

HAYWOOD COUNTY COMMISSIONERS**REGULAR MEETING – SEPTEMBER 7, 2010****CALL TO ORDER**

Chairman J.W. “Kirk” Kirkpatrick, III convened the regular meeting of the Haywood County Board of Commissioners at 9:00 a.m. in the Historic Courtroom at the Haywood County Historic Courthouse, Waynesville, North Carolina, with Chairman J.W. “Kirk” Kirkpatrick, III, Vice-Chairman Bill Upton, Commissioners Charles “Skeeter” Curtis, L. Kevin Ensley, and Mark S. Swanger present. Staff members present were County Manager David Cotton, Assistant County Manager Marty Stamey, County Attorney Leon M. “Chip” Killian, III, Finance Director Julie Davis, Public Information Officer David Teague and Administrative Assistant Rebecca Morgan.

PLEDGE OF ALLEGIANCE

Chairman Kirkpatrick led the pledge of allegiance.

INVOCATION

Vice-Chairman Upton offered the invocation.

PUBLIC COMMENTS

Chairman Kirkpatrick opened the public comment session. Comments are generally limited to three minutes per individual, unless the speaker is representing a group for which the comment period may be extended to five minutes.

Jonnie Cure´ shared that on the front page of “The Mountaineer” were two articles. One article was in regards to the request by Haywood Community College (HCC) for funds to construct a building. The second article was in reference to the School Board’s opposition for the building plans for Waynesville Middle School. Ms. Cure´ stated that the School Board is an elected board and chose not to spend money for the building. The HCC Board of Trustees is an appointed board and does not answer to the public. Ms. Cure´ urged the Board of County Commissioners to vote against borrowing the money for the Haywood Community College proposed building.

Wayne Wyles urged the Commissioners to be prepared. Mr. Wyles stated that the trend to concentrate power in Raleigh and Washington need not only be stopped, but needs to be reversed.

Al Goodis shared that on September 11th, 2010, in front of the courthouse, a group will hold homage in memory of the tragedy that struck New York City in 2001.

Monroe Miller stated that Dr. Rose Johnson, President of HCC, failed to provide the HCC Board of Trustees the FLS contract and refuses to answer his questions regarding the proposed Creative Arts Building. Mr. Miller summarized the decisions made at the HCC Board of Trustees meetings held August 30th and September 2nd, 2010. Mr. Miller urged the Board to table this motion for 90 – 120 days until the HCC Board of Trustees makes its final decision regarding the FLS Solar portion of the final contract.

There being no other public comments, Chairman Kirkpatrick closed the public comments session.

CONSTITUENT CONCERNS

Chairman Kirkpatrick inquired if there were any constituent concerns.

Commissioner Ensley shared that some citizens expressed that the Board meetings are not shown on the Haywood County Government channel at a convenient viewing time. Commissioner Ensley inquired if the meetings could be shown more often. David Teague, Public Information Officer stated that the meetings are broadcast on Tuesday at 7:00 p.m., Thursdays and Saturdays at 9:00 a.m. and 7:00 p.m. Mr. Teague explained that the meetings could be broadcast more often without extra cost. Chairman Kirkpatrick inquired as to the possibility of indexing agenda items so the citizens watching could know the time slotting for particular agenda items. Mr. Teague stated that indexing the meetings could be accomplished, but with cost, but stated that he would review options.

Commissioner Ensley expressed his appreciation to Stephen King, Solid Waste Director, for his assistance with some issue at the landfill.

There were no other constituent concerns Chairman Kirkpatrick closed the Public Comment session.

DISCUSSION / ADJUSTMENT / APPROVAL OF CONSENT AGENDA

Commissioner Curtis inquired if the item regarding the landfill would be discussed during the meeting. David Cotton, County Manager, confirmed that under "New Business", the item regarding the landfill consent agreement and settlement document was on the agenda. Mr. Cotton stated that the County received the notice in mid-July. Staff met with the Department of Environmental and Natural Resources (DENR). Commissioner Curtis stated that he did not learn about the particular problem until he read about it in the newspaper. Chairman Kirkpatrick announced that the item regarding Preliminary Expense for architect to begin feasibility process for USDA loan for County Fairgrounds' purchase would be discussed under "Old Business".

CONSENT AGENDA

Commissioner Swanger made a motion to approve the consent agenda as presented with the exception of Item 2 "f", which is being moved to "Old Business". Vice-Chairman Upton seconded and the motion carried unanimously.

- Approve August 16th, 2010 Regular Meeting Minutes
- Budget Amendments – Julie Davis, Finance Director
 - Health Dept. – Medicaid – \$25,000 – from Dental Escrow account, to support Medicaid and Dental programs within the Health Department – Increase Medicaid budget to support Medicaid and Dental programs within the Health Dept. funds coming from Escrow Budget.
 - Health Dept. – \$6,532 – to reallocate the carryover funds from the Healthy Haywood program - Carryover of unused funds raised for Healthy Haywood, to be used for the start up of Fitness Challenge 2011.
 - Health Dept. – (218,668) reduction of grant funding for tobacco program HWTF Commission transfer NC STEP SPIT Tobacco program from Haywood County Health Dept. to W.H.A.T. Transfer took place 7/1/10.
 - Recreation – \$12,500 – from fees collected from participants in recreation programs – To appropriate the fees collected for the recreation programs and events.
 - Extension 4H programs – \$43,025 – reallocation of prior year collections for 4H programs – To appropriate program revenue for current year.
 - Public Safety grants – \$80,434 – reallocation of prior year approved grant budget – To appropriate the 2nd year funding for the Kids at Work project that will allow fifty at risk youth to participate in an age-appropriate culinary arts curriculum with integration of tutoring and soft skill training.

- Sheriff's Office prior year grant allocations – \$40,120 – JAG grants – To re-appropriate funding under the FY09 Recovery Act Edward Byrne Memorial Justice Assistance Grant (JAG) program for money that was not utilized in FY2010. To be used to purchase tasers, computer equipment, cameras, and protective helmets for special response unit within the Sheriff's Dept.
- 2010 Authority to Collect Taxes – David Francis, Tax Administrator – request to authorize, empower and command David Francis, Tax Administrator, to collect taxes.
- 2011 Schedule of Values – Ron McCarthy, RSM Consulting, Judy Ballard, Tax Assessor and David Francis
- Schedule of Values Calendar of Events – David Francis – schedule of values for September 7th, 2010 thru November 5th, 2010.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2011

Section 1. To amend the General Fund, the expenditures are to be charged as follows:

Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
Medicaid				
Prof. Service Medical	115111-519300	2,000	20,000	22,000
Office Supplies	115111-526000	-	1,000	1,000
Non-Expendable Supp	115111-526900	-	1,000	1,000
Travel	115111-531100	-	1,500	1,500
Training	115111-539500	500	1,200	1,700
Dues & Subscriptions	115111-549100	200	300	500
which will result in a net increase of \$		25,000		

in the expenditures of the General Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Medicaid - Dental	110050-451130	505,312	25,000	530,312

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 7th day of September, 2010


Chairman
Haywood County Board of Commissioners

ATTEST:

Clerk to the Board

Explanation: Increase Medicaid Budget to support Medicaid & Dental programs within the Health Dept. Funds coming from Escrow Budget.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2011

Section 1. To amend the General Fund, the expenditures are to be charged as follows:

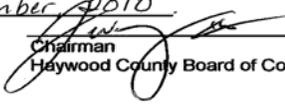
Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
AD Health				
Special Prog Materials	115151-523100	20,000	6,533	26,533
which will result in a net increase of \$		6,533		
Fund.				

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Healthy Haywood Fees	110070-451426	20,000	6,533	26,533

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 7th day of September 2010.


Chairman
Haywood County Board of Commissioners

ATTEST:

Clerk to the Board

Explanation: Carry Over of unused funds raised for Healthy Haywood, to be used for the start up of Fitness Challenge 2011.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2011

Section 1. To amend the General Fund, the expenditures are to be charged as follows:

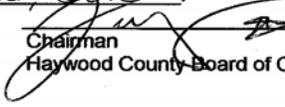
Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
CDC-Project ASSIST				
Communications	115159-532000-05SPT	3,500	(3,500)	-
Non-Expendable Supp	115159-526900-05SPT	2,000	(2,000)	-
Operating Expense	115159-549500-05SPT	2,000	(2,000)	-
Prof Services Other	115159-519900-05SPT	150,560	(150,560)	-
Special PGM Material	115159-523100-05SPT	32,000	(32,000)	-
Travel	115159-531100-05SPT	20,000	(20,000)	-
Salary - General	115110-512100	8,608	(8,608)	-
which will result in a net increase of \$		(218,668)		
Fund.				

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
HLTH&Wellens TRST	110050-451591-05SPT	218,668	(218,668)	-

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 7th day of September, 2010.


Chairman
Haywood County Board of Commissioners

ATTEST:

Clerk to the Board

Explanation: HWTF Commission transfer NC STEP SPIT Tobacco Program from Haywood County Health Dept. to W.H.A.T. Transfer took place 7/1/10

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2011.

Section 1. To amend the General Fund, the expenditures are to be charged as follows:

Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
Recreation:				
Special programs	116120-523100	16,470	12,500	28,970

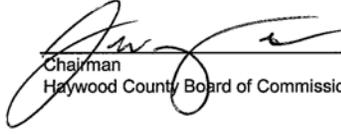
which will result in a net increase of \$ 12,500 in the expenditures of the General Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Sales & services:				
Departmental services/fees - Recreation	110070-461201	25,000	12,500	37,500

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 7th day of September 2010.


Chairman
Haywood County Board of Commissioners

ATTEST: 
Clerk to the Board

Explanation:
To appropriate the fees collected for the recreation programs and events.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2010-2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2011.

Section 1. To amend the General Fund, the expenditures are to be charged as follows:

Department	Account Number	Current Budget	Increase	Amended Budget
Extension Office				
4H-UW 4-H United Way	11 4950 523104 4H-UW		8,025	8,025
4-H Program Fee	11 4950 523104 4HPGM		10,000	10,000
Special Program Materials	11 4950 523100 4HORT		10,000	10,000
Special Program Materials	11 4950 523100 04FCS		15,000	15,000

which will result in a net increase of \$ 43,025 in the expenditures of the General Fund.

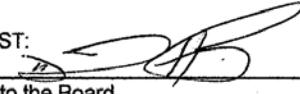
To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
4H-UW Extension 4-H Unit	11 0100 449503 4H-UW		8,025	8,025
Extension 4-H Program	11 0070 449501 4HPGM		10,000	10,000
Extension Horticulture	11 0070 449500 4HORT		10,000	10,000
Extension FCS Program	11 0070 449500 04FCS		15,000	15,000

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 7th day of September 2010.


Chairman
Haywood County Board of Commissioners

ATTEST: 
Clerk to the Board

Explanation: To appropriate program revenue for current year.

OLD BUSINESS**Health Rule / Ordinance Advisory Committee**

Commissioner Swanger stated that at the last regular Board meeting, August 16th, 2010, the Board discussed the proposed solid waste rule. The Health Board has been reviewing the proposed rule. Commissioner Swanger explained that the conclusion reached is that the proposed rule would likely be a better solution to have a County ordinance versus a County health rule. The primary concern about a solid waste rule is the proposed penalty of a class I misdemeanor, mandated by the State statute. A County ordinance could create the option of having a Class III misdemeanor. The Health Department cannot make an ordinance, only a rule. If the rule became an ordinance, the penalty could change to a Class III misdemeanor. The Board of County Commissioners could make the rule change to an ordinance. The Board requested recommendations for a committee. Commissioner Swanger stated that because he represents the Board of County Commissioners on the Health Board he would like to serve on the committee. Other recommendations include current Health Board member Vicki Gribble, members of the public Bruce Gardner and Terry Ramey. Depending on the subject matter of a particular meeting, the committee could include the County Attorney, County Manager, Solid Waste Director and perhaps a representative from the Department of Natural Resources.

Chairman Kirkpatrick appointed a health rule / ordinance advisory committee to be chaired by Mark Swanger with the other three members being Vicki Gribble, Bruce Gardner and Terry Ramey.

Sale of Real Property

Chip Killian, County Attorney, stated that the County has gone through a process of advertising for sealed bids for the sale of two properties: FISK Building and the former Haywood Mountain Home. No bids were received before the August 16th deadline with advertisement for sealed bids § 160A-268; therefore the Board of County Commissioners must determine whether to pursue the option of § 160A-269 for negotiated offer, advertisement, and upset bids. County Attorney Chip Killian and David Cotton, County Manager, presented § 160A-269 as an attachment.

Vice-Chairman Upton made a motion to approve and to allow negotiations for an offer and then thereafter, if there is an offer that we receive and accept and go into contract thereafter for upset bids to be allowed, pursuant to NC G.S. § 160A-269, regarding the FISK building and former Haywood Mountain Home properties. Commissioner Curtis seconded and the motion carried unanimously.

Haywood County Solid Waste Request for Proposal Update

Stephen King, Solid Waste Director, presented a request for proposals (RFP), general information, instruction and explanation of general contract terms and conditions. Mr. King explained that the RFP went out on September 1st, 2010. The proposals are due by October 8th, 2010. Mr. King stated that the schedule is subject to change. Mr. King stated that the RFP is for the solid waste services, which includes the landfill and potentially the transfer station. These services are now provided by the County. David Cotton, County Manager, confirmed that representatives from the municipalities will be given this RFP.

Department of Social Services / Health / Central Permitting Schedule Update

Dale Burris, Facilities and Maintenance Director, stated that the advertisement for the project for the renovation of the newly purchased property located on Paragon Parkway, will be sent tomorrow, September 8th, 2010. Mr. Burris explained that there would be a mandatory pre-bid conference at the Historic Courthouse at 10:00 a.m. on September 22nd, 2010. Sealed bids for the project would be received up to 2:30 p.m. on October 6th, 2010. Mr. Burris presented an overview of the project.

Haywood Community College Installment Financing Contracts for the renovation of the General Education Building, the construction of a new professional Creative Crafts Building, the extension of water lines, and parking improvements

Verbatim Transcript

Julie Davis, Finance Director: I'll go ahead and start with the approving resolution and installment-financing contract and then Chip, I think has been dealing with the others. What you don't see here is a list of banks that had proposed a rate to us. We only had, we put out a proposal, I mean a request for proposal and sent it out to about seven banks. We only had one response. That was Bank of America and they gave us a really good rate, 3.14 percent. So, we just went ahead and put the Bank of America in all of these legal documents. They were really our only option, but I think it's a good option. Most of the banks don't go as long as fifteen years. That was one of the reasons they didn't respond, was they typically do ten-year, or shorter, financings of this type. So the resolution that you have here is a resolution of the Board of Commissioners of the County of Haywood North Carolina approving an installment financing contract and a deed of trust with respect thereto and delivery thereof, and providing for certain other related matters. This is quite long, but I did want to point out a couple of things in here. I think the Chairman read the project description, but also, under the second page, under section two is, discusses the approval authorization and execution of a contract of a principle amount not to exceed \$11.2 million. And further goes on to discuss the Bank of America and I don't know if we want to approve these as a group or, or wait till you listen to all the details of the other documents. The financing contract is next, after this approving resolution. So, Chip, do you think they need to be approved separately?

County Attorney Chip Killian: I think, probably ought to explain them a little bit and then I think you could take one vote and... This resolution deals with all the documents in mass as part of one resolution. So if you'd like for me to just explain a little bit about the various documents that are involved in this entire scenario and then we could come back, perhaps and vote on, adopt the resolution that would approve them.

Chairman Kirkpatrick: I would like to for you to go through the resolution before we vote on it. I would also like to hear from Dr. Johnson and if the Commissioners have any questions of her prior to that. This has been an issue that has been discussed over, for quite some time and there's still some outstanding issues that I think that we have that we'd like to ask her about as well. But if you could go through the documents, Chip.

County Attorney Killian: Well, let me say first that this has been a rather complicated transaction and there are about six different law firms involved in various aspects of this. So, there's been a lot of going back and forth. I have not been the person drafting these documents, but I've been responding to all of them as rapidly as I could and, and there's still some minor things involved. But, for the most part, I'm pretty satisfied with all the documents. You have first the deed to the County. That's, then you're going to have a lease. The lease is mentioned in the resolution, leases back to the Community College. There's an agency agreement to sign that deals primarily with the process of constructing improvements. Then the Community College will have a sublease for the roofed off in certain other areas for the solar, to the solar developer. That's not part of this resolution. That's something that really happens after the loan. And then there's a financing agreement, that's primarily been prepared by our public finance law firm, Parker Poe. And that's mentioned in this resolution. And then a deed of trust and that's a fairly traditionally deed of trust where the County is actually mortgaging the property. And there's a subordination non-disturbance and a torman agreement, which basically deals again with the solar aspects. It's very complicated. The documents that this resolution addresses are the ones that are necessary and the ones that are of interest and concern to the Local Government Commission. That's the primary purpose of it. And the first one under section two is the agreement. That's the Installment Financing Contract. That describes, pretty well, all aspects of the financing itself. It's like a loan agreement that you would have under a traditional, traditional commercial loan context. The next thing is the deed of trust, which is the mortgage of the property, the improvements are going to be constructed upon. The third things is the agency agreement that basically says, okay, the County, while the County is the owner, the County is depending on the Community College to, to manage the project through their architect that they select, but the County is always at the table, has a seat at the table as input, but is primarily the, the purview of the Community College's to manage the project through their architects and the contractors that are ultimately selected. So, that's the third document under section four and the fourth one is the lease. And that's essentially the lease back to the Community College from the County from which the sublease will follow for the solar aspects of this. A lot of the work that we've done, up to this

point, has been to try to satisfy the concerns or interests of the lender, and the solar developer to carve out some of these things. Because the solar equipment is not going to be part of the collateral for this loan. It will be separately financed, not, neither paid for nor encumbered by the County's loan. So we've been, we've had to be careful to do that in such a way that the solar developer and their lender is satisfied and that the bank, who is doing the, now we know is Bank of America, doing the construction lending so that they're satisfied and understand that those, that those assets are not part of the collateral. So that's kind of a general overview of what these documents consist of. I will say that it's been fluid and the Community College's knows that, Board knows that and staff knows that better than anybody does. There could still be some minor changes in these documents. We're reviewing them on a daily basis, but I am generally satisfied with them as they stand now and I would hope that the Board would see fit to authorize the Chairman and the County Manager and myself to approve any minor changes in these documents, but if anything, if there's anything of real substance or significance in our collective judgment, we would probably ask for a special meeting to come back. But hopefully, everything's in good shape, at least for the application to the Local Government Commission, which I think needs to be done by tomorrow.

Chairman Kirkpatrick: Chip, do you have the agency agreement and lease?

County Attorney Killian: Yes.

Chairman Kirkpatrick: Okay, I don't know that we have that.

County Attorney Killian: It was in the agenda packet. Was it not?

Chairman Kirkpatrick: I don't have it listed as an attachment.

County Attorney Killian: What number is it?

Chairman Kirkpatrick: I see the deed of trust.

County Attorney Killian: Was it not in there?

County Manager David Cotton: No. We didn't have that delivered, we didn't have that delivered by the time we sent the agendas out.

County Attorney Killian: I'll have copies brought back. I didn't realize that wasn't in the agenda package.

Chairman Kirkpatrick: If we could do that.

County Attorney Killian: I was doing some changes as late as last night. So...

Chairman Kirkpatrick: But you have, you've looked at all of those.

County Attorney Killian: Yes Sir.

Chairman Kirkpatrick: And you've approved those.

County Attorney Killian: Yes, sir I have. They've been nice enough to furnish black line copies where I could see the changes from time to time. And, all of my concerns have been addressed, I must say, by all legal lawyers who were doing the drafting.

Chairman Kirkpatrick: Basically, what's going to happen is the Community College will deed the County the property, the County obtains the loan for the improvements to the property, leases the property back to the Community College and the quarter cent sales tax funds that we receive, based on the bond that was passed will pay for the debt service on the loan.

County Attorney Killian: Yes Sir. I might also say that this, while this whole methodology seems complicated and unusual, we have used it before with the schools. The solar aspect is different. The sublease back, you know for the equipment, for the, so the equipment can be installed on the building to the solar developer, certainly that is different and unique. But the rest of it isn't unique at all. The same law firm that we've used in the past for school

financings, Parker Poe, our chosen public finance law firm, prepared these documents, and they prepared them from documents we've used in the past, that the County's used in the past for similar kinds of financings.

Chairman Kirkpatrick: Alright, Commissioners, do you have any questions of Chip regarding these documents? Okay. If not, I would ask for, I think Dr. Johnson's here. Dr. Johnson, if you could come up, please.

Dr. Rose Johnson: Mark Bumgarner, the Board of the Trustees, as well as Donna Forga, Vice-Chair are coming with me.

Chairman Kirkpatrick: Okay. Dr. Johnson, the, it's my understanding, I believe, that you've had several meetings over the last week with the entire board.

Dr. Johnson: Yes. That's correct.

Chairman Kirkpatrick: Our Board, some of the concerns that we had were the fact that you had a board that was relatively split in making this request for the financing of this project. Could you bring us up to date? And, actually, I have not spoken to you, I've just heard that this has happened. So, if you could bring us up to date over the meetings you've had the last week.

Dr. Johnson: I'd be glad to do so. The board is very committed and actually wanted to keep working through the project until it could bring to you an unanimous decision. So, that's what we're here to do today. The board actually made a decision on August the thirtieth that we would keep our base bid and contingency would be the \$8,397,057, with the contingency at \$627,375 to keep to total of that at the \$9,024,432. Now, this is the building itself, not the other projects. That actually was a unanimous vote of the board that basically is saying to you as County Commissioners, that we are staying at the same loan amount that we had talked to you about before, the same cost figures. That was again, the additional meetings were about value engineering on the project itself to make sure that the board had an opportunity to review and select the items to be deducted from the project so that it would stay at that cost item. That again was unanimously approved on September the second. So the board brings to you a unanimous decision to honor the values that we have presented to the Commissioners.

Chairman Kirkpatrick: Okay. With that statement Commissioners, do you have any questions?

Vice-Chairman Upton: Go over those numbers again, if you would.

Chairman Kirkpatrick: Go a little bit slower.

Vice-Chairman Upton: Yes

Dr. Johnson: The, recall at the base budget for construction cost is \$8,397,057. Added to that is the base contingency, which we're required to have by the State, which is \$627,375, which brings the total construction plus contingency to the \$9,024,432. The other figures added to that, as Julie has all of these figures, the other design contracts and things that we had to do in preparation for this building over the last year and a half, almost two years, brought that, what we call the subtotal loan amount to \$10,265,167. And then added to that would be the cost of the other building, excuse me, the cost of the other projects. The board had voted, also unanimously, to not exceed a loan amount, which we have also transferred to Julie. The total loan amount not to exceed \$10,985,000. We expect that the loan amount is going to be less than that and we're continuing to be in dialogue with Julie. Because we're getting in, now, the bids from the other associated projects. But the most important thing is that we have honored the amount that we had consistently told the County we would for the building itself.

Commissioner Ensley: So you start out at \$10.3 million and we're still at \$10.3 million on the project, \$10,265,000.

Dr. Johnson: Yes. That's correct, which includes all the design work and everything. It's also important to note that the attorney fees and all of the work being done for the solar

development are not in this loan whatsoever. All of that is being paid for with donated money.

Commissioner Swanger: I had spoken with a couple of the trustees and they had indicated to me that the construction costs had been reduced by about a million dollars. Is, during your meetings last week with value engineering as well as discussions with the architect, is that correct?

Dr. Johnson: That's correct. Excuse me. Actually, at the public hearing, if you will remember the architect had shared with you that we were, had the low bid and that we were protecting to reduce that six to eight hundred thousand, but we actually have reduced that \$967,000, a little bit more than that. Almost a million, proposed up to a million. So that we do not, the whole goal of that, that the trustees identified a rank list of items that we could deduct and as all of that is coming in, then we make sure that we do not exceed the \$8.3 million that I shared with you. We're also required to have multiple inspections for this building. That cost is included. We were required to have a site survey, a topographical geotechnical report. We've included in that asbestos removal of the building that has to be demolished. Also, post construction road repairs and the design contract. Other things that are, that would be added to the total loan amount, that the board approved would not exceed the \$10.9 million is the water line upgrade and the renovation to the three hundred building. So we're working with different things. We're working with the Creative Arts building itself and that was one of the amounts that I gave you. Then the other amount added to that.

Commissioner Swanger: Included in the total amount is the General Education Building upgrades that we had talked about previously.

Dr. Johnson: That is correct. That's what we refer to as the three hundred building, General Education upgrades.

Commissioner Swanger: Water lines and road and parking improvements.

Dr. Johnson: Yes. Water lines and then the upgrades to the roads after the building is completed.

Commissioner Swanger: And your architectural fees are being paid from another source, I understand. The FEMA settlement or...

Dr. Johnson: No. The architectural fees actually are built into being reimbursed by the loan. We paid up front through other sources. That may be what you're thinking of.

Commissioner Swanger: One of your trustees had mentioned that the million-dollar FEMA settlement from the buildings in Clyde were going to be used for the architectural fees. Is that not correct?

Dr. Johnson: No.

Mark Bumgarner: That was some consideration in terms of getting back to our original construction budget, but in the end we're trying to leave those monies available for potentially some of the other projects that we have coming down the pikes such as hopefully, we can start entertaining with those monies, maybe some of the fire and rescue kinds of projects that we've got on the campus. So, we're trying to preserve those and keep this basically as a project in itself. And then those funds can then be utilized for some of these other high priority items that we do have. But it was discussed, but, but final is that the design fees and everything are continuing to be in this project in the long...

Vice-Chairman Upton: Of the million, is, were they in the \$10,267,000?

Bumgarner: Yes sir. Yes sir.

Vice-Chairman Upton: Were they? Okay.

Commissioner Swanger: There may well be some confusion on the part of some of your trustees about that.

Bumgarner: Not at this point in time. In other words, we've met finally on September the second and we took that unanimous vote. Everyone understood at that point in time exactly where the sources of funds for this project would be coming from and that was from the loan request that we're making to the Commissioners.

Chairman Kirkpatrick: Let me ask you this, in the meetings that you had with your particular board, did they discuss the, the use of additional funds in the future or lack of funds? I mean, this particular building, one of the things I've been concerned about the entire time is, it's not whether this building is needed. Since 2002, these buildings have been discussed at the Community College and the Creative Arts facility's been discussed. And, and I've been walking through that facility since then. So, I understand the need for the facility. I guess my, my concern is one, is, was that a major priority and two, and of course you've answered that continuously yes. And two, did they discuss the fact that these funds which, you know, the total payments range from \$539,404.44 down to \$379,194.76 and that's the last payment, October 1st, 2025. Now we got these funds that were used in the quarter cent sales tax that was approved by the voters. They're there for your use and what I was wanting was for this board to come forward with at least a good majority to say that they want it. And you have that now. But was the discussion had about the fact that you're not going to have other funds for other things that need to be done to the Community College?

Bumgarner: Well, that is one of the reasons I, I do think that we did. Now we have not had extended in specific discussions in regards to the utilization of these additional funds. But in, basically in our informal discussions, this is essentially what, what we have agreed upon through consensus, not by vote, but basically by consensus. And so, we do want to try to address other projects in addition to this and I do think that as time goes along and the collection of the quarter cent sales tax monies do, hopefully, increase as we would all anticipate and also as the loan payment that's being made on this particular loan drops. Also, makes some of those quarter cent sales tax dollars available for these other projects.

Chairman Kirkpatrick: I guess I just want to confirm that you, you all have discussed it and you know where we're coming from, from as a Board of Commissioners. And, you know the lack of funds we have for projects for the Community College outside this, this bases of this pool of money.

Bumgarner: Yes.

Chairman Kirkpatrick: Which, you know, obviously you're very fortunate to have at the time that we voted, you know, the economy was good and we got a vote as approval for these projects, which they needed to be done. But, but now they, things aren't as good, but you still have that money and that money's set aside.

Bumgarner: Yes sir, that is correct and, and essentially we did, as pointed out, we have worked very hard to keep within the budget that we have described to you, previously. As you know, the actual bid prices came in over what was anticipated with this construction and we've had to cut \$800, \$900, maybe a million dollars worth of cost out of this project. But, that was our soul endeavor. In other words, we, we could have used these FEMA settlement monies, if you will, to pay for these additional over the budget items, but the board felt tremendously strong that we should stay within our budget as described and then, of course, have these funds continuing to be available for future projects.

Forga: We were committed to staying within the budget as a building. When we were doing the value engineering, some of the options that were in front of the board were to reduce building size, reducing classroom space. So part of the discussion that we had is to make this building as flexible as possible so that it can address those additional needs. This is not just a productions crafts building. There are classrooms that are available there. So, hand in hand with the discussion of trying to stay within this budget, we were thinking about long term, how to make this the most easily utilized building we could have and that, we wanted to make sure that we got the most bang for the buck for the students. We wanted to make sure that we had the flexibility within our classrooms to be able to address the needs of the college from now on. Not just on a temporary basis, but, as we were going through our budget and choosing what to eliminate to get within this budget, one of the things that we were not going to do is reduce the class size. Because that was so important to provide that hedge for the future because we would be limiting those funds.

Vice-Chairman Upton: Kirk, just to add on to what you're saying, in mulling this over for the last few weeks. You know, we started off with \$70 million in needs. And \$12 million would knock a little bit of a hole in it. So, you know, I'm still concerned fifteen down, years down the road I know Commissioners are going to be hit. It won't be us. Somebody's going to be hit for building needs. So, I, I want to make sure we, we at the college are aware of that, because all these buildings are going to be a lot older in fifteen years. And then, what are the needs going to be then? So, please keep that in mind. In the school system, I always thought my buildings were going to last forever, but they don't. They wear out more quickly now than you realize.

Dr. Johnson: I appreciate your comments. We've done an excellent job in the last few years in bringing in our buildings, existing buildings up to standard. I think you would be quite pleased. I know at one point you had asked for a list of things that we have accomplished and we will be providing that to you. We take what you have put forward very seriously. Because as a college we're there not only for the students of today, but the students for tomorrow. And we have, very diligently taken care of our most pressing needs. This building is, this new building is one that is going to help a tremendous amount in moving forward and we've been very careful in looking at alternate funding and different things that we may have available to address, pressing needs as they come forward. So, as the President, I feel very comfortable that, that we as a staff, in supporting the trustees and giving them information that they need to make good decisions that we've done so. And I feel comfortable with the decisions of the board.

Commissioner Curtis: Could we review the sales tax income as we have now and a little bit of projections and apply that to the payment of the loan and see... I, I want, I'd just like to know what our sales tax income is and how much, or what percent of that sales tax is going to go to the payment of this building.

Ms. Davis: Currently we're still,

Commissioner Curtis: Or for all of the projects, really.

Ms. Davis: We're still looking at about one and a half million per year in sales tax and you'll notice that the loan that we're talking about amortization schedule is coming in around a million a year. So that gives us a little bit of a buffer. If we don't collect as much sales tax, but it also gives the college a little bit extra money on an annual basis. Even as the loan payment is being made.

Commissioner Curtis: Then thing is, well, there's a number of things that bothers me on this, but one thing is, we're looking at a building that's only thirty some odd years of age and we've having to tear it down. I think that shows that through those years the County has not provided the money to take care of the facilities out there. Now, as you know, with the economy the way it is, we have not been able to provide the capital needs that you all have asked for. So, right now, about the only income that you have out there is your sales tax for, for capital expenditures. And there's some confusion there of the voters that said, you know, if we vote one quarter cent sales tax in for capital, that means that we're going to take you out of our general budget. And that wasn't the way I understood it. As the economy goes forward and effects our budget, you know, I, I would hope that, that the Commissioners in the future would fund the Community College as they do the school system with some capital money. We've got to start taking care of these buildings. If not, we're going to have situations year after year after year and I'm glad to hear that you got a unanimous decision via your board. It's tough to go into a project like this and not have a consensus. You know, it's hard enough to work on a board like that when you got split decisions. It, it makes it even worse. But, the thing about it is that the people need to know, is what the County is on the hook for. If something were to happen to the sales tax, and it would go south, and the economy stays the way it is and we can't afford anything in the budget that means that the County would have to pick up, out of their ad valorem tax, the payments on this building. So, we want to make absolutely certain that our sales tax, even if we see some bad years, makes payment of this building. And also, I think you need to look at, are we going to have a little bit money left over here to, on our capital needs of what we got for the future, if this economy stays the way it is. Because I don't see where your revenue's going to come from. And personally, myself, I've been weighing all these issues cause I don't want to put the people of the County at risk of having to increase their ad valorem tax if that's the way it has to come out, to take care of something that we didn't do a good job of planning financially.

You all see where I'm, you see what I'm saying? Now, that, the Community College board is very qualified board. They've got some people that is capable of making great decisions. Good decisions. And to me, I'm having to rely on those people or what you're bringing me. At the very beginning this thing seems like it was going north. It took forever to get it out of Raleigh. It took forever to get things going and it, it kinda left some feelings of well, were we giving all the information or really, what's going on. And I, I'm kinda still there. I just want make sure of these finances, that what we have.

Dr. Johnson: I think it's important that we actually, it's almost been two years since we started collections of the sales tax. And during that two year period has been some of the worst economic times that we've seen. So, when we look at that from our perspective, from the college perspective and the revenue that's been generated even during very bad economic times, I think that gives a fair barometer that we can use in looking at the sales tax proceeds and makes us comfortable from the perspective of being able to move forward. I definite understand and share your sentiments and we have, when I say "we" I mean myself and the board, have looked at that very carefully.

Commissioner Swanger: I'd just like to make a comment to follow up on what Kirk and Bill said. You know, I think it's important that, you know, all of us go into this with our eyes wide open. It's very unlikely that anyone of us having this discussion today will be in this position ten years from now. Very unlikely. So, I just want it to be, be certain that it's set forth very clearly in the record that, that you all understand and we understand that there's likely not going to be a funding source available in the next fifteen years for any major construction. So, seven, eight, ten years from now when we have a cast, a different cast of characters and a campaign get under way for, we gotta have a new building. You gotta help us pay for it. You know, I want it very clear in the record that it's unlikely that there will be a revenue source. Can't, we can't bind future boards, neither, and neither can the college, but just make sure we're going into this with our eyes wide open and that this is used the lion share of available resource. That, do you understand it that way?

Bumgarner: Yes, Sir.

Commissioner Swanger: Okay.

Dr. Johnson: I would like to make a comment just to say thank you to the County and all the attorneys that we've been working with. It's been a very, it's been a learning process for all of us, but it's also been a rewarding process in that I think, I heard the word used earlier that it's been a very fluid process. And it has. There's been a give and take. Nothing has been hidden. Everything has been very open with the attorneys and they looking out for the collective best interest have come up with a set of documents that I feel very comfortable with.

Commissioner Curtis: I guess one final question is on the solar, that I have. There's going to be a buyout or a buyback there in what, seven years, I think we heard, possibly or something. Are you going to have the money available to secure that, or the buy back, or if you don't how is it going to affect you? Are you considering all that also in your future needs?

Chairman Kirkpatrick: I tell you what, we're really cutting it close on the time on the tapes so I'm going to go ahead and, you can think about the answer to that question. Kind of like Jeopardy. We'll take a commercial break and we'll come back and you can answer that, ok? We'll cut it off right now.

Recess

Chairman Kirkpatrick called for a brief recess.

Chairman Kirkpatrick: For Skeeter's question, I'll ask Dr. Johnson to come back up and Mark Bumgarner and, you don't have to repeat it. Okay, do you recall the question?

Dr. Johnson: No, I don't. I'm sorry.

Chairman Kirkpatrick: Do you recall, I could...

Commissioner Curtis: Can you tell us what the subject was.

Chairman Kirkpatrick: Oh! I know. What is your plan on the, as far as the solar system, there's a buyout.

Commissioner Curtis: Yeah.

Chairman Kirkpatrick: Buyback option in seven years. And so, I guess, Skeeter's question was, have you prepared to come up with the funds to, to purchase that back, the solar system?

Dr. Johnson: Yeah.

Bumgarner: Well, yes, there is a buyout. The buyout, and of course, this is still being, to a certain extent, negotiated, but it will start the buyout would start at seven years and then roll forward. And that'll all be in the contract when we finally decide then. It's my understanding that the buyout will be based upon a quote, unquote fair market value. That fair market value will be determined upon the cash flows that are generated and if you remember there are actually two parts to this solar. There's the solar thermal part that basically's going to be providing hot water and heat and air for our facility itself. And that's the, that's the main part of the solar. The second part, which is the photovoltaic, which is essentially are going to be just like the Evergreen farm out here. You'll have the photovoltaic cells on the roof, basically generating electricity and the developer's going to be selling that electricity to Progress Energy, Duke Energy, wherever they basically negotiate with the power company to do that. And we'll be generating a little bit of revenue from the roof lease as we call it, the sublease that we'll have to the solar developer. And then he'll give us a little bit of profit share off of that, but not very much. But at the end of this seven, ten whatever number of years that it is, if we buy this out, we'll also be buying this photovoltaic system. We'll also, of course, be buying the actual solar thermal system. Okay, so one, if we buy the solar thermal, essentially that means that our, instead of us paying the developer for our energy consumption, the hot water, so to speak, we'll be, we won't have to make that payment. So, we'll be saving in terms of paying for energy at that point. Secondly, then on the photovoltaic, we, as a college, will be able to sell that electricity to the power company. And so, therefore, we will have some stream. Now, I'm not standing here to tell you that it's going to pay for 100%. Because we don't know those numbers as we speak, but there are, there are cash flows that are involved that will help offset the cost down the road.

Dr. Johnson: The only thing that I was going to add is that in the, the agreement that's being negotiated with the solar developer is that the future board will have an option to purchase, but it does not have to purchase. So, it can actually chose to let the solar developer continue to operate that system at no cost to the college over many, many years. So, even though we're looking at revenue streams of putting into a fund to, for a future board to be able to purchase the system if it so chooses, it would not be obligated to do so.

Chairman Kirkpatrick: Okay. Any other questions.

Vice-Chairman Upton: Just to follow up on the solar thermal, there's no money in the money that we're borrowing, there's no money in there for the solar thermal. Right?

Dr. Johnson: No, there is not.

Vice-Chairman Upton: Okay.

Dr. Johnson: And as I said earlier, the attorney work being done for the solar contracts is being paid for with a donation. None of that's being paid for with County fund.

Vice-Chairman Upton: As the building is being built, is it built where it can operate without this completed, if everything falls through and your negotiations, can the building operate as is?

Dr. Johnson: Yes. I actually confirmed with the Director of State Construction. His name is Greg Driver. And, I confirmed with him on August the 25th, on August the 25th, that the building as it is designed to meet Senate Bill 668 as you have been informed, has the two, has the dual systems. It has the traditional system that the building can operate on and it

has what is solar systems that allow us to meet Senate Bill 668 and the building will function if everything happened to fall apart. It will function. We would not meet Senate Bill 668 , but we would have a functioning building.

Commissioner Curtis: Am I to understand that this has to be done within the next two days? Is that what you said, Chip?

County Attorney Killian: I believe the application, which has to include copies of all these documents that are itemized into your resolution has to, they have to be delivered to the Local Government Commission by tomorrow.

Ms. Davis: I'm going to try to get them by tomorrow. They needed a month before they...

County Attorney Killian: Thirty days before the meeting and the meeting would occur in August, the first meeting October, when they approve it. Right?

Commissioner Curtis: What would it do to the cost if any, if this was delayed or looked at some more? What, would there be an additional cost?

Bumgarner: Well, a delay from which aspect, I suppose would be my question.

Commissioner Curtis: Well, from your contract.

Bumgarner: Okay.

Commissioner Curtis: From your money and architect. Everything you got invested, I mean, is it going, would it cost more money to, I know it'll cost some, but what magnitude would it cost if we delayed this maybe thirty days?

Bumgarner: Well, as we speak, the time table is this, of course, as Julie has described, this information has to go to the Local Government Commission. They need to have that thirty days in advance. So, they'll be taking action around the first of October some time. If we delayed it thirty days that basically means that, that this will essentially be put off. We would send the information hopefully, the first of October, which means that they would then be passing it the first of November. The contract that we will have with our contractor, we stipulated that to go on for a ninety-day period, where normally sixty days is the norm. And so, it would run out on November the 12th. So if we waited another month those two dates, the approval by the Local Government Commission and supposedly the expiration of the contract with the low bidder would come, and I don't know whether one is before the other, which, which way they fall, but it would be very, very close. So, it would be coming right up to the, to the very bitter end. I don't know that there would be a substantial amount of additional cost, if that's what your question is.

Dr. Johnson: The, any additional expense would come in near the, probably, fifty percent to seventy-five percent of the construction of the project because we're delaying yet another month in the winter. So, there are contingencies in the agreement with State construction that would allow the contractor and, to extend some cost and oversight if we're entering into more months.

Commissioner Ensley: I just want to reiterate the cost that I've heard, you know, through the public. You know, you and I worked the fairgrounds and there was a lady talked to you Kirk, about the cost. She was real concerned. And I've got a letter, I got a letter dated August 31st, from a fella that's concerned. In fact he says rejecting the proposal for now doesn't meant rejecting it later when we have the funds. Whereas accepting it now eliminates what might be higher priority items in the future. And then I had an e-mail from a fella back in June. He said, talking about the sales tax, he said that's why this sales tax should not have passed. We know the taxes for HCC, the problem is the more that we give the more is wasted. That's what he felt like the project was. And, I, I hesitate to say this, but I've even heard from several people at the Community College who didn't give me their names, because, I don't blame them, that are concerned about the cost. And, the contractor, you know, when I did my research the cost I came up with on a 36,000 square foot building was around \$6.5 million. Then they said it was 41,000, well that should be about \$7.5 million and we said, we heard, well, it's because of the senate bill 668. And, but when you read that senate bill it says at the end of it in the summary that these, to achieve the efficiency

standards that they wanted shouldn't, wouldn't be very difficult to achieve. They, you know, and I agree with them. It's not that difficult to achieve. There's very minor things that you could do to derive at those savings. So, I, you know, and then I heard from some contractors, well I've heard coming through the grapevine, contractors, some of them didn't even bid on it. And the ones that did bid on it, the reason the cost was so high, in this economy, was because of the unknowns that were, that they were bidding on. Evidently they haven't done this many projects like this. So they were concerned. And so of course, you're going to bid more because if you've never built something before you gotta make sure. And that's why the bids came in more. This is the first project I've heard of in the last two or three years that was, that came in above the, you know, the estimated amounts. Those are my concerns that I felt like just in capsule, if you will, about the project. So, I can't support it, but I wish I could. But, you know, we're, we are in tough times right now. And people are real concerned, out there. That's all I got to say.

Chairman Kirkpatrick: Does anybody else have comments, any questions?

Mr. Cotton: Mr. Chairman, just to answer the question about the calendar. The Local Government Commission meets November 2nd.

Chairman Kirkpatrick: Well, I, I mean I have my concerns as well and I've had those all along about the project and that, ever since we've been meeting with the college over the years about the particular projects that they wanted to do and the construction and improvements that they've had. And of course, had my concerns about the child development center and it hasn't, it's panned out somewhat well, I suppose. But, there has been some issue with that. I guess where I come down is, is if you had come in here today and I want to ask you this again to make sure, but if you'd come in today and there was a still a 6 / 5 decision I probably would be in line with Kevin right now because I would feel uncomfortable with the board coming in that you don't have a real good consensus, but you're telling me, Mark, that you all voted on it, or you had the approval. I don't know if there was a vote or not, but you, you looking at me now have the approval of everyone on your board to move forward with this project.

Mr. Bumgarner: Yes, Sir. We've had eleven board members and they all unanimously agreed that, on the construction costs and the budget request, loan request amount, 100%.

Chairman Kirkpatrick: Alright. And with that, you know, I don't feel like it's my responsibility to, to usurp the responsibility of the board when we are acting just as the, the go between in the approval of the, of the loan. Your board's been through this. You've been through the plans, I think over and over again. And you've also had different board members appointed as well. And, so, I don't ever want to be in a position as a Commissioner to stop a project that another board wants to go forward with when that board is made up of competent people, which some of those people have been appointed by us. I'm not saying that they're more competent than others, but they are. And I know that they've taken this very seriously as well. I have not been privied to all those conversations nor those board meetings, but if they're all in the consensus now to move forward with the project then I would feel comfortable to approve it. I'm not, I'm comfortable to approve it because of that, not because I'm, I'm sold on it completely, but it is the Community College project. It's not necessarily the County's project. Anybody else want to make a comment? If not, we'll...

Vice-Chairman Upton: Well, Kirk, I, I agree with you. I guess I felt more wishy washy on this than anything I've, I've dealt with. You know, one day you feel this way. One day you feel this way. But, my big concern was the board was not together. And I remember as superintendent I was very reluctant to take something before, to the Commissioners without the board being with me. But, now that the, you have a consensus, I feel a lot better, even though I still have a lot of question. You know, about the thermal and the cost of the project, but, you know, to me, if we wait thirty days, sixty days, what are we going to solve? I mean, it's almost like we're telling you to go back to the drawing board and start all over. Then you gotta bring it to us again. So, you know, what is we might not like the second time. So, we appoint the boards and you know, if you got a consensus, even though we disagree with a lot of things, we're still not there in the meetings every day to know all the information. So, I still don't know the difference between ab and ad ductor absorption. So, maybe I'll learn that at some point in time, but yeah, I'm ready to vote.

Chairman Kirkpatrick: Okay. Anybody else?

Commissioner Curtis: The reason I asked for maybe, looking at it another thirty days, was the fact is that I thought it would be good for the board to meet with us and answer those questions that we have that we still don't know a whole lot about. See how they feel about them. What they're comfortable with. But, if I'm hearing what Mark is saying, they're evidently comfortable with the. So...

Chairman Kirkpatrick: Okay. Alright, Chip, if we approve these do we need to approve them one at a time or can I do that, make a motion, or allow a motion to be made collectively?

County Attorney Killian: I think you can make a one motion just to adopt the resolution, because it includes all the approval, approval of all the documents, four documents that are listed in there.

Chairman Kirkpatrick: Okay. Alright, I will entertain a motion to approve the resolution which incorporates the remainder of the document set out in "a" thru "e" and as part of that motion I would also request that if there are any minor modifications to said agreement that the County Attorney, myself as Chairman, and the County Manager, and do you want Julie included in that too?

Commissioner Swanger: Yes.

Chairman Kirkpatrick: And Julie Davis to meet to approve those and if they are not just minor changes they would come back before the Board. Okay. That's a... I'll entertain that motion.

Vice-Chairman Upton: I'll make that motion.

Chairman Kirkpatrick: Is there a second?

Commissioner Curtis: I'll second.

Chairman Kirkpatrick: Okay. We got a motion and a second on the floor. Any further discussion? Okay. All in favor indicate by saying "aye".

Commissioners Swanger, Curtis and Vice-Chairman Upton: Aye.

Chairman Kirkpatrick: Those opposed.

Commissioner Ensley: Nay.

Chairman Kirkpatrick: Alright. It's four to one and that passes. Good luck to you. We really do hope it goes well. We stated our concerns and you are well aware...

Bumgarner: I do appreciate your support. I do know that it's, it is an expensive building. Kevin, I think there's no question about that. And, but I think you're going to be proud in the end and, we, and you will be supporting education especially at the Community College level here in Haywood County. Thank you.

Chairman Kirkpatrick: Okay. Thank you Mark.

Solid Waste – \$30,308 Budget amendment for Landfill Gas Monitoring Wells and Groundwater Monitoring Wells for WOLF phase 3 from project contingency

Julie Davis, Finance Director presented a budget amendment to appropriate the additional cost of the well installation from project contingency, per BOCC approval August 16th, 2010 meeting.

Commissioner Swanger made a motion to approve this budget amendment. Commissioner Curtis seconded and the motion carried unanimously.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2010- 2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2011.

Section 1. To amend the General Fund, the expenditures are to be charged as follows:

Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
Public Safety Grants				
Professional Services-Personnel	11 4316 519900 10KID		61,991	61,991
Office Supplies	11 4316 526000 10KID		12,438	12,438
Travel	11 4316 531100 10KID		5,450	5,450
Equipment	11 4316 555000 10KID		556	556

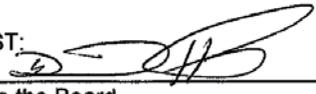
which will result in a net increase of \$ 80,434 in the expenditures of the General Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Restricted Intergovernmental				-
Public Safety	11 0050 443132 10KID	-	80,434	80,434

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 7th day of September, 2010

ATTEST: 
Clerk to the Board


Chairman
Haywood County Board of Commissioners

Explanation: To appropriate the 2ND YEAR funding for the Kids at Work project that will allow 50 at risk youth to participate in an age-appropriate culinary arts curriculum with integration of tutoring and soft skill training.
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Loan for County Fairgrounds

Glenn White shared that an architect was paid for preliminary plans for projects at the fairgrounds. The arrangement with the architect is being terminated and continuation of the projects will be completed with the County's guidance. Chairman Kirkpatrick clarified that Padgett Freeman has been the architect for projects using USDA loans. Chairman Kirkpatrick inquired if arrangements with the previous architect would be resolved by the Fair Board, not the County. Mr. White stated that when ownership of the fairgrounds transfers to the County for the arena, arrangements with the previous architect would be continued by the County. Mr. White stated that a letter from County Attorney Killian was sent to the architect explaining the plans for the fairgrounds. Sam Smith explained that an agreement was made that once additional aspects of the work at the arena were completed, the Fair Board would pay the 5% architectural fee. The Fair Board continued to do that for fiscal year (FY) 2007 and FY2008. Since the County suspended financial support in 2009, the Fair Board was unable to pay. Julie Davis, Finance Director, presented a budget amendment for C/P Fund 42 -County building – Preliminary Expense – \$27,500 – for architect to begin feasibility process for USDA loan for County Fairgrounds' purchase, from balance in completed projects – To appropriate an amount to begin design work on the Fairgrounds purchase for the USDA loan. Amounts taken from balances in the prior preliminary expenses budgets for prior projects.

Commissioner Ensley made a motion to approve that expense subparagraph "f" for \$27,500 for that feasibility process. Commissioner Swanger seconded and the motion carried unanimously.

HAYWOOD COUNTY
GENERAL FUND/CAPITAL PROJECT ORDINANCE AMENDMENT
FISCAL YEAR 2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the capital project ordinance for the fiscal year ending June 30, 2011.

Section 1a. To amend the Capital Project Fund - , the expenditures are to be charged as follows:

Line Item	Account Number	Current Budget	Increase (Decrease)	Amended Budget
Capital Project Fund				-
Master Facilities Plan				-
Preliminary expense - Fairgrounds USDA loan prj.				-
Professional services - architect	424922-519906-11FRG	-	27,500	27,500
Preliminary expense - Wal/Mart purchase	425310-519906-10WAL	300,000	(14,697)	285,303
Preliminary expense - Courthouse renovation	424110-519906-06CHR	295,000	(8,829)	286,171
Preliminary expense - Relocation	424111-549900-07REL	94,042	(3,974)	90,068
				-

which will result in a net increase (decrease) of \$ _____ in the expenditures of the Capital Project Fund - .

To provide the additional revenue for the above, the following revenues will be increased (decreased) as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Transfer from General Fund - Fairgrounds prj.	420110-498111-11FRG	-	27,500	27,500
Transfer from General Fund - Wal/Mart purchase	420110-498111-10WAL	300,000	(14,697)	285,303
Transfer from General Fund - CH renovation	420110-498111-06CHR	305,000	(8,829)	296,171
Transfer from General Fund - Relocation	420110-498111-07REL	240,000	(3,974)	236,026

Section 2. Copies of this amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 7th

day of September, 2010.


Chairman
Haywood County Board of Commissioners

ATTEST: 
Clerk to the Board

Explanation: To appropriate an amount to begin design work on the Fairgrounds purchase for the USDA loan. Amounts taken from balances in the prior preliminary expenses budgets for prior projects.
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NEW BUSINESS

Facility Use Policy

Dale Burris, Facilities and Maintenance Director, presented a policy for the use of County-owned facilities by elected officials, county departments / offices / agencies and non-profit organizations that are affiliated or sponsored by the County. Mr. Burris explained that using a County-owned facility will require a \$25 / per hour fee. Commissioner Swanger inquired as to the possibility of fees pertaining to use of County equipment and leaving the facility without cleaning it. Commissioner Swanger suggested requiring a refundable deposit prior to use of the facility and / or equipment. In the event that the facility and the equipment is left in order, the fee could be refunded to the user. Mr. Burris agreed to revise the proposed policy to include the refundable deposit prior to use of the facility and / or equipment.

Commissioner Curtis made a motion to approve the Facility Use Policy presented by Mr. Burris subject to the addition of a reasonable deposit prior to usage. Commissioner Swanger seconded and the motion carried unanimously.

Vendor Contracts Exceeding \$20,000

Ira Dove, Department of Social Services Director and Pat Hyatt, Business Officer, presented contracts with seven vendors for fiscal year (FY) 2011. Each contract exceeds \$20,000 and therefore must be presented to the Board for review and approval.

Commissioner Curtis made a motion to approve and allow for the Department of Social Services to enter into the contracts as presented by Mr. Dove and also attached as attachment nineteen. Vice-Chairman Upton seconded and the motion carried unanimously..

NC Governor's Highway Safety Program Local Government Resolution form GHSP-02-A – request for approval of four year traffic safety program funded partially with grant funds

Sheriff Bobby Suttles and Mark Banks, Volunteer, presented the North Carolina Governor's Highway Safety Program Traffic Safety Project Contract grant – form GHSP-02. Sheriff Suttles explained that the grant would offer Haywood County two additional officers with equipment, and salaries for the first year of the grant. These officers would be traffic. This is a matching grant. The match for the first year would be fifteen percent, which is \$38,879. The percentage of the match increases during the second and third year of the grant. The fourth year the County would be 100% responsible. Sheriff Suttles stated that this is a traffic enforcement grant. Mr. Banks explained that the grant for the first year is \$258,590, and includes all the equipment. The fourth year match to the County would be approximately \$110,000. Commissioner Swanger expressed that while more officers were needed, his concerns were in regard to the budget implications. Chairman Kirkpatrick stated that the first year of the grant the County would pay \$38,000, the second year the County would pay \$33,000, the third year would be \$55,000, and the last year is \$110,000 for a total of \$236,000. Mr. Banks stated that the grant begins October 1st, 2010. After discussion the Board agreed to review this grant at the next regular Board meeting on September 20th, 2010.

Personnel Policy Revisions – Travel, Training Section / Military Leave Section

Susan Layton, Human Resources Director, presented the institution of a policy outlining procedures that define the expectations of the County with regards to certification, licensure and training of employees. In order to standardize this process, the policy is presented as an amendment to the current policy under Article V. In addition, for consideration is the addendum to the Personnel Policy Manual Article X, Section 2, and Information open to the public. This addendum would conform to a recent revision of North Carolina General Statute § 153A-98, also as known as the Ethic Reforms bill.

Commissioner Swanger made a motion to approve the personnel policy revisions as set out by Ms. Layton. Vice-Chairman Upton seconded and the motion carried unanimously.

Buyout Property Lease Agreement

Claire Carleton, Recreation Director, presented a request from Jack Morgan to lease property at 840 Hyder Mountain Road for farming purposes. Ms. Carleton stated that the Recreation Advisory board approved Mr. Morgan's request.

Commissioner Ensley made a motion to approve the buyout property lease agreement. Vice-Chairman Upton seconded and the motion carried unanimously.

Request Use of Funds from 911 Contingency

Kristy Wood, Director of Technology and Communications, presented a request to transfer a portion of 9-1-1 contingency funds to address immediate needs such as dispatching and communication equipment and infrastructure.

Commissioner Swanger made a motion to allow the use of the 9-1-1 contingency funds for the purchase of the products as set out in attachment twenty-three. Commissioner Curtis seconded and the motion carried unanimously.

Public Records Request Policy

David Teague, Public Information Officer, presented a public records request policy. Mr. Teague stated that the cost of reproducing public records has been reduced to reflect actual costs, in keeping with G.S. § 132-6.2(b); media is not addressed specifically in this policy. Chip Killian, County Attorney, suggested that specific mention be made regarding the confidential or privileged items that are excluded under the statute. David Cotton, County Manager, stated that this public records request policy would allow individuals one main contact for their requests. Mr. Cotton directed public records requests to publicrecords@haywoodnc.net. Individuals would be charged a fee, unless it requires less than ten minutes.

Vice-Chairman Upton made a motion to approve this public records request policy. Commissioner Swanger seconded.

County Attorney Killian added that the motion should include, "as slightly modified".

Vice-Chairman Upton amended his motion to "as slightly modified". Commissioner Swanger amended his second and the motion carried unanimously.

Public Comment Guidelines

David Teague, Public Information Officer, explained that guidelines regarding public comment sessions vary from county to county. Commissioner Swanger inquired as to individuals speaking about a political party. Chip Killian, County Attorney advised that the proposed policy should read that the public comment session is not the forum to promote a political party. The Board discussed some changes to the proposed guidelines.

Recess

Chairman Kirkpatrick called for a brief recess.

The Board requested that Mr. Teague revise the proposed public comment session's guidelines and present them at the regular Board meeting September 20th, 2010.

Blue Ridge Parkway Anniversary Resolution

David Teague, Public Information Officer, presented a resolution honoring the 75th anniversary of the Blue Ridge Parkway. Mr. Teague stated that a quilt square with the Haywood County seal will be presented at the event to the Superintendent of the Blue Ridge Parkway.

Commissioner Ensley made a motion to approve the resolution attached exhibit twenty-six. Commissioner Swanger seconded and the motion carried unanimously.

David Cotton, County Manager, volunteered to attend the event on Saturday, September 11th, in Galax, Virginia.

BOARD OF COMMISSIONERS

J. W. "KIRK" KIRKPATRICK, III, CHAIRMAN
 BILL L. UPTON, VICE CHAIRMAN
 CHARLES "SKEETER" CURTIS
 L. KEVIN ENSLEY
 MARK SWANGER



COUNTY MANAGER
 DAVID B. COTTON

COUNTY ATTORNEY
 LEON M. KILLIAN, III

**A RESOLUTION HONORING THE SEVENTY-FIFTH ANNIVERSARY OF
 THE BLUE RIDGE PARKWAY**

WHEREAS, the Blue Ridge Parkway is celebrating its 75th anniversary in 2010; and

WHEREAS, construction of the Blue Ridge Parkway took more than 52 years, beginning on September 11, 1935, near the Cumberland Knob in North Carolina and ending with the last portion being laid out near the Linn Cove Viaduct in 1987; and

WHEREAS, the 469-mile Parkway runs through the Blue Ridge Mountains, connecting Shenandoah National Park's Skyline Drive in Virginia at Rockfish Gap to U.S. 441 at Oconaluftee in the Great Smoky Mountains National Park near Cherokee, North Carolina, providing visitors with stunning views and a glimpse of Appalachian history; and

WHEREAS, the Parkway has been a strong economic force and an integral part of the history and well-being of the people of Haywood County; and

WHEREAS, the Parkway was a collaborative effort of the National Park Service; the federal Bureau of Public Roads (later renamed the Federal Highway Administration); New Deal agencies like the Public Works Administration, Works Progress Administration, Civilian Conservation Corps, and Resettlement Administration; the state highway departments of Virginia and North Carolina; and dozens of private road-building contractors; and

WHEREAS, the Parkway continues to be the most visited of all the 391 units in the National Park System; and

WHEREAS, the Parkway attracts over 20 million visitors annually and contributes more than \$2.3 billion annually to the region's economy; and

WHEREAS, as the Parkway celebrates its 75th anniversary, it is important to raise awareness of this exceptional natural and cultural resource; and

WHEREAS, the citizens of Haywood County are encouraged to celebrate the 75th anniversary of the Blue Ridge Parkway by joining the local communities along the Parkway in participating in a series of events that focus regional and national attention on the history and stewardship of this treasure;

Now, therefore, be it resolved by the Haywood County Board of Commissioners, that:

1. The Board of Commissioners acknowledges the 75th anniversary of the Blue Ridge Parkway and encourages the citizens of this County to participate in activities marking this historic occasion.
2. The County Manager shall transmit a certified copy of this resolution to the Superintendent of the Blue Ridge Parkway.
3. This resolution is effective upon ratification.

Adopted this 7th day of September, 2010

ATTEST BOARD OF COMMISSIONERS FOR THE COUNTY OF HAYWOOD


 David B. Cotton, County Manager


 J. W. "Kirk" Kirkpatrick, III, Chairman

Emergency Shelter Activation Guidelines

Greg Shuping, Emergency Management Director, presented guidelines to provide a chronological sequence of actions for the activation of emergency shelter(s) when needed in Haywood County. Mr. Shuping explained that an essential function of County Government is to provide emergency shelters during catastrophic events.

Commissioner Curtis made a motion to approve the Haywood County guidelines for Emergency Shelter Activation. Vice-Chairman Upton seconded and the motion carried unanimously.

North Carolina Association of County Commissioners' Legislative Priorities and Goals

Chairman Kirkpatrick, explained that the North Carolina Association of County Commissioners' (NCACC) establishes a set of goals to present to the Legislature. Commissioners may submit goals to David Cotton, County Manager. Mr. Cotton would then present those to the steering committee.

Veterans' Service Office Recommendation

Ronald Putnam, Veterans Services Officer, requested an assistant to the Veterans Services Office in order to meet the increased work load. Mr. Putnam shared some statistics of claims made by County Veterans. In 2005, Haywood County received approximately \$11 million in compensation, pension, education, medical benefits and widow's benefits. As of 2010, the benefits have increased to more than \$28 million. David Cotton, County Manager, explained that a new position would not be created, but proposed identifying a vacancy from another department and reassigning that position to a Veteran's Service Officer. Mr. Cotton stated that if the Board approves Mr. Putnam's request in concept, Mr. Cotton would return with the identified position. Commissioner Swanger shared his concern for the County's budget discipline. John Shaw, State Service Officer and Director of District 12, commended Mr. Putnam's ability and work performance.

North Carolina Department of Environmental and Natural Resources (NCDENR) Administration Consent Agreement and Settlement Document

Jeff Bishop, McGill Associates Senior Projects Manager, explained the compliance order summary with Administrative Penalty that the County received regarding White Oak Municipal Solid Waste Landfill. Mr. Bishop explained that four issues for the penalty; 1) Solid Waste placed outside the liner limits, 2) Leachate discharge outside the liner limits, 3) existing monitor wells were abandoned without approval and 4) intermediate soil cover had not been placed over the waste. On August 3rd, 2010, after speaking with the Solid Waste Section in the Asheville office, the penalty was reduced from \$40,129.10 to \$32,754.10. Mr. Bishop stated that they have addressed the outstanding items associated with the compliance order. Commissioner Curtis inquired as to the cost to the County to get back into compliance. Mr. Bishop explained that a change order to move the waste inside the liner limits cost approximately \$12,000. The leachate discharge required pumping down the leachate pond. The existing monitoring wells that were abandoned required approximately \$12,000. Mr. Bishop stated that he has not yet seen the cost for the intermediate soil cover. Commissioner Swanger inquired if the County had notified DENR immediately could the fines have been avoided. Mr. Bishop replied that the fines could possibly have been avoided had the County notified DENR. Stephen King, Solid Waste Director, explained that at the same time DENR came for a walk-thru they discovered the actual destruction of the wells. Chairman Kirkpatrick inquired as to the time between the occurrence and the time DENR discovered the destruction of the wells. Mr. King replied that he did not know, but could check the recording data and return with an answer.

Julie Davis, Finance Director, presented a budget amendment for Solid Waste – Administrative Consent Agreement \$32,755. From Special Revenue Solid Waste Fund, fund balance appropriation to appropriate the amount of the settlement agreement to be paid to NCDENR. Solid Waste – Immediate / Critical Contract(s) Amendments.

Vice-Chairman Upton made a motion to approve the budget amendment of \$32,755 from the Special Revenue Solid Waste Fund, fund balance in order to pay the fine and penalty to the North Carolina Department of Environmental and Natural Resources. Commissioner Swanger seconded and the motion carried unanimously.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2011

Section 1. To amend the Special Revenue Fund, the expenditures are to be charged as follows:

Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
S/R Fund				-
Solid Waste Management:				
Miscellaneous costs	244710-549902-47102	-	32,755	32,755
				-
				-

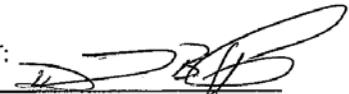
which will result in a net increase of \$ 32,755 in the expenditures of the Special Revenue Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Other financing sources:				
Fund balance appropriated	240110-499991	100,000	32,755	132,755
				-
				-

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this 7th day of September, 2010.

ATTEST: 
Clerk to the Board


Chairman
Haywood County Board of Commissioners

Explanation:
To appropriate the amount of the settlement agreement to be paid to NC DENR

Solid Waste Immediate / Critical Contracts Amendments

Stephen King, Solid Waste Director, presented the contracts for well installation and wellhead repair services, Landfill gas monitoring wells at Francis Farm Landfill by BLE.

Julie Davis, Finance Director, presented a budget amendment for Solid Waste Engineering contracts – \$19,700 – for well head repairs (\$11,700) and for well and for additional gas monitoring wells (\$8,000) – From Special Revenue Solid Waste Fund, fund balance appropriation to cover the cost of the new contracts for the wellhead repairs (\$11,700) and the additional gas extraction wells (\$8,000) at the Francis Farm Landfill.

Commissioner Ensley made a motion to approve the services contracts with BLE as well as the budget amendment to appropriate \$19,700. Commissioner Swanger seconded and the motion carried unanimously.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2011

PER: _____
JNL: _____

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the budget ordinance for the fiscal year ending June 30, 2011

Section 1. To amend the Special Revenue Fund, the expenditures are to be charged as follows:

Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
S/R Fund				-
Solid Waste Management:				
Professional services - other/ engineering	244710-519900-47106	47,555	11,700	59,255
Professional services - other/ engineering	244710-519900-47106	59,255	8,000	67,255
				-
				-

which will result in a net increase of \$ 19,700 in the expenditures of the Special Revenue Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Other financing sources:				
Fund balance appropriated	240110-499991	132,755	19,700	152,455
				-
				-

Section 2. Copies of this budget amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this 7th day of September, 2010.

ATTEST: 
Clerk to the Board


Chairman
Haywood County Board of Commissioners

Explanation:
To cover the cost of the new contracts for the well head repairs (\$11,700) and the additional gas extraction wells (8,000) at the Francis Farm landfill

Shaw Environmental

Stephen King, Solid Waste Director, presented the change order for drilling wells, completing wells and freight from Shaw Environmental, Inc.

Julie Davis, Finance Director, presented a budget amendment for Solid Waste Engineering contracts \$10,544 from Special Revenue Solid Waste Fund, fund balance appropriation to appropriate the amount of the change order for the installation of additional wells at Francis Farm.

Commissioner Swanger made a motion to approve the change order and the budget amendment of \$10,544 as presented. Commissioner Curtis seconded and the motion carried unanimously.

HAYWOOD COUNTY
 CAPITAL PROJECT ORDINANCE AMENDMENT
 FISCAL YEAR 2010-2011

PER:
 JNL:

BE IT ORDAINED by the Board of Commissioners of Haywood County that the following amendment be made to the capital project ordinance for the fiscal year ending June 30, 2011.

Section 1. To amend the Capital Project Fund - the expenditures are to be charged as follows:

Line Item	Account Number	Current Budget	Increase (Decrease)	Amended Budget
C/P - Solid Waste/Landfill				
Prof. Services-other	434723-519900-10GAS	96,950	10,544	107,494
				-
				-

which will result in a net increase of \$ 10,544 in the expenditures of the Capital Project Fund.

To provide the additional revenue for the above, the following revenues will be increased as the money has been received:

Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Transfer from S/R Fund	430110-498220-10GAS	130,080	10,544	140,624

The effect on the Special Revenue Fund is as follows:

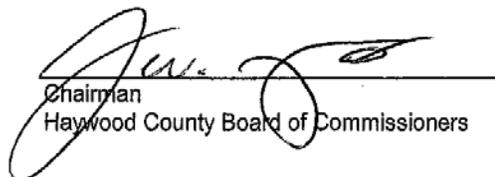
Expenditures:				
Transfer to Capital Project Fund	249810-598043	130,080	10,544	140,624
Revenue:				
Appropriation of Fund Balance	240110-499991	152,455	10,544	162,999

Section 2. Copies of this amendment shall be delivered to the Budget Officer and the Finance Officer for their direction.

Adopted this the 7th day of September 2010.

ATTEST:


 Clerk to the Board


 Chairman
 Haywood County Board of Commissioners

Explanation:
To appropriate the amount of the change order for the installation of additional wells at Francis Farm.

Recreation Advisory Board

David Cotton, County Manager, stated that the Recreation Advisory Board has one vacancy District 4, Clyde Township. This vacancy was re-advertised and one application was received from Denise Coleman.

Commissioner Ensley made a motion to appoint Denise Coleman to the Recreation Advisory Board for District 4. Vice-Chairman Upton seconded and the motion carried unanimously.

CLOSED SESSION

Commissioner Swanger made a motion to move into closed session for the purposes of approval and release of Closed Session Minutes – G.S. §143-318.11(a)(1), Personnel – G.S. §143-318.11(a)(6). Vice-Chairman Upton seconded and the motion carried unanimously.

Return from Closed Session

The Board returned from closed session.

ADJOURNMENT

Commissioner Swanger made a motion to adjourn. Vice-Chairman Upton seconded and the motion carried unanimously.

The time of adjournment was 2:45 p.m. The DVD is attached by reference to the minutes.

CLERK

CHAIRMAN