

HAYWOOD COUNTY COMMISSIONERS

REGULAR MEETING – October 7, 2013

CALL TO ORDER

Chairman Mark S. Swanger 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 Mark S. Swanger, Vice-Chairman J.W. “Kirk” Kirkpatrick III, Commissioners L. Kevin Ensley, Michael T. Sorrells and Bill L. Upton present. Staff members present were County Manager Marty Stamey, County Attorney Leon M. “Chip” Killian, III, Finance Director Julie Davis, Public Information Officer David Teague and Executive Assistant/Deputy Clerk Amie Owens.

PLEDGE OF ALLEGIANCE

Chairman Swanger led the pledge of allegiance.

INVOCATION

Commissioner Ensley offered the invocation.

PUBLIC COMMENT SESSION

Chairman Swanger 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 addressed the board related to the resolution that was read during the public comment session at the September 16, 2013 regular meeting. She also posed several questions related to a property tax commission appeal. She reiterated several of the action points in the resolution and requested that the board consider suggestions made related to neighborhood delineations.

Commissioner Ensley commented that the board would not authorize an additional \$1 million plus to complete another revaluation.

Chairman Swanger explained that this system of valuation has been thoroughly vetted and is in use and accepted throughout North Carolina.

Commissioner Sorrells added that this issue has been discussed multiple times and information provided relating to why this is a good method for valuation. In his experience, the pricing throughout the county appears to be consistent and fair.

CONSTITUENT CONCERNS

Commissioner Ensley noted that he attended the National Guard Deployment Ceremony on September 22, 2013. He expressed his thanks and appreciation for the soldiers' service,

the families who also sacrifice much and for those who assist families during these deployments.

DISCUSSION / ADJUSTMENT TO AGENDA

There was no adjustment to the agenda.

ADMINISTRATIVE/AGENCY REPORTS

Chairman Swanger recognized Julie Davis, Finance Director. Ms. Davis presented the quarterly financial report for Smoky Mountain Center for the quarter ending June 30, 2013. She noted that total annual revenues were \$156,849,836 and expenditures \$149,490,971; resulting in a net increase in cash balance of \$7,358,865.

Smoky Mountain Center
44 Buzell Lane
Sylva, NC 28779



Area Administrative Office
628-566-2503
www.smokymountaincenter.com

September 25, 2013

SEP 21 2013

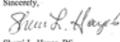
Dear County Finance Officer:

Enclosed you will find Smoky Mountain Center's unaudited fiscal monitoring report (FMR) for the fiscal year ended June 30, 2013, and the initial Budget for Fiscal year 2013-2014.

To remind all Finance Officers: S.L. 2006-142 amended G.S. 122C-117(c) to require the Area Director and Area Authority Finance Officer to submit quarterly finance reports to the County Finance Officer, instead of submitting to each member of each board of County Commissioners participating in the Area Authority. The County Finance Officer is then to submit the report to the Board of County Commissioners at its next regularly scheduled meeting.

This FMR is the financial report intended to be provided to comply with the general statutes.

If you have any questions regarding the enclosed reports, please e-mail Lisa Shaber, Finance Officer, at Lisa.Shaber@smokymountaincenter.com.

Sincerely,

 Sherri L. Hayes, BS
 Financial Analyst
 Smoky Mountain Center

Enclosure

Serving individuals with mental health, developmental disability or substance abuse issues
 in Alexander, Allegheny, Ashe, Avery, Caldwell, Cherokee, Clay, Graham, Haywood,
 Jackson, Warren, McDowell, Swain, Watauga and Wilkes Counties

Quarterly Fiscal Monitoring Report - DMH005AS

LINE ITEM NAME: **DMH005AS** (0000000000)

4 of 6 tabs in the Report year: **June 30, 2013**

LINE ITEM NAME	FUND	CLASS	2012-2013		2013-2014		VARIANCE	REMARKS
			BUDGET	ACTUAL	BUDGET	ACTUAL		
REVENUE								
Revenue From State, Local, Government Services	100	100	1,000,000	1,000,000	1,000,000	0		
Revenue From Fees	100	100	1,000,000	1,000,000	1,000,000	0		
Revenue From Grants	100	100	1,000,000	1,000,000	1,000,000	0		
Revenue From Services (Charged to Non-Fin. Fund)	100	100	1,000,000	1,000,000	1,000,000	0		
Revenue From Other Sources	100	100	1,000,000	1,000,000	1,000,000	0		
EXPENDITURES								
Salaries	100	100	1,000,000	1,000,000	1,000,000	0		
Travel	100	100	1,000,000	1,000,000	1,000,000	0		
Supplies	100	100	1,000,000	1,000,000	1,000,000	0		
Utilities	100	100	1,000,000	1,000,000	1,000,000	0		
Telephone	100	100	1,000,000	1,000,000	1,000,000	0		
Printing	100	100	1,000,000	1,000,000	1,000,000	0		
Repairs	100	100	1,000,000	1,000,000	1,000,000	0		
Insurance	100	100	1,000,000	1,000,000	1,000,000	0		
Professional Fees	100	100	1,000,000	1,000,000	1,000,000	0		
Interest	100	100	1,000,000	1,000,000	1,000,000	0		
Depreciation	100	100	1,000,000	1,000,000	1,000,000	0		
Other	100	100	1,000,000	1,000,000	1,000,000	0		
NET AVAILABLE FUNDS								
Net Available Funds			1,000,000	1,000,000	1,000,000	0		

 9/11/13

Davis explained that in March, the renovation project at Pisgah High School was approved with financing partially using lottery proceeds, and lottery proceeds to fund the debt service relate to borrowing an amount. The Resolution allows for financing for the project and would not exceed \$2,570,000 - with the amount to be borrowed not to exceed \$1.7 million.

Ms. Davis requested a Call for Public Hearing to be held on Monday, October 21, 2013 at 5:30 p.m. in the Historic Courtroom of the Historic Courthouse. She explained that a public notice would be published at least 10 days in advance of the hearing. Mr. Killian, County Attorney, questioned language in the resolution and Ms. Davis explained that the language was the verbiage used in the statutes governing such a transaction.

- Ms. Davis presented two (2) budget amendments:
 - General Fund – Public Schools – Current Operating - \$37,981 – increase in operating allocation due to school formula with new 10 day ADM. Contingency funds were utilized for this expense.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2013-14

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, 2013

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

Department	Account Number	Current Budget	Increase (Decrease)	Amended Budget
Social Services				
Duke Energy Assistance Expense	115310-589970	-	96,928	96,928

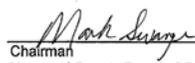
which will result in a net increase of \$ 96,928 in the expenditures of the General Fund.

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
Intergovernmental Revenue				
Duke Energy Progress Grant	110100-463404	-	96,928	96,928

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 October, 2013


 Chairman
 Haywood County Board of Commissioners

ATTEST: 
 Clerk to the Board

Explanation:
To recognize the funding received from Duke Energy Progress as a result of NC Merger Settlement for DSS to use for the benefit of Duke Energy Progress low income retail electric customers.

- General Fund – Social Services - \$96,928 – revenue received from Duke Energy Progress resulting from NC merger settlement to benefit low-income customers.

HAYWOOD COUNTY
BUDGET ORDINANCE AMENDMENT
FISCAL YEAR 2013-2014

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, 2014.

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

Department line item	Account Number	Current Budget	Increase (Decrease)	Amended Budget
General Fund:				
Public Schools - current operating	115911-563000	14,364,728	37,981	14,402,707
Contingency	119910-599100	300,000	(37,981)	262,019

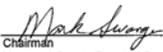
which will result in a net increase (decrease) of \$ _____ in the expenditures of the General Fund.

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

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 of October 2013.


 Chairman
 Haywood County Board of Commissioners

ATTEST:


 Clerk to the Board

Explanation: To adjust the budget to reflect an updated School amount based on the funding formula for public school county appropriation.

NEW BUSINESS

Request Review and Vote on Occupancy Tax Penalty Waiver Requests

Chairman Swanger recognized Lynn Collins, Executive Director of the Haywood County Tourism Development Authority (TDA). Ms. Collins explained that the requests presented had been reviewed by the TDA Board; however, did not meet the criteria for approval by the TDA Board and were being presented to the Board of Commissioners. She noted the three requests and the recommendations related to penalty waiver.

- Lake Junaluska Assembly/Lake Junaluska Cottage Rentals – no waiver due to previous waiver granted.
- Cokesbury Cabin – waive penalties as there had been no previous waiver requests
- Lagolinda Inn – waive penalties as there had been no previous waiver requests

Commissioner Sorrells commented that the TDA Board has thoroughly discussed the waiver requests and operates based on precedent, rules and regulations.

Commissioner Ensley motioned to accept the recommendations of the TDA Board related to the waiver or non-waiver of Occupancy Tax Penalties as presented. Commissioner Sorrells seconded; the motion carried unanimously.

Request Review and Vote on Tax Management Associates Audit Discoveries and Occupancy Tax Penalty Waiver Requests

Ms. Collins noted that following an audit by Tax Management Associates, approximately 40 new accounts were added to the Occupancy Tax list for vacation home rentals. Most of these new accounts have paid the penalties discovered. She explained that there were several accounts that had requested penalty waivers. These accounts were reviewed by the TDA Board. The recommendation from the TDA Board was to deny waiver of penalties for these accounts.

Chairman Swanger inquired if Ms. Collins felt confident that this audit and discovery process had identified all of the rental accounts. Ms. Collins confirmed and added that information regarding short-term rentals and the required occupancy tax was included with the tax bills and is available on the county website in three different areas.

Commissioner Upton motioned to approve the recommendation by the TDA Board relating to the non-waiver of penalties for accounts identified under new business item #2 indicated by items a through h on the agenda as presented. Commissioner Sorrells seconded; the motion carried unanimously.

Request Approval of Haywood County Property Bids and Offers to Purchase initial offerings for two (2) parcels

Chairman Swanger recognized David Francis, Tax Administrator. Mr. Francis explained that there are two bids before the Board for properties that were acquired via the foreclosure process. Mr. Francis received the bids on behalf of the County Manager, and per the procedure approved by this Board in April 2013, these bids were brought before the Board for approval.

Parcel 8700-38-2600 – located in the Cherry Hill Estates subdivision on Teaberry Ridge Road – the bid is \$2,000 by Carolyn Hinson. The property was foreclosed upon in November 2012 and is approximately three (3) acres of land.

Commissioner Ensley motioned to approve the bid for parcel 8700-38-2600 as presented. Vice Chairman Kirkpatrick seconded; the motion carried unanimously.

Parcel 8666-28-9941 – located in the Beaverdam Community off Reynolds School Road – the bid is \$250.00 by Raymond Joseph Shepard, who is an heir to the original property owner. The property was foreclosed upon in 1931 and is 0.0500 of an acre.

Commissioner Ensley noted that these initial bids, if approved, would be subject to the ten (10) day upset bidding process. Mr. Francis confirmed.

Commissioner Upton motioned to approve the bids for parcel 8666-28-9941 as presented. Commissioner Ensley seconded; the motion carried unanimously.

Jail Annex Project

Chairman Swanger recognized Dale Burris, Facilities and Maintenance Director. Mr. Burris explained that bids were advertised following the NC Division of Health Service Regulation (DHSR) requirements. Three informal bids were received; all of the bids initially came in over budget and DHSR provided guidelines on redesign. Mr. Burris requested that the bid amount of \$91,314 be approved and that State Building Group be awarded the contract for the project.

Commissioner Upton motioned to approve the bid of \$91,314 and award of the contract to State Building Group for the Jail Annex project. Commissioner Ensley seconded; the motion carried unanimously.

Ms. Davis presented a budget amendment for \$26,114, which will increase the capital project amount to \$91,314 with the project contingency used in this amount.

Vice Chairman Kirkpatrick motioned to approve the budget amendment for this project. Commissioner Ensley seconded; the motion carried unanimously.

HAYWOOD COUNTY
CAPITAL PROJECT ORDINANCE AMENDMENT
FISCAL YEAR 2013-2014

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, 2014.

Section 1. To amend the Capital Project Fund - County building/repairs/construction projects, the expenditures are to be charge as follows:

Line Item	Account Number	Current Budget	Increase (Decrease)	Amended Budget
County projects:				
Detention Center				
Professional Services	484320-519808-13ANX	9,800	-	9,800
C/O buildings & structures	484320-558000-13ANX	49,500	41,814	91,314
Contingency	484320-599100-13ANX	15,700	(15,700)	-
				101,114

which will result in a net increase of \$ 26,114 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:

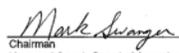
Revenue	Acct. No.	Current Budget	Increase (Decrease)	Amended Budget
Transfer from General Fund	480110-498111-13ANX	75,000	26,114	459,635
			26,114	

The effect on the General Fund is as follows:

Transfer to C/P fund - County projects	119840-598048	130,750	26,114	158,864
Facilities & Maintenance:				
Utilities - Justice Center	114260-533000-42832	69,000	(13,114)	55,886
Repair/Maintenance - Wellness Clinic	114260-535100-42838	42,243	(13,000)	29,243

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

Adopted this the 7th of October, 2013.


 Chairman
 Haywood County Board of Commissioners

ATTEST: 
 Clerk to the Board

Explanation: To appropriate the amount to complete the jail annex project per bids

Chairman Swanger recognized Kris Boyd, Planning Director. Mr. Boyd explained that bids were opened on September 24 for the paving project in the Avalon Development. The low bidder was Custom Paving, Inc. Mr. Killian has reviewed the contract with no concerns noted.

Chairman Swanger asked Mr. Boyd to provide a brief overview of this project. Mr. Boyd explained that during the development of the Avalon Subdivision, surety and insurance bonds were put in place for improvements to the roads including gravel and asphalt. However, the project developer declared bankruptcy and these improvements were not made. The Board of Commissioners approved the settlement of the bonds at the August 5, 2013 meeting. Another party, not the original party that posted the bond, now owns the subdivision. The County has been attempting to collect on the bond and complete improvements for the project. There is no cost to taxpayers for these improvements.

Commissioner Sorrells motioned to approve the bid and contract award to Custom Paving, Inc. for the Avalon Development as presented. Commissioner Upton seconded; the motion carried unanimously.

Request Approval of Release and Assignment of Two (2) Surety Bonds

Chairman Swanger recognized County Attorney, Chip Killian. Mr. Killian explained that there were two surety bonds for erosion control for Crabtree Bald Development. This development was foreclosed upon and has a new owner. Mr. Killian was able to negotiate a complete release agreement for the two surety bonds and funds will be used to fulfill stabilization requirements in accordance with the Erosion Control Plan.

Vice Chairman Kirkpatrick motioned to approve the Release and Assignment of Bond numbers 41096303 and 41096306 as presented. Commissioner Ensley seconded; the motion carried unanimously.

Request Approval of Resolution Authorizing the Chairman to Execute a Quitclaim Deed on Behalf of Haywood County to the Successful Bidder for Parcel 7687-04-4513

Mr. Killian presented the resolution with an attached quitclaim deed and explained that the parcel was acquired via foreclosure, an initial bid accepted and the upset bid process followed. There were no upset bids received. The successful bidder had 20 days to pay the entire balance due. Once the balance was paid, a resolution authorizing the Chairman to execute a quitclaim deed was added to the next regularly scheduled board meeting agenda. Mr. Killian added that this resolution allows Chairman Swanger to execute the quitclaim deed for this parcel.

Commissioner Upton motioned to approve the Resolution Authorizing the Chairman to Execute a Quitclaim Deed as presented. Commissioner Ensley seconded; the motion carried unanimously.

Request Appointment of Jury Commissioner

100713

Chairman Swanger recognized County Manager, Marty Stamey. Mr. Stamey explained that the Clerk of Superior Court and Senior Resident Superior Court Judge recommended David Clement for appointment to the position of Jury Commissioner in accordance with NC General Statute 9.1.

Vice Chairman Kirkpatrick motioned to approve the appointment of David Clement as a Jury Commissioner as presented. Commissioner Ensley seconded; the motion carried unanimously.

Request Appointment of an At-Large Member to the Area Agency on Aging Regional Advisory Council

Mr. Stamey noted that he had received a request from Cindy Miles, Region A, Southwestern Commission to appoint Arthur Wheeler as an at-large member to the Area Agency on Aging Regional Advisory Council. The term for this appointment is through August 31, 2016.

Commissioner Sorrells motioned to approve Arthur Wheeler's appointment as an at-large member to the Area Agency on Aging Regional Advisory Council as presented. Commissioner Ensley seconded; the motion carried unanimously.

CLOSED SESSION

Commissioner Upton made a motion to enter into Closed Session for Attorney/Client Privilege G.S.§143-318.11(a)(3) and Personnel G.S.§143-318.11(a)(6). Vice Chairman Kirkpatrick seconded, the motion carried unanimously.

The Board returned from closed session.

ADJOURNMENT

Vice Chairman Kirkpatrick made a motion to adjourn the regular Board meeting. Commissioner Upton seconded; the motion carried unanimously.

The time of adjournment was 11:37 a.m. The DVD is attached by reference to the minutes.

CLERK

CHAIRMAN