance of Christmas. The Convenience Centers and Transfer Station would operate a half day before Christmas and a half day after, and would be closed on Christmas Day. He pointed out, as far as programming on the County's Cable Channel, staff would try to get as many Christmas related programs as possible on the Channel for the public's viewing.

Chairman Walker then gave each member of the Board and staff opportunity to give a Christmas greeting, and then asked Commissioner McPeters to read The Christmas Story, the account of Christ's Birth, from Luke Chapter 2.

**ADJOURNMENT**

There being not further business to transact at this time, upon motion by Commissioner Lavender, a second by Commissioner Hollifield, and by unanimous approval, the meeting was adjourned at 8:45 p.m.

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DAVID N. WALKER, CHAIRMAN

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CARRIE PADGETT  
CLERK TO THE BOARD