

# MITCHELL COUNTY BOARD OF COMMISSIONERS

## MINUTES

### REGULAR SESSION

MAY 8, 2006

#### **NORTH CAROLINA**

#### **MITCHELL COUNTY**

The Mitchell County Board of Commissioners met in regular session at 6:00 p.m. on May 8, 2006 in the Commissioners' Conference Room, Administration Building, Bakersville, N.C. Those present for the session were Keith Masters, Chairman; Ken Hollifield, Vice-Chairman; Phil Byrd, Member; Mike Hensley, Member; Jim Saylor, Member; Ryan Whitson, County Manager and Kathy Young, Clerk to the Board. Also present were Lloyd Hise, County Attorney; Mavis Parsley, Finance Officer; Nathan Hall, Reporter with the Mitchell News-Journal; Steve Murphy, Reporter with WKYK Radio Station; Larry Deyton, Kristi Street, Carl Braswell, David Carpenter, Jana Reid, Ed Reid, Dona Thanos, Kathleen Byrd, Pam Lawing, James Duncan, Mary Laws, Suzanne McKinney, Gus McKinney, Rick Spurling, Tommy Ledford, Lee Roy Ledford, Mary Sue Ledford, Harper Wilson, Terry Hoilman, Bob Hensley, Chris Gillespie, Stephanie Wiseman, Mike Young, Chris Young, Amber Young, Lisa Sparks, Bud McKinney, Davis Godwin, Barbara Buchanan, Gary Greene, Shirley Hise, Donald Street, David Forbes, Danny Young, Kathy Miller and Jeff Harding.

1. **CALL TO ORDER** – Chairman Masters called the meeting to order at 6:00 p.m.
2. **INVOCATION** – Commissioner Hollifield gave the invocation.
3. **ADDITIONS OR CHANGES TO THE AGENDA** – By consensus the Board agreed to move the Board of Education to the last item on the agenda.
4. **APPROVAL OF MINUTES** – Commissioner Hollifield moved to approve the Minutes for April 3, 2006. Commissioner Hensley seconded the motion and it carried unanimously.
5. **PUBLIC HEARINGS/MEETINGS**
  - A. **Rural Operating Assistance Program Application** – Chairman Masters called the public hearing to order at 6:10 p.m.

Barbara Buchanan – It is just a formality each year for us to have a public hearing on our Rural Operating Assistance Program. This is a state funded grant that is administered by NC DOT. It includes the following programs. Elderly Disabled Transportation Assistance Program is a grant for \$37,156. Work First Employment Grant in the amount of \$2,644. Rural General Public Grant of \$32,914. The total grant for 06-07 is \$72,714. Local match for the Elderly Disabled Transportation Assistance and Work First Employment Grant there is no local match. RGP there is a ten percent local match. Which can be provided from fares or local funds. Almost always it is collected by fares. It is a vital service to Mitchell County residents. I enclosed the complete application in your information. If you have any questions I will be glad to answer them.

Chairman Masters – This is one we do every year.

Barbara Buchanan – Yes.

Chairman Masters – Price the same? Cost the same?

Barbara Buchanan – It has increased. I think it was sixty some thousand last year.

Chairman Masters – Questions or comments?

Commissioner Hensley – This thing is a good job. You handle all this super good.

Barbara Buchanan – Thank you.

Chairman Masters – Do we have a motion to go ahead and enter into this grant?

Commissioner Saylor moved to approve the Rural Operating Assistance Program Grant (a copy is hereby attached and becomes a part of the minutes). Commissioner Hollifield seconded the motion and it carried unanimously.

**B. Date for Presentation of the FY 2006-2007 Budget** – Chairman Masters asked County Manager Whitson to address this matter.

County Manager Whitson – It just needs to be sometime the last of May, whatever the Board members chooses.

Chairman Masters – Anybody got any dates that is better for them or worse for them?

Commissioner Byrd – I can after the 20<sup>th</sup>.

Chairman Masters – After the 20<sup>th</sup> of May? Ok. What is a good time after that for everybody?

County Manager Whitson – Something closer to the end of May, please.

Commissioner Hensley – The 29<sup>th</sup>.

Chairman Masters – What date is that? The 29<sup>th</sup>.

Commissioner Hensley – That is on a Monday.

Chairman Masters – Does that suit everybody?

Commissioner Hollifield – That is Memorial Day. We can't do it on that.

County Manager Whitson – 26<sup>th</sup>?

Commissioner Saylor – I can be here on that Friday. I can on Thursday.

Commissioner Hensley – What about Tuesday the 30<sup>th</sup>? Will that push it to close?

County Manager Whitson – No. I believe that we will be within our legal –

County Attorney Hise – You are all right, because the budget has to be approved by June 30<sup>th</sup>.

Chairman Masters – What day is that?

Commissioner Hensley – Tuesday. That is the last Tuesday of the month.

Chairman Masters – What time? 5:00 o'clock?

By consensus the Board agreed to meet on May 30, 2006 at 5:00 p.m. for the presentation of the budget.

**C. Date for Public Hearing on the FY 2006-2007 Budget – Chairman Masters – Any time in June.**

County Attorney Hise – It has to be at least ten days after you present the budget.

Chairman Masters – A minimum of ten days after. That would basically make it the 11<sup>th</sup>.

Commissioner Saylor – I have a conflict with that.

Chairman Masters – We could move it up a little bit.

Commissioner Saylor – I am going to be away from the 9<sup>th</sup> to the 16<sup>th</sup>.

Chairman Masters – It just has to be a minimum after that.

County Attorney Hise – A minimum of ten days. It can go as many days as you need it to.

Commissioner Saylor – Anything before the 9<sup>th</sup>.

Chairman Masters – Ok. That would not give us the allotted time. It will have to be after you get back.

Commissioner Saylor – I will be back on the 16<sup>th</sup>.

County Manager Whitson – Lloyd there is no requirements between the date of the public hearing and the date the Board votes to adopt it.

County Attorney Hise – You can do that the next day if you want to.

Chairman Masters – What day is June the 16<sup>th</sup>?

Commissioner Hensley – Friday.

Commissioner Byrd – I can't the 19<sup>th</sup> but I could the 20<sup>th</sup>

Chairman Masters – Is the 16<sup>th</sup> a bad time for you?

Commissioner Byrd – Yes, I won't be here.

Commissioner Saylor – I won't be here on the 16<sup>th</sup> either. So let's go with the 20<sup>th</sup>.

Chairman Master – June 20<sup>th</sup>. What day is that?

Commissioner Byrd – Tuesday.

Chairman Masters – 5:00 o'clock?

Commissioner Byrd – Yes.

**D. Date for the Adoption of the FY 2006-2007 Budget** – Chairman Masters – Can we do that the same day? Is there a timeframe after the public hearing?

County Attorney – Not as long as you do it by June 30<sup>th</sup>.

Chairman Masters – Can we do the same day as the public hearing?

County Attorney – I don't think so. I think you probably need a different date.

Chairman Masters – What is good for everybody past that?

County Manager Whitson – I think the 29<sup>th</sup> is the last Monday.

Commissioner Hensley – The 26<sup>th</sup> is the last Monday.

Chairman Masters – Anybody got a conflict with that? June 26<sup>th</sup>. What day is that?

Commissioner Hensley – Monday.

Chairman Masters – So that will work out good. 5:00 o'clock on that date?

Commissioner Hensley – Lets make them all at 5:00.

Chairman Masters – Is everybody clear on that? The Budget presentation will be made May 30<sup>th</sup> at 5:00 p.m. The date of the Public Hearing will be June 20<sup>th</sup> at 5:00 p.m. The date for adopting the Budget will be June 26<sup>th</sup> at 5:00 p.m. Is everybody ok with that?

**6. ITEMS FOR DISCUSSION/DECISION**

**A. Maintenance of Effort** – County Manager Whitson – Every year Mitchell County is required to allocate and spend \$18,000 for mental health services in the county. This Board gets to decide how that \$18,000 is spent. It is my understanding that an agreement was worked out for New Vistas last year while I was gone. They pretty much pledged to support New Vistas in their endeavors for providing mental health services to the County. They are kind of our safety net for the County. I have spoken with New Vistas extensively. Mitchell County is only one of two or three Counties where they are making a profit. They are able to operate in the black. So New Vistas is doing well in Mitchell County. I do think they need our continued support and part of that support is actually required by contract.

Chairman Masters – What do we need to do on that?

County Manager Whitson – I would just ask for a motion to give the entire Maintenance of Effort funding to New Vistas for this year.

Chairman Masters – Ok and that is how much?

County Manager Whitson - \$18,000.

Chairman Masters – The same as it was last year?

County Manager Whitson – Mavis, is that the same?

Finance Officer Parsley – Yes it is.

Commissioner Hensley moved to give New Vistas the entire Maintenance of Effort funding for this year. Commissioner Byrd seconded the motion and it carried unanimously.

- B. Approval of the JCPC Budget** – Chairman Masters – Has everyone had the chance to look at this. Any comments, questions? Ken since you are on that Board anything?

Commissioner Hollifield – No comments. We just need to pass that.

County Manager Whitson – I am Chairman of that Board, Chairman Masters. All of these programs are pretty old. They have been with the County for a long time and service the juveniles of our County well.

Commissioner Hollifield moved to adopt the JCPC Budget (a copy is hereby attached and becomes a part of the minutes). Commissioner Hensley seconded the motion and it carried unanimously.

- C. Approval of Purchase from Bakers Waste Equipment** – Chairman Masters – This is for the purchase of some garbage containers. Does anybody have any questions on that?

County Manager Whitson – Mr. Chairman, those are for 6 dumpsters to be situated throughout our school system. What that will do for the County is that it will allow us to make one trip per week to empty these dumpsters versus two trips. So we are going to spend about forty-five hundred dollars and we should save that back in over a few years.

Commissioner Hollifield – The only question, I've got is this. Has these prices been checked with somebody else? Is this the cheapest we can get these?

County Manager Whitson – David got those and I believe those were the cheapest he could find. That is where we usually get them.

Chairman Masters – Our other equipment came from there to, didn't it? Any comments, questions?

Commissioner Hensley moved to approve the purchase of the dumpsters. Commissioner Hollifield seconded the motion and it carried unanimously.

- D. Purchase of Forklifts** – County Manager Whitson – The Sanitation Department is in need of some forklifts. One of them is an old US Navy surplus forklift that we have down at Red Hill. It needs to be sold as surplus. It won't hardly run. We are going to purchase one to put at Bakersville and then put the one at Bakersville at Red Hill and we also wanted another one, hopefully for another convenience center or to have as a spare, whichever the case may be to use. Most of the forklifts that we have purchased and been using have been surplus forklifts. They have just about done their do. What I need from this Board is permission to go ahead and purchase those two and Mr. Hise, me and him talked about it some whether we need to put those out for bid or if I just needed to look around and just purchase them. I believe I need to –

County Attorney Hise – How much do they cost?

County Manager Whitson – It is going to be under \$50,000 for two of them, sir.

County Attorney Hise – You would not have to comply with the formal bid process, but I do believe you need to call and solicit bids from several companies and bring it back to the Board.

Commissioner Hollifield – There are five or six different makes of forklifts and they run different prices. So you might –

County Manager Whitson – Mr. Forbes is wanting a Yale. I believe there is a dealership close by. We got a Toyota and the maintenance, the warranty they've not honored the warranty too well. He has had some problems with the Toyota.

Commissioner Hollifield – With the machine itself or with the operator?

County Manager Whitson – I believe it with the dealership it came from for not honoring the warranty.

Commissioner Hollifield – We need to be careful here. We want to make sure we get what we pay for.

County Manager Whitson – He asked for Yale's and I believe that is what the military uses is Yale's.

Commissioner Hollifield – How big a forklift are we talking about? How much does it need to pick up?

County Manager Whitson – To tell you the truth, I'm not sure, Ken.

Chairman Masters – The ones they are using are not big. I think the last ones that they bought prior to us coming on the Board was about \$14,000 and seems like it might have been a Bobcat.

County Manager Whitson – I think it was a lease to own and we just want to purchase it.

Commissioner Byrd – What size, what rating do you need for Bakersville? What size forklift?

County Manager Whitson – I have not asked David what size. He is supposed to be here.

Chairman Masters – Is David here?

Commissioner Byrd – The one at Red Hill is a larger one is that right?

County Manager Whitson – The one at Red Hill is –

Commissioner Saylor – It is a small one. I went down and looked at it and it is a terrible mess.

Commissioner Hollifield - Well, let's get what we need, but let's get rid of this over kill. We don't need to pay no more than what we need.

Chairman Masters – I think what we need to do is give him permission to go ahead and research the size he needs and then put it out for bids.

County Manager Whitson - Or I can call around different locations and get the prices on it. It will probably be easier for that so that I can speck out exactly what we want. I think I can probably get more prices me calling around asking for them than I would putting it out for bid.

Commissioner Hensley – I think the bids would probably come out higher than haggling with them.

Commissioner Byrd – But we can reject any bid though.

Chairman Masters – Yes, we could.

Commissioner Byrd – I would like to put it out for bids and hold the right to reject that bid if it is not what we feel like we can come in. How old are the two forklifts? You are talking about the one at Red Hill.

County Manager Whitson – The one at Red Hill is probably as old as me.

Commissioner Byrd – Ok. The one at Bakersville up here?

County Manager Whitson – It is still in pretty good shape. We want to move the one from Bakersville down to Red Hill. And put the new one at Bakersville.

Commissioner Saylor – The one at Bakersville gets a lot more use.

County Manager Whitson – And then we are talking about a convenience center at another site. I am going to get a better deal buying two from somewhere than I am buying one.

Commissioner Byrd – I, personally, would like to see the County Manager do a little research on that and bring it back to the Board and see what size we do need

County Manager Whitson – David has that specked out. I just don't have it right now.

Commissioner Byrd – And then decide at that point if we are going to do it.

County Manager Whitson – You got it. We have got it. It is from Yale Carolinas in Bluff City, Tennessee. Like I said he was wanting a Yale one. It is a five thousand pound capacity, twenty-four inch load center, one hundred & ninety-four inch maximum fork height and an eighty-six lowered height. It is a Yale Global high-rise triplex mast.

Commissioner Hollifield – Propane or electric? What is it?

County Manager Whitson – It is a Mazda 2.0 liter engine 121.9 cubic inches. Forty-two horses.

Commissioner Saylor – That doesn't sound like over kill.

Commissioner Byrd – I would like to see us get some more information on it and then come back with some preliminary figures just so that we know what we are looking at putting out.

County Manager Whitson – The preliminary figures –

Commissioner Byrd – Different brands also.

County Manager Whitson – Around twenty-three to twenty-four thousand per unit.

Chairman Masters – I think we ought to put it out for bids. As long as it is compatible with our equipment, if there is nothing wrong there we

aught to just go ahead and put it out for bids if it is going to come up to about fifty thousand.

County Manager Whitson – We should be able to get them under fifty thousand, because we can get these two for that.

Chairman Masters – What is your pleasure on it, so we can move along?

County Manager Whitson – Put it out to bid and go with it?

Commissioner Hensley – That's fine with me. Do you need a motion or just a consensus?

Commissioner Byrd – I would like to put them out for bid and reserve the right to reject any and all bids if it is not what we need. And in the meantime do some more research from other companies and make sure they are –

County Manager Whitson – I can put it out to bid with several different companies. I will contact several different companies.

Commissioner Saylor – There is a forklift dealer in Kingsport.

Commissioner Byrd moved to put them out to bid and to reserve the right to reject any and all bids if they are not what we need. Commissioner Hensley seconded the motion and it carried unanimously.

**E. Two New Positions for Building Inspections** – Chairman Masters – The next thing on the agenda is Ryan will discuss two new positions for the Building Inspections Department.

County Manager Whitson – John Smith our Building Inspector, is going to stay with the County on a part-time basis. He had originally thought he was going to resign, but asked if he could stay on as a part-time basis. He is certified fully to a level three and can do all level of inspections for the County. I had advertised for that position and didn't get anyone that was certified or qualified for that position. So when John can to talk with me about staying on part-time it made me very glad and we worked that out. We've got several projects coming up. The expansion of the hospital, expansion of Unimin, a couple of churches being built. There are several things. So we are very glad to keep him on. Mr. Smith and I had talked two or three months ago, somewhere in that area about having another position with him before I knew he was going to be leaving us as a full-time position. Because it's like Mr. Hollifield, I believe that you called me on Christmas Eve and the day before Christmas Eve this year when I had just been back about two weeks and he had fell out of the barn and we didn't have any backup for that. So they had wanted to get another person in that position so we would have two with development such as it is and the construction of new homes in the County, I feel like we need two. So, when it was determined he was going to be a part-time position, I just thought while we are it we may as well try and have two positions below him at different levels. What I have in mind is a Grade 69 Building Inspector and then a Grade 67 Assistant Building Inspector. By hiring and filling these positions at the same time, we can send them to training together to cut down on the costs of the training by sending them out at the same time. Some of the training is down state and it is usually held on the weekends so they are going to have a lot of work and I feel that in the future of Mitchell County we need that. It will take a minimum of fourteen months for them to get all the

certifications that they need. If I had to make a projection I project two years. But I would like for the creation of those two new positions a Grade 69 and a Grade 67 and to go ahead and commence filling those positions.

Chairman Masters – Questions, comments? We'll start with Ken.

Commissioner Hollifield – Who – John is going to do this part-time?

County Manager Whitson – Yes, Sir. That way John can sign off on what these two do. He will be over what they do.

Commissioner Hollifield – The next thing will be to appoint somebody.

County Manager Whitson – To hire somebody just as a regular county employee.

County Attorney Hise – You will have to go through advertising.

Commissioner Hollifield – That was what I was just going to say.

County Manager Whitson – Post it and all that. Yes, Sir.

Commissioner Hollifield – We want to make sure everybody gets a chance.

Commissioner Saylor – Back when I built my house in 73, Kathy's granddad was the inspector then and we had two at that time. So there is a need for it.

Commissioner Byrd – I think we have to do something to get this covered. With John going part-time? Is it going to be the same rate?

County Manager Whitson – An hourly rate of pay, by the hour for him.

Commissioner Byrd – Looking at paying for the two new inspectors to go to school, and their time?

County Manager Whitson – Yes, Sir. And we are behind right now. We are going to be behind for the next year or so. Like I said, I had planned on putting somebody – a second one in – planned this about two or three months ago. I was planning for the budget effective July 1, but we might as well just go ahead and do it.

Commissioner Byrd – I don't think we have much choice. Just do it as reasonable as we can. We have to have some inspectors.

Commissioner Hensley – I know my son works in building and we need it bad. Because you can't get them out there, if we have two one can work on one end of the County and the other can work on the other end. I think it will be much more efficient and a whole lot easier on the contractors.

Commissioner Hensley moved to go ahead and hire the two positions for Building Inspections. Commissioner Saylor seconded the motion and it carried unanimously.

Carl Braswell – asked if it was going to be county wide or is it going to be state wide when they advertise?

Chairman Masters – County wide.

County Manager Whitson – We will advertise it at the Employment Security Commission and it will be posted at the Department of Inspections and out here on our bulletin board per our personnel policy.

Commissioner Byrd – We should advertise in our local paper to. A lot of people read that and might not be going to the Employment Security Commission.

County Attorney Hise – It says that information on job openings and hiring practices shall be provided to recruitment sources including organizations and news media.

Chairman Masters – Ok. Are we all clear on that, as clear as we will ever be?

- F. Designation of Lead Agency for Senior Service** – County Manager Whitson – That is just the Designation of the Lead Agency for Senior Service that has to do with the Home and Community Care Block Grant. We have done this for the past seventeen years that I am aware the County has been doing this. They were last year and as far as I know they have always been. Pretty much a formality.

Chairman Masters – Any discussion?

Commissioner Hollifield moved to designate the Senior Citizen Center as the Lead Agency for Senior Service. Commissioner Byrd seconded the motion and it carried unanimously.

- G. Purchase of Two Vehicles for Building Inspections** – County Manager Whitson – Just where we voted to have two Building Inspectors we need two vehicles for them. The Jeep Cherokee has about 140,000 miles on it. It is still running. It is still doing pretty good. I plan on moving it to the Tax Office. Would like to – What I've got in mind is just two small compact extended cab pickup trucks, 4-wheel drive. I would expect those to be under fifty, I guess it is the pleasure of the Board whether we put those out for bid or for me to seek prices from different places. On that one I think I would prefer to seek prices if the Board – if it is the Board's pleasure on the trucks and I will try all three brands and would prefer to purchase local on that if possible. We've got fleet identification on Ford's. We also have on Chevrolet's, but I have been informed that our fleet number is no good on Chevrolet's because we do not have eight General Motor products in the fleet right now.

Chairman Masters – Any comments or questions?

Commissioner Hensley – If we've got two Building Inspectors they are going to need vehicles.

Commissioner Byrd – Do we not have any other vehicles that are not being used or anything?

County Manager Whitson – Just what we are selling for surplus. I don't know if come to think about it if anybody put a bid on those. No we do not have anything good for those.

Chairman Masters – Do we have titles for those?

County Manager Whitson – I think we do.

Clerk to the Board Young – Yes, we do.

Commissioner Byrd – They’ve to have something to drive. I would like – if you negotiate a price bring it back to the Board for approval.

County Manager Whitson – Ok.

Chairman Masters – Ok. Any other comments?

Commissioner Hollifield – Make sure the local people have the opportunity to bid on them, Ryan.

County Manager Whitson – Will do.

Chairman Masters – Do we have a motion?

Commissioner Byrd moved to allow County Manager Whitson to negotiate the price of the two vehicles and to bring it back to the Board for approval. Commissioner Hensley seconded the motion and it carried unanimously.

**H. Certificate of Deposits not to be Renewed** – County Manager Whitson – On that we have several certificates of deposits. It is budget time and there is several things to be decided. Instead of not renewing those certificates of deposits, I would just ask the Board to say we can only renew CD’s for thirty days at the present time.

Chairman Masters – The rationale behind that is budget time is coming up.

County Manger Whitson – Budget time July 1<sup>st</sup> and some of it will have to be spent out and I just need to see how that goes.

Chairman Masters – Comments, questions about that?

Commissioner Hensley – If we are going to need it for budget. We need it. I mean - that that’s the only I’ve got.

Commissioner Byrd – When are these up for renewal?

County Manager Whitson – May 30<sup>th</sup> and June 1<sup>st</sup>. I am just asking that they be put in CD’s for thirty days.

Chairman Masters – Ok. Have a motion? Go ahead and change that. We have been putting them in for six months.

County Manager Whitson – We have been putting in different times depending on the rates and moving money around. We just need to do that for thirty days until the Board – until a different time.

Commissioner Byrd – Mr. Chairman, if I may?

Chairman Masters –You may.

Commissioner Byrd – What will the interest drop to if we just go with thirty days? What I am looking at is if we leave all this money setting out not earning interest, currently we are earning more interest on the CD’s than what we are paying on money that was borrowed. We are making – about \$200,000 a year just on interest.

Chairman Masters – I guess my take on that is after the budget –

County Manager Whitson – After the budget we can go back to that. I just don’t know what the pleasure of the Board is on a few things and

we just need to do it for thirty days. They should mature right before July 1<sup>st</sup>.

County Attorney Hise – I would just point out one thing if they are all matured July 1<sup>st</sup> and sitting in the checking account that is the exact time Mavis has to make her report to the Local Government Commission on how our idle funds are invested. If it comes down and as of July 1<sup>st</sup> and none of our idle funds are invested the LGC is not going to like. So you might want to renew them until July 15<sup>th</sup> or something.

County Manager Whitson – Mavis, we can do that can't we renew them until about July 2<sup>nd</sup> or something like that to get through that. Then the Board can take further action.

County Attorney Hise – July 1<sup>st</sup> is just not a good day to none of your money invested.

Commissioner Byrd – If we know how much – wait on this decision until we know how much it is until after we've went through the budget and if it is not up until then. We are going to be meeting again so that we could decide at that point.

County Manager Whitson – Well, I will be presenting the budget there in May. They come due May 30<sup>th</sup> and June 1<sup>st</sup> and I don't know what will be the decision.

Commissioner Byrd – I think that is when we will be able to make it when we know how much we are going to spend, how much we will have left over at that point.

County Manager Whitson – But they come due May 30<sup>th</sup> and June 1<sup>st</sup> and the budget we said we were not going to decide on the budget until the end of June.

Commissioner Byrd – Ok. I am sorry.

Commissioner Saylor moved to renew the Certificates of Deposits until sometime between July 2 and the 15<sup>th</sup>. Commissioner Hensley seconded the motion and it carried unanimously.

Finance Officer Parsley – Let me explain. Money is invested and I project what I am going to need usually. The reason there is two now is because I know one of them will have to be paid due to cash flow – the smaller one. The larger one we can reinvest for thirty to forty-five days whatever. Although part of it may have to be used for cash flow depending on how much of this money is voted on all these purchases I will have to project. So remember when you say renew them part of that money will be paid out into the checking account for cash flow. Then whatever I project as excess for the next thirty to forty-five days we can reinvest into a CD.

County Manager Whitson – Mavis, do you just want to spell that out and say the four million one we will reinvest in a CD no later than – to expire no later than July 15<sup>th</sup> and earlier than July 2<sup>nd</sup>. Will that work?

Finance Officer Parsley – Right. The smaller one we will have to pay out and use, but the other one we can.

County Manager Whitson – Put the one million one in checking.

Finance Officer Parsley- Right.

James Duncan – Is that money earmarked for anything specifically or is just a safety net for whatever it might be need for?

Chairman Masters – Yes.

- I. **Payoff of Courthouse** – Chairman Masters – Ryan, do want to go ahead and address this. I think you have been looking at this for quite a while.

County Manager Whitson – It is looking at paying off the Courthouse. We owe about \$337,500 on it. We got some monies from the sale of the mental health building. I think there was some interest for trading bricks and mortar for bricks and mortar.

Chairman Masters – Mental Health building money that is how much?

County Manager Whitson - \$440,000.

Chairman Masters - \$440,000 in that.

County Manager Whitson – Yes sir.

Chairman Masters – So we will have about \$103,000 more?

County Manager Whitson – Somewhere in that area.

Chairman Masters – Questions, comments?

Commissioner Saylor – I think that is a good idea. I think we should do that.

Commissioner Hollifield – I would like to see that thing paid off.

Chairman Masters –I would too. Phil -

Commissioner Byrd – What is the interest we are paying on that? I think it's 2%.

County Manager Whitson – 2.75%, Sir.

Commissioner Byrd – And we are earning 4. what?

County Manager Whitson – 4.3

Finance Officer Parsley – 5.05%

Commissioner Byrd – If we pay it off we are actually going to be losing about \$8,000 a year. Personally, I'd rather leave the money drawing more interest than to pay it off, if we are making \$8,000 a year interest.

County Manager Whitson – It will be paid off anyway in about one year and three – four months.

Commissioner Byrd – It will be about \$10,000 all together. Seems like there is a pre-payment penalty.

County Manager Whitson – We've got to negotiate with them a little bit. There may or may not be. Mavis has not been able to – they have not returned her phone calls on that.

Chairman Masters – When will our next payment on that be due?

Finance Officer Parsley – August

County Manager Whitson – August 10, 2006. One thing this does is frees up some things for next years budget as well as the following budget. You don't have to budget for that Courthouse payment if it is paid for. You don't have to budget for that in next years budget or the budget there after. It will do some things for this Board and the next Board budget wise.

Chairman Masters – Anything else, Phil?

Commissioner Byrd – I would rather budget \$10,000 profit as not.

Commissioner Hensley – I have always been like this, I don't like to owe anything. It is a good swap, bricks and mortar for bricks and mortar. Let's pay it off.

Chairman Masters – We will need a motion.

Commissioner Saylor moved to pay off the Courthouse. Commissioner Hensley seconded the motion and it carried 4 to 1. Commissioner Byrd opposed the motion.

**J. Implementation of Pay Plan through Grade 68 and Request from the Sheriff to change the Pay Grade of Patrol Deputies** – County

Manager Whitson – Yes. I got a request from Sheriff Ken Fox to have six grades positions from 62 raised to grade 64. Here is his original request (a copy is hereby attached and becomes a part of the minutes). On the pay plan is linked to workers comp and health insurance. I have had extensive negotiations with our insurance company. Through those negotiations, plus the jail fire has come off the workers comp has helped, and I have threatened to put everything out to bids also many months ago when there was time to do that. Due to that we are going to have a net savings – our property and liability went up \$22,000 from \$157,000 to \$179,000 and some change. Our workers comp dropped from \$179,000 to right at \$79,000. Our health insurance dropped \$12,000 but we are keeping the exact same benefits that we had. Those employees that have family plan or employee-child plan your costs will go down a couple of dollars a month. Somewhere in that neighborhood- not much but it is better than it going up. So our savings – we are also getting a early signage bonus of \$10,000. I put a little fear in them about us going out for bids. So we are going to have a net savings on next years budget of \$95,529. In looking at that we can give that back to the employees. It will cost \$88,855 to do these six positions in the Sheriff's Department and implement the Pay Plan through Grade 68. Would have liked to have implemented it higher, but like I said that money there is about a wash. We will still be actually be to the good about \$7,000 on next years budget - \$6,000 somewhere in that neighborhood. That is as about as close as I can get it. We've got several Grade 69 positions and most of those Grade 69 positions will be getting a 5% pay raise on July 1<sup>st</sup> anyway compliments of the State of North Carolina.

Chairman Masters – I guess that's your people (to Larry Deyton).

Larry Deyton – Yes.

Chairman Masters – They move up. Ok. Comments, questions, concern? I will start with Mike.

Commissioner Hensley – No. I can see the savings and everything. We want to implement the Pay Plan, so let's do it.

Commissioner Byrd – We are talking about savings because of different things happening we still got those savings on – If I understand this correctly if we go to pay grade 68 that will cost \$78,962 somewhere there about?

County Manager Whitson – I have the total cost. I have the deputies included in my cost. It is \$88,855.

Commissioner Byrd - \$88,855. I agree that these deputies need to be brought up and a lot of these folks need a raise that we are talking about here. But I have just never have agreed with the Pay Plan. We still got 47 people in pay grades 50 to 59 that start off at \$ 6.05 an hour that is still not receiving any pay different than last time. So that would be my issue with it Mr. Chair.

Chairman Masters – Phil, one thing I would say here on this – you know when the Pay Plan initially came up what we talked about was looking at it from December to December, so that would not preclude the next Board coming in and taking a look at it six months from now. So it – so if you want to do some additional –

Commissioner Byrd – Right and we could at that time.

Chairman Masters – This is kind of an interim deal really. Ken?

Commissioner Hollifield – We ought to move it up.

Commissioner Saylor – I think we need to go ahead and do that because we told the employees that we would look at it and if we had the money to do we would do. And with the savings Ryan has come up with we can do that and not cost the County any extra money and all. I think it is a good thing.

Commissioner Saylor moved to implement the Pay Plan through Grade 68 and to change the deputies from a Pay Grade 62 to a Pay Grade 64. Commissioner Hollifield seconded the motion and it carried 4 to 1. Commissioner Byrd opposed the motion.

Finance Officer Parsley – Ryan when does this Pay Plan go into effect?

County Manager Whitson – July 1<sup>st</sup> for everything.

**K. Approval to Negotiate for Convenience Center in Glen Ayre –**

Chairman Masters – This is about setting up a convenience center in Glen Ayre and then I think – Ken also while we are at this we might as well put in that Ken wants to take a look at Little Switzerland area there too. Ryan do you want to go ahead and address that?

County Manager Whitson – I just want official direction from the Board to look into a convenience center in Glen Ayre and I guess Little Switzerland.

Commissioner Saylor – I think also Poplar.

Commissioner Hensley – I think if we are going to look at Glen Ayre and those two let's look at Poplar too, putting in canisters or something there. It won't be as big as Little Switzerland, but since we are looking let's just look.

Chairman Masters – Just take a look at the whole thing.

Commissioner Hensley – Take a look at the whole thing and see what it's all about.

Chairman Masters – You will try to find out all you could and bring it back to the Board?

County Manager Whitson – Yes, Sir.

Chairman Masters – Ok.

Commissioner Byrd – I think it would be good to look at what these folks need.

Commissioner Hollifield – They've been promised and we need to get Ryan to look into it.

Commissioner Saylor – I understand that 4 years ago, when I was running for office that Bill Slagle, I believe that Dwight Thomas told me that Bill promised them a compaction unit up there and said he never did come back after the election. So I think it would be good to follow up and get that done.

Commissioner Hollifield – Those people in Little Switzerland was promised when they took those trash containers up that they would have a recycling center. They have to haul trash from up there go up further into Chestnut Mountain next to Yancey County down to Altapass.

Chairman Masters – Do we have a motion?

Commissioner Hollifield moved for to give County Manager Whitson official direction to look at all the sites in the County where there needs to be Convenience Centers and make a report back to the Board on his findings. Commissioner Hensley seconded the motion and it carried unanimously.

**L. Creation of an Information Technology Department and Director –**

Chairman Masters – Ryan do you want to go ahead and talk about that?

County Manager Whitson – Yes, sir. I have talked with several Commissioners here lately and mainly in the past about getting the Information and Technology person in. We've got problems in our Tax Office with our Information and Technology equipment. Our Tax Office doesn't talk with the Register of Deeds Office. I think Phil and I talked about that a lot in the past. All I am wanting to do is to create the position as a Grade 72 position and would like for it to be a part-time position of 20 hours per week. It will have very little effect on the budget and that will be a department head level position and would require the Board to vote on whoever that person is.

Commissioner Hollifield – The need is there. And how are we going to go about electing this person?

County Manager Whitson – We will need to advertise it the way we are supposed to. I think Kathy does a lot of systems – we call it Systems Administration right now. I believe Kathy has got a whole lot on her, she was just telling me a while ago how the Board meetings – the minutes verbatim how much that takes of her time. I just think we need a person dedicated to that. At this point I think a half-time position

would be suitable. That might be something a future Board might want to increase to full time.

Commissioner Hollifield – We can see the need, but let's make sure it is advertised.

County Manager Whitson – Yes. I will put that one in the newspaper as well.

County Attorney Hise – Ken that is one of those positions he would advertise, he would interview and make a recommendation to the Board. No one would be hired until you all make the decision.

Commissioner Byrd – There is a lot of need in networking that you and I did talk about. I don't think it justifies creating a department and department head. I will have to be against this.

Commissioner Hensley – I think we appointed a technology committee back when I first took office and that was one of the things they were supposed to look into. I think they reported to us that we needed all a long as long as we advertise it and everything I can go along with a half time position on it.

County Manager Whitson – I don't plan on putting very much in that budget either.

Commissioner Saylor – I understand that we are one of the very few Counties in North Carolina that does not have a department head in this Technology and Information positions. From what I can find out this position saves the County a lot of money. So I would be in favor of it.

Chairman Masters – Ok. Anything else? Do I have a motion?

Commissioner Hensley moved to create the Information & Technology half time position and for it to come back to the Board for approval. Commissioner Saylor seconded the motion and it carried 4 to 1. Commissioner Byrd opposed the motion.

- M. **Creation of a Human Resources Department and Director** – County Manager Whitson – We have about 105 permanent full time employees in Mitchell County right now. Approximately 60 to 65 part time positions. I dedicated quite a bit of time this year on the insurance for those employees. Learned a lot on that. Learned what having a safety committee is worth. Learned what having safety meetings are worth. Learned what – wellness programs you can do – how it effects the cost of your insurance program. That is savings you can feel. With that number of employees I feel that the employees have a need for that. Kathy does some of that right now. I just think it would be a great benefit to our employees and I think it could be a cost savings. I would like for that to be a Grade 69 position, half time. I would hope we could fill that pretty quick and I think it will be a great improvement and a great benefit for our employees as well as another way to save money for the County.

Chairman Masters – This is kind of on a different note, but still related to that. Did we ever get our training done for our Solid Waste people? OSHA training done?

County Manager Whitson – I don't know. That is another thing that needs to be handled by the Human Resources

Chairman Masters – While Phil Castro was here we talked about that. I think Eric was going to do some of that training, but we need to follow up and make sure on it especially people who are driving trucks.

County Manager Whitson – That is one reason for the need for a Human Resources person to make sure that all that required training is done so that the County will be in compliance.

Commissioner Saylor – Need it.

Commissioner Hollifield – Yes.

Commissioner Byrd – I am sorry I don't think we need that at this time.

Chairman Masters – Do we have a motion?

Commissioner Hensley moved to create a Human Resources and a Director. Commissioner Hollifield seconded the motion and it carried 4 to 1. Commissioner Byrd opposed the motion,

**N. Approval of Contract for Architectural Design for the Jail –**

Chairman Master – This is something we have been beating around for a long time – about this jail. So where are we now?

Commissioner Saylor – That is an awful big step and we got the approval of Architectural Design and the restriction here of \$3,000,000 to pay for the jail. In all fairness and everything, I think we ought to table this until after December and let the new management do this. That is my opinion.

Chairman Masters – I will go ahead and speak here to. The incoming Board and two existing members you are going to have a lot of decisions to make. I would say on the short time that is left, six – seven months here we couldn't get a lot off the ground so it might be best.

Commissioner Hollifield – Maybe. But what I would like to do, I would like to see this jail be put on the ballet for November. Let the people decide if they want a jai, if they don't or what kind they want. Let the people decide then it will make the Boards decision a whole better. It would me.

Commissioner Byrd – I will go along with that.

Commissioner Hensley – I agree with Jim, since its such a short term that we should – in other words make these decisions right here. I am not talking about the ballet.

Chairman Masters – What you all are saying -

Commissioner Hensley – What I am saying is I would like to table it.

Chairman Masters – Ok. Let the next Board do it because you –

Commissioner Hensley – If they want it on the ballet – in other words Jim and I will be sitting here, if they want it on the ballet – whatever, I am just saying it is just such a short term right now we can't get into if far enough on contracts and designs that I think it would be better.

County Attorney Hise – I'll tell you fellows you can contract with an architectural engineer to design you a jail. You are going to pay for that design. If the next Board decides they don't want to build that jail

that is just tax dollars wasted. Whether you design it or whether you don't the next Board is going to make the decision on whether or not to build it.

Commissioner Hensley – That is the reason I would rather table it and not – in other words let them make up their mind what they want to do.

Commissioner Hollifield – If we are going to table it until after November, lets put it on the ballot.

County Attorney Hise – You can certainly draw up a referendum on it. It would be simply do you wish the County to commit x dollars to the construction of a jail.

Commissioner Hensley – What I was wanting was for us not to enter into a contract in all that.

Commissioner Saylor – I would prefer to table it and let the next Board make the decision on the referendum and everything. That is my preference.

Chairman Masters – That is my preference too, because you all are going to have to live with that decision.

Commissioner Saylor moved to table the approval of the contract for architectural design of the and the restriction of three million dollars to pay for a jail. Commissioner Byrd seconded the motion carried unanimously.

Commissioner Saylor – It is the only fair thing to do.

**O. Restriction of Three Million Dollars to pay for a Jail – Tabled.**

**7. RESOLUTIONS/PROCLAMATIONS/ORDINANCES**

**A. Revaluation Certificate of Deposit Resolution** – County Manager Whitson – On that Mr. Chairman, we've just got some money put aside to save up for the revaluation that will come down the road. This year budget calls for another \$100,000 to be added to that. That money does need to be put in a CD for about six months.

Chairman Masters – Pretty straight forward. Comments, questions?

Commissioner Hollifield – That reval is coming up and we'd better be prepared for it.

Chairman Masters – Do we have a motion to this earmark it that way?

Commissioner Byrd moved to adopt the Resolution for Municipal, County, State or other Governmental Entity and Certification of Resolution (a copy is hereby attached and becomes a part of the minutes). Commissioner Hollifield seconded the motion and it carried unanimously.

**B. Budget Amendment #3 for FY 2005-2006** – County Manager Whitson – I will let Mavis talk about that a little bit Mr. Chairman – If you have any questions – mainly some small budget amendments most of them are for the Department of Social Services. I will Mavis and Mr. Deyton speak to that effect if they would like.

Finance Officer Parsley – Most of this is just some additional grant funding and some additional state and federal funding for different organizations. Like Ryan said most of them are for Social Services

program. Some are for Emergency Management. It is adding another \$240,665 in revenue and expenses for a balanced amendment. It will make your total budget for this year be \$18,024,758 once the amendments are done. We will have one more budget amendment towards the end of June and will try to coincide that the same date you are going to adopt next years budget so we won't have to have a special meeting. That will encompass everything you have done here tonight and other funding or additional expenses or revenue that may occur between now and the end of June just to clean up for the audit. This mostly cleaned up some for Social Services and Transportation and some grant money that came in. It is pretty simple.

Chairman Masters – Mavis if you don't mind would you give me that total budget?

Finance Officer Parsley - \$18,024,758.

Chairman Masters – Comments, questions? Do we have a motion?

Commissioner Byrd moved to adopt Budget Amendment # 3 for FY 2005-2006 (a copy is hereby attached and becomes a part of the minutes). Commissioner Hensley seconded the motion and it carried unanimously.

## **8. REPORTS/PRESENTATIONS**

### **A. School Board Operation & Capital Outlay Budget Requests** –

Danny Young – I will speak on the local operating fund and Rick will talk a little bit about capital. I apologize for not having any information in your agenda packets. That was a miscommunication on our part. I apologize.

Chairman Masters – It was a little of ours too.

Danny Young – We worked things out I thought. Anyway we are here. Thank you for the opportunity to speak to you. Currently, local county government of Mitchell County gives the school system in operating expense 1.5 million. That is a lot of money and we appreciate it. We could not operate without the funding of Mitchell County. It is greatly appreciated. It really is. But as we go into the current budget at the school system there are three main financial concerns that we have. One is the loss of sales tax refunds. Schools are no longer eligible to receive refunds for purchases they pay sales tax on. That is going to cost us revenues of around 100,000 dollars in next years budget. The second thing that really concerns us is the increase in fixed costs such as electricity, heating oil and diesel fuel for activity buses. When we did the original budget on April 10<sup>th</sup> we budgeted heating oil at \$1.85, which is about 9% higher than the average price we paid all during the year. April 28<sup>th</sup> we looked and it was \$2.13. We had to backup and reallocate monies toward our heating oil for the schools. The third thing that really concerns me the most is the direction of our local fund balance. The last couple of years the amount available for appropriation to the school operating fund balance has gone down about \$100,000 each year. When you look trying to project what it will be at the end of this year it is kind of hard. Not only do you have to project your revenues and expenditures, you have to project the time of your receivables, accruals so it is a little hard to do. One thing you can look at is your cash balance. Because your fund balance and your cash balance kind of go hand in hand. If your cash goes up so does your fund balance and vice versus. As of the end of April as versus year ending June 30, 2005 our cash is down over \$300,000 to me that is a great concern for the school's operating fund. Having said that the schools respectively request an additional \$350,000 in operating

monies for next year. A total increase or the total allocation for the schools would be \$1,850,000. I do have a budget here that I will if you want me to I will leave with you.

County Manager Whitson – I would like to say I have worked extensively with Danny and Rick Spurling since coming back in December. We have talked about the school board's budget many hours, many hours. I feel that both Danny and Rick do a great job on it. I think we are getting good honest information. I have a lot of respect for him and Mr. Spurling. I do have one question. On July 1<sup>st</sup> what are you expecting to have in your fund balance?

Danny Young – It is a little tricky, 8 to 12%. I don't anticipate it being below 8%.

County Manager Whitson – How much money?

Danny Young \$220,000 to \$280,000. But that's not having – said that it's not our fund balance. That is not all available for appropriations. Some of it will be restricted. Some is tied up in grants.

Chairman Masters – On July 1<sup>st</sup> that is where you think you will be?

Danny Young – Roughly. Yes, sir.

Rick Spurling – Folks, first thing I would like to say is I appreciate the invitation to come and be able to share some information with you tonight about our large capital outlay needs that we have in Mitchell County Schools. First thing I want to do is to thank this County Commission Board for the work that you have done with me over the past 2 years. I think we have come a long way. I believe we have had a relationship built on trust and I think that relationship has been based on open lines of communications. I think it has been based on sharing pertinent information in a timely manner. It has been a real pleasure working with you all. All of you have shown a great interest in understanding of the many needs we have in our school system. With the majority of our buildings now fifty, sixty some seventy-year-old plus facilities it is amazing the problems that are arising with that. I feel that we do a good job of maintaining these buildings, but going have and continue to have problems with these facilities. As your System Director of Facilities, I feel like it is my responsibilities to inform you as a Board, and I know I have probably driven you a little crazy, sent so information to you. When you look back at the DVD of the Good, the Bad and the Ugly, all the letters I have sent to you to update you on where we are, the meetings with our County Manager. I appreciate Ryan Whitson. But tonight I want to focus on two system wide large capital outlay priorities that we have in our system. One is our window project at Tipton Hill and Gouge. The second is our HVAC problems that we have at five schools in our County. In looking at our window project in talking our estimated yearly sales tax revenue which is right around \$600,000 and our appropriations, and all our appropriations are based on need, these are allocated at our schools for 2006-2007 school year indicates that we are needing \$260,000 to complete this window project and this will complete our window project system wide. This is a project that started in 1998.

Also, another project I want our Commission to be aware of is in looking at our HVAC, which is our heating and cooling system needs for five schools. Buladean, Tipton Hill, Bowman Middle School, Gouge Elementary and Deyton Primary School all have HVAC needs. We still have the old boiler systems in place there. After reviewing and thoroughly discussing this with Ryan, as he had mentioned earlier, it is

estimated in order to complete our HVAC project system wide, it will require roughly \$2,800,000. We have some real needs ahead of us. I want to add this as well. Of course, our primary objective is to have the safest school possible for our kids. A couple of things have taken place over the last years that are frightening. One was the steam pipe that broke at Bowman Middle School about three months ago. We were just very fortunate that we were on a two-hour delay. That steam pipe was right over where our pre-k students eat breakfast. Scared me to death. A year prior to that we had an old radiator in the Buladean School exploded. We were fortunate that it was a snow day. There was tremendous damage to a classroom. I can't image if we had children there. With fuel costs continuing to escalate, the problems that we constantly have in these two areas, I feel that this window replacement and HVAC project will pay huge dividends for our school systems. Thank you. Any questions?

County Manager Whitson – Rick, me and you have also talked about a roof project in the future.

Rick Spurling – That has kind of been in the news hadn't it.

County Manager Whitson – The thing where a \$3 tube of calking fixed.

Rick Spurling – We have had some embarrassing leaks, I will admit that. I know the gym leaked during the Avery County game was embarrassing, but that we had never had a problem with that roof before. We are at the end of a fifteen-year cycle from our last roofing cycle, which was 1988 to 1993. The State Department of Public Instruction requires us to assess our roofs after a fifteen-year period and been construction the next year so we are looking at 2008-09. So some of the problems that we are having with the roof, we should be at this time. But we do a great job at patchwork and repair. We will continue to do this until we begin this project in 2008-2009. Folks we are looking at \$3,500,000 plus for a complete roof cycle over a six-year period. This are some staggering costs that we have facing us.

County Manager Whitson – What we have been talking about over the last four months – some of the state monies that come in hopefully down the road as some of these other problems are alleviated, you would have a lot of state monies for the roof project.

Rick Spurling – You basically, our facilities are taken care of by our local government. We are depending on you to get these projects done. I know I have laid some heavy figures on you. I lay awake at night thinking about this. This is starring us in the face. I appreciate your consideration. I appreciate again, the way you have worked with me.

Kathy Miller – We really need your help. We appreciate everything you have done.

Commissioner Byrd – They do have a lot of needs for a lot of money. We need to prepare for it and be as conservative as we can everywhere and grow our economy to meet these needs.

Commissioner Hollifield – The need is there. We need to look at it.

Commissioner Saylor – It is there. We have to care of it.

Commissioner Hensley – The need is there. I am looking at this, that steam pipe bursting tipped the scales.

Rick Spurling – Can I add one more thing? I really feel like if we had this HVAC system under control it would be like gaining another maintenance man.

County Manager Whitson – If you had a new HVAC system it would save money on your operating expense.

Rick Spurling – Unbelievable. As a principal at Bowman Middle School when we had the window replacement there, I can't give you figures on savings, but you could just tell an incredible difference in the environment of the school. One of the reasons for getting the windows fixed before the roof is our biggest leaking problem occurs with these old windows.

Commissioner Hensley – Can we deal with this out of order – I mean they have asked for – like I say, that scares me you have an old heating and everything like that. What I would and I will make it in form of a motion and make this also that it earmarked has to be spent this way that we go ahead and to Tipton Hill and Gouge with their window projects and HVAC systems for all the other schools and make sure that everyone of them gets it, because with the HVAC you don't have the steam problem and don't have anything else. I have a heat pump in my house, virtually maintenance free. You have air conditioning there and you have everything there that is possible. This is a lot of money to spend, but I think our students are worth it every single solitaire dime. I don't think there is a single person in here that would object to it on this Board or any other Board. I make that in a form of a motion.

Rick Spurling – Can I say Amen?

Commissioner Saylor – I will second that motion.

Chairman Masters – Now, we have one other thing here besides that

Commissioner Hensley – Let me back up.

Chairman Masters - Do you want to put it all in one motion on what they are requesting on operating -

Commissioner Hensley – I'll amend my motion to do the 1. – Say you got roughly 2 I am going to round it off the \$200,000 in your fund balance or something -

Danny Young – It will be a little more.

Commissioner Hensley – It is not \$250,000 it's – we'll just round it off. I - will you settle for 1.6?

Danny Young – Have to have 1.8 in local operating.

Commissioner Hensley – I would make a motion of 1.6

Danny Young – In local operating?

Commissioner Hensley – Yes

Danny Young – Can't survive, Sir.

Commissioner Hensley – You have to have the 1.8?

Danny Young – Yes, Sir.

County Manager Whitson – Rick, could you do that taking that from the air conditioning.

Rick Spurling – To help out with our current expense?

County Manager Whitson – Can you pull it off with the bids?

Rick Spurling – You will have to ask our finance man.

Danny Young – What are you saying again? The total allocation to the school next year including operation and capital is what?

Commissioner Hensley - 2.8 and 1.6

Commissioner Saylor – 3.4 plus 1.6

County Manager Whitson – and the \$260,000 for the windows

Commissioner Hensley – and the windows

Danny Young – 1.6 million will just not do it in operating, because of the current state of our fund balance, the current rate of fixed expenses going up; loss of \$100,000 in sales tax revenue

Chairman Masters – What about the lottery? Is that going to do anything for you or not?

Danny Young – Not in local operating.

Rick Spurling – That all goes into capital outlay. They are watering the heck out of that. It is amazing. We are probably looking at \$130,000.

Commissioner Saylor – That is nothing.

Chairman Masters – That is basically going to make up for your loss of the \$100,000.

Rick Spurling – We may not even have it. It may not even occur. It is supposed to be the spring of 2007. I am not sure it is even going to happen.

County Manager Whitson – 2.6 will do on the HVAC, Rick and 1.8 on operating? Can you pull those bids off?

Rick Spurling – I think that would be a great start for us to get this thing done.

Commissioner Hensley – In other words 4.4?

Danny Young – Yes, sir.

Commissioner Hensley – I make that in the form of a motion to do all that.

Chairman Masters – We have a motion then to cover the needs of the schools and a second?

Commissioner Saylor – Second

Chairman Masters – All in favor?

Commissioner Byrd – Can we have some discussion on that Mr. Chairman?

Chairman Masters – Yes, Sir.

Commissioner Byrd – You 4.4 million and that's got to be paid for somehow and yes we need to do this. But, I just want the Board to realize that if we do commit to do this there will – it will have to be paid for which would, if I am not mistaken cause a tax increase. Because 4.4 million that is all of our fund balance – general fund is it not? Then take out 3 million looking at the jail.

County Attorney Hise – You are now appropriating 1.5 and in effect raising 1.5 to 4.4, which is 2.9 million more.

Commissioner Byrd – If I understood, you said earmark the 4.4?

Commissioner Hensley – No. I earmarked the 2.8.

Commissioner Byrd – 2.8 plus 1.6 makes it 4.4 million.

County Manager Whitson – If I can understand what – to sum it up. It is my understanding 2.6 for the HVAC 260,000 for the windows, which will make it 2.86 for capital outlay and then 1.8 for operating. 1.8 will come out of next years budget operating expenses. The 2.86 will be what will come out of our fund balance.

Commissioner Byrd – \$4,660,000.

County Manager Whitson – Right. But there should not be any need to raise taxes for that. The 1.8 is next years budget for the operating expenses. The 2.86 is fund balance.

Commissioner Byrd – Mavis, what does that – if you don't mind Mr. Chairman?

Chairman Masters – What does that do with your fund balance?

Finance Officer Parsley - It probably brings the fund balance down somewhere between 9 and 10 percent.

Chairman Masters – 10 percent.

Commissioner Hensley – We came in with less than that.

Chairman Masters – Well if the need is there. I have been very upset about this – I will go ahead and speak here to. Phil I am not jumping you. Are you through?

Commissioner Byrd – No, but that is all right.

Chairman Masters – Ever since this thing came up about the steam pipe and this kind of thing, I have been pretty concerned about that. We toured your facilities a year ago in March. I thought your plants looked pretty good.

Rick Spurling – We gussed up really good.

Chairman Masters – Apparently there are need there we didn't see. I have been very concerned since this thing came up about the boiler and some of these other things you all have been talking to. And we

appreciate your approach to this Board. We built a pretty good relationship with you.

Rick Spurling – And I appreciate you as well.

Chairman Masters – I am concerned about these things. Somewhere along the line things are going to have to be done. That is all I got to say. Ken or anybody else? There is a motion a second.

Commissioner Byrd – Before – Mr. Chairman.

Chairman Masters – Yes, sir.

Commissioner Byrd – I do think we need to do this. I just want to make it part of the record that I do foresee this strapping the budget to where in order to have operating cash flow, that there may have to be a tax increase. But, I will go along with that.

Chairman Masters – Very much your right to put that in – but you are going to have a 10% fund balance here.

Finance Officer Parsley – Like Danny said it is going to be very hard to project where our fund balance is going to be at the end of the year. To be quite honest everything that you all have spent tonight, I will have to sit down and reevaluate because a lot of that is on going expense. Like new positions and new departments and convenience centers would be an on going expense that we will have to budget into the budget that is not there now. So you know, this is just totally a rough off the top of my head. I think your fund balance is going to be somewhere down 1.2 to 1.5 million. You have to realize to project that percentage has a lot to do with what expenses are. This year our budget was 17 million and I just did a budget amendment that will put it over 18 million so it is going to come in somewhere around 8, 9 or 10 percent depending on what your expenses are. What we just spent tonight which is not in the budget and will have to be budget amended. I guess my question is as finance officer for the County would be to Rick is when do you need the 2.8 million to do the HVAC system –

County Manager Whitson – 2.6

Finance Officer Parsley – 2.6. What kind of time frame are you looking at?

Rick Spurling – I think that is a good question. I think we can begin this construction next summer. Probably bid that out around November and try to get construction to take place in the summer of 2007.

Commissioner Byrd – If we can just make the cash flow work, because there is an additional \$500,000 about half a million dollars in front of this that was already spent. It is going to be very tight. That's fine. We need to run it tight. We do not want to get in the position where there is no cash flow.

Finance Officer Parsley – Actually, you are saying probably this money might even be budgeted over a two-year period and maybe not all –

Commissioner Saylor – This money will be earmarked and it will come out of what is in the fund balance now.

Commissioner Hensley – That is the reason I earmarked it.

Rick Spurling – I would say this would be a two-year project for us.

Chairman Masters – You need to work on your cash flow out of it.

County Manager Whitson – To spell it out specifically – Half of the allocation of the capital outlay December 1<sup>st</sup> and the half June 1, 2007.

Rick Spurling – Say again Ryan. I am sorry.

County Manager Whitson – Allocate half of it December 1, 2006 and allocate the other half June 1, 2007. That should take care of any cash flow problems.

Rick Spurling – That would give us a chance to bid it at the correct time.

County Manager Whitson – It would give you a chance to bid it. You will have every bit of it for next year.

Rick Spurling – Say June 1<sup>st</sup>.

County Manager Whitson – June 1, 2007 for the second half. That will alleviate any cash flow problems that the County would have.

Rick Spurling – 2.6 is that what you said?

County Manager Whitson – 2.6 for the HVAC, 260 – we need to allocated the windows right now.

Commissioner Hensley – I made that -

Chairman Masters – It is all in the motion

Commissioner Hensley – Yes it is all in the motion.

Chairman Masters – Is that in your second too?

County Manager Whitson – The window allocation would be July 2<sup>nd</sup>.

Rick Spurling – That project will occur in August. We will start in construction then.

Chairman Masters – Now you should never have a bond referendum now to do what you need or I won't say never, but this ought to take care of you for a long time.

Rick Spurling – This ought to help us till we get to our roofing cycle. We might be able to piece that together yearly. Each year try to take care of one roof. We have those prioritized as well. And believe it or not the two roofs that have been most publicized we actually have more that is a higher priority. They just made the newspaper.

County Manager Whitson – This will free up a lot of state monies to help with the roofs. Because this is funding in –

Finance Officer Parsley – 600,000 in sales tax money what is going with that?

Rick Spurling – The 600,000 in sales tax money is about allocated out to our local schools for this year.

Chairman Masters – We have a motion and a second on the floor. Is there any other discussion? Ok. All in favor signify by saying I. The motion carried unanimously.

**9. APPOINTMENTS**

**A. Appointment of H&CCBG Advisory Committee** – County Manager Whitson – That is the Home and Community Care Block Grant Advisory Committee. That is just another thing we do every year. Just looking at it I am not sure we've made any changes in the membership. It's just another thing we do every year.

Chairman Masters – Any comments or questions about this? Do we have a motion then to approve these names?

Commissioner Hollifield moved to approve the following people to the H&CCBG Advisory Committee:

Ken Carroll	Senior Tar Heel Legislature
Frank Woody	Older Adults in Mitchell
Barbara Buchanan	Mitchell County Transportation
Max Gouge, Sr.	Mitchell County Council on Aging
Kathy Jenkins	Mitchell County Health Department
Ryan Whitson	Mitchell County Manager
Mavis Parsley	Mitchell County Finance Officer
Clarice Turner	Mitchell County Hospice
Clarence Tichenor	Mitchell County Council on Aging
Larry Deyton	Mitchell County Department of Social Services
John Wadsworth	Spruce Pine Physical Therapy
Anita Davie	AAA Administrator

Commissioner Byrd seconded the motion and it carried unanimously.

**B. Appointment to the Mayland Board of Trustees** – Chairman Masters – Wayne Hall's term is up.

County Manager Whitson – Yes, sir it expires June 30, 2006,

Commissioner Saylor moved to appoint Ryan Whitson to that position. He is well qualified for it. Commissioner Hensley seconded the motion and it carried unanimously.

**10. RELEASES/REFUNDS**

**A. Releases/Refunds for Board Approval** – Commissioner Hensley moved to approve the Releases/Refunds for Board Approval (a copy is hereby attached and becomes a part of the minutes). Commissioner Saylor seconded the motion and it carried unanimously.

**B. Releases/Refunds for County Manager Approval** – A copy of the Releases/Refunds for County Manager Approval are hereby attached and becomes a part of the minutes.

**11. COUNTY MANAGER'S REPORT**

**A. Update on Western Highlands** – Western Highland the Local Managing Entity for mental health their budget for next year was cut about 2.5 million dollars. About one third of their budget was cut.

**B. Reminder of Date for Secondary Road Hearing** – The date for the Secondary Road Hearings is May 15<sup>th</sup> at 6:00 p.m. at the Courthouse. I will not be there due to military obligations.

**C. Reminder of Public Hearing on the Dialysis Center** – There will be a public hearing on the Dialysis Center at the Yancey County

Courthouse on May 18<sup>th</sup>. I feel we probably need to be there about 12:30 p.m. to get in and get a seat. It will get started about 1:00 p.m. The dialysis center- things look good for Mitchell County to get that center and we need a lot of people to come and voice our concerns and support for that. We hope to have several County Commissioners there as well.

12. **BOARD COMMENTS** - None

13. **CLOSED SESSION** - None

14. **CITIZEN & AUDIENCE COMMENTS**

**A. Matters on the Printed Agenda** – Jim Duncan – How much are we required to have in the fund balance?

Chairman Masters – 8%.

Jim Duncan – On these two part time positions Ryan are they both going to be the same pay grade?

County Manager Whitson – HR is a 69 and the IT is a 72.

Larry Deyton – One question on those new positions, I assume somebody is going to write a job description with the educational requirements, etc.

**B. Matters not on the Printed Agenda** - None

15. **ADJOURNMENT** – Commissioner Hollifield moved to adjourn the meeting. Commissioner Hensley seconded the motion and it carried unanimously.

The meeting adjourned at 7:36 p.m.

MITCHELL COUNTY BOARD OF COMMISSIONERS

\_\_\_\_\_  
Keith Masters, Chairman

\_\_\_\_\_  
Ken Hollifield, Vice-Chairman

\_\_\_\_\_  
Phil Byrd, Member

\_\_\_\_\_  
Mike Hensley, Member

\_\_\_\_\_  
Jim Saylor, Member

ATTEST:

\_\_\_\_\_  
Kathy Young, Clerk to the Board

