

MITCHELL COUNTY BOARD OF COMMISSIONERS

MINUTES

REGULAR SESSION

NOVEMBER 6, 2014

NORTH CAROLINA

MITCHELL COUNTY

The Mitchell County Board of Commissioners met in Regular Session on November 6, 2014, at 6:00 p.m. in the Commissioner's Conference Room, Administration Building, Bakersville, NC. Those present for the meeting were: Bill Slagle, Chairman; Ken Hollifield, Member; Keith Holtsclaw, Member; Rickey McKinney, Member; Charles Vines, County Manager and Kathy Young, Clerk to the Board. Commissioner Street was absent from the meeting. Also present were: Andy Mendhenk, Reporter with the Mitchell-News Journal.

1. **CALL TO ORDER** – Commissioner Slagle called the meeting to order at 6:00 p.m.
2. **INVOCATION** – Commissioner- Elect Vern Grindstaff gave the invocation.
3. **PLEDGE OF ALLEGIANCE** – County Manager Vines led the Pledge of Allegiance.
4. **ETHICS AWARENESS AND CONFLICT OF INTEREST REMINDER:**
In accordance with the State Government Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and appearance of conflict. Does any board member have any known conflicts of interest or appearances of conflict with respect to any matters coming before the Board? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.
5. **ADDITIONS OR CHANGES TO THE AGENDA** – Commissioner Hollifield moved to add the Appointment to the Northwestern Housing Authority to the Agenda as Item 12. B. Commissioner McKinney seconded the motion and it carried three (3) to one (1). Commissioner Holtsclaw opposed the motion.
6. **ADOPTION OF AGENDA** – Commissioner Hollifield moved to adopt the agenda. Commissioner McKinney seconded the motion and it carried unanimously.
7. **APPROVAL OF MINUTES** – Commissioner Hollifield moved to approve the Minutes for October 6, 2014. Commissioner Holtsclaw seconded the motion and it carried unanimously.

8. PUBLIC HEARINGS

A. Public Hearing on the Proposed Rural Operating Assistance Program Application – Chairman Slagle opened the public hearing at 6:05 p.m. Chairman Slagle stated the purpose of the public hearing was to receive public comments on the proposed Rural Operating Assistance Program (ROAP) application by October 24, 2014.

No oral or written comments were received.

Chairman Slagle closed the public hearing at 6:06 p.m.

9. PUBLIC COMMENTS/BOARD COMMENTS – None.

10. REPORTS/PRESENTATIONS

A. Audit for FLY 2013-2014 – Sharon Gillespie thanked the Board for giving them the opportunity to work with them again this year. She presented the Audit for FY 2013-2014.

Financial Highlights

- The assets of Mitchell County exceeded its liabilities at the close of the fiscal year by \$16,157,728.
- The government's total net assets decreased by \$1,656,311 due in part to the restatement of net position to reflect an adjustment to other post-employment health care benefits and also to capitalize assets.
- As of the close of the current fiscal year, Mitchell County's governmental funds reported combined ending fund balances of \$7,607,090 a decrease of \$431,512 in comparison with the prior year. Approximately 65 percent of this total amount, or \$4,975,381 is available for spending at the government's discretion. Part of this amount has been reserved to balance the 2014-15 budget.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$4,475,381 or 26 percent of total general fund expenditures and transfers to other funds for the fiscal year. In addition, \$448,500 of the General Fund Balance has been appropriated for use in the 2014-15 budget year.
- Mitchell County's tax collection rate increased from an overall average of 94.25% in the prior year to 95.16% in the current fiscal year.

Sharon Gillespie stated that if you had to look a broad overview of what happened this year, these five bullets tell you what did happen.

Commissioner Holtsclaw said that as an accountant looking at our books and seeing that we have appropriated fund balance for the last several years, from a tax increase standpoint to balance the budget and to keep our fund balance within reason to keep it pretty close to 20% was the increase a reasonable number. Ms. Gillespie said that it was reasonable and certainly not unusual for every county to have to appropriate fund balance to balance their budget. At the same time, if you continue to see losses that are explainable but they are reoccurring like you have the last couple of years then you might need to think about some other things.

Chairman Slagle stated our expenses have increased by unfunded mandates. Ms. Gillespie said there had been items that have been out of your control. She said that our taxes and revenues were very consistent for the year with a few exceptions. One is under the Sales and services. This item is actually down \$130,000 due to reduction in CAP revenues. In your expenses, the cost for the jail is up \$150,000. This is not an item that you can control.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Mitchell County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements.

Ms. Gillespie stated the only finding that she has and has on every audit that she prepares is that you have a few people that handle the books, so make sure you look over the records. She said that Mitchell County has one of the cleaner audits that they do.

Commissioner Holtsclaw stated he was a little concerned about the escalation of garbage, tipping fees, and CAP starting to cost us some money. He said that he felt the Board was being fiscal prudent with the tax increase this year and it is the Boards job to do business in a responsible manner.

Ms. Gillespie agreed the County had done a very good job in controlling the controllable expenses, it is the uncontrollable ones that have caused the increase in the expenditures.

A copy of the Audit is hereby attached and becomes a part of the minutes.

B. Mitchell County Trail Plan – Stari McDowell stated that she wanted to provide the Board with an overview of the Mitchell County Trail Plan created by High Country Council of Governments and commissioned by the Town of Bakersville, Town of Spruce Pine and Mitchell County. She said that this was a great working document that they would be able to use for grants, etc. The document includes all of the surveys and studies that has been done over the last ten years, sidewalk connectivity, trail corridors and cost estimates. The cost estimates are very important to have so that priorities can set. This is a ten year plan. Some of the items may be feasible and some may not be. This document includes everything needed to apply for grants. Ms. McDowell stated they have begun work on the Overmountain Victory Trail.

C. EDC Update – Bill Slagle, Interim EDC Director encouraged the Board to ride up and look at the industrial site. He informed the Board that there is an ARC Grant in the amount of \$415,000 for the road construction with a \$35,000 match from the EDC. They have a CDBG Grant for the infrastructure of the waste water in the amount of \$267,205 and an EDA grant for water system improvement in the amount of \$368,995. These grants have a match of \$50,000 from PRC, \$18,000 from EDC and \$11,525 from the Town of Spruce Pine.

EDC Director Slagle stated that Country Cable had turned on fiber in the Beans Creek area on Tuesday. He said that the citizens served by French Broad would get their fiber first because of delays in working with Duke Energy on the use of their poles.

EDC Director Slagle invited the Board to the grand opening of Premier Insurance Agency tomorrow at 2:00 p.m.

11. ITEMS FOR DISCUSSION

- A. Mayland Community College FY 2014-2015 Budget – Commissioner Hollifield moved to approve the Mayland Community College FY 2014-2015 Budget (a copy is hereby attached and becomes a part of the minutes). Commissioner McKinney seconded the motion and it carried unanimously.

- B. 2014 Joint Resolution among the Boards of Commissioners of Mitchell, Avery and Yancey Counties – Commissioner Hollifield moved to approve the 2014 Joint Resolution among the Boards of Commissioners of Mitchell, Avery and Yancey Counties (a copy is hereby attached and becomes a part of the minutes). Commissioner McKinney seconded the motion and it carried unanimously.

12. APPOINTMENTS

- A. Jury Commission – Chairman Slagle told the Board that Janet Cook, Clerk of Court had recommended Cathy Garland to fill the vacancy on the Jury Commission. Commissioner Hollifield moved to appoint Cathy Garland to the Jury Commission. Commissioner McKinney seconded the motion and it carried unanimously.

- B. Northwestern Housing Authority – Chairman Slagle informed the Board that Lee Roy Ledford had served on the Northwestern Housing Authority for many years.

Commissioner Hollifield moved to appoint Joe Street to the Northwestern Housing Authority. Commissioner McKinney seconded the motion and it carried unanimously.

Commissioner Holtsclaw said that he understands the logic of putting a commissioner in this position, but he wasn't sure he agrees with it. He said that he thought Commissioner Street would do a great job. He stated that he thought the Board should recognize Lee Roy, because he has been on this board for about eighteen years and has represented us well and worked hard for Mitchell County. There has been several projects been brought into Mitchell County because of Mr. Ledford's input. Commissioner Holtsclaw said that Mr. Ledford needed to be recognized for his efforts and for taking care of our interest on that Board.

Chairman Slagle stated the Board would recognize Mr. Ledford at the December meeting.

13. CONSENT AGENDA

- A. Community Transportation Program Documents
- B. Maximus Agreement to Provide Professional Consulting Services
- C. DSS Contract K61265 with Mitchell House One, LLC
- D. Smoky Mountain Financial Report for the 3rd Quarter for FY 2014-2015
- E. MOU Between NCEM and Mitchell County EMW-2014-SS-00067-S01
- F. Releases/Refunds/Discoveries for October
- G. Vehicle Releases/Refunds due to error in Valuation
- H. Release/Refunds for Vehicles for October

Commissioner McKinney moved to approve the Consent Agenda (a copy of the Consent Agenda Items are hereby attached and become a part of the minutes). Commissioner Hollifield seconded the motion and it carried unanimously.

14. **COUNTY MANAGER'S REPORT** – County Manager Vines thanked Mavis for the good Audit report. He informed the Board the employee Christmas Dinner would be held on December 17th from 11:30 a.m. until 1:30 p.m. at Bakersville Baptist Church.
15. **BOARD COMMENTS** – The Board recognized Commissioner McKinney for his service to Mitchell County.

Commissioner Hollifield congratulated Commissioner McKinney on his service to Mitchell County.

Commissioner Holtsclaw said that he felt Commissioner McKinney had served the County well and he appreciated his time and effort.

Commissioner McKinney thanked the people of Mitchell County for giving him the privilege of serve. He thanked all of the Board members and said that it was his privilege to work with them. Commissioner McKinney stated that Kathy and Mavis do a great job and Chuck as well. He congratulated Mr. Grindstaff and said that he had a good board to serve with.

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

The meeting adjourned at 7:05 p.m.

MITCHELL COUNTY BOARD OF COMMISSIONERS

Bill Slagle, Chairman

Joe Street, Vice-Chairman

Ken Hollifield, Member

Keith Holtsclaw, Member

Rickey McKinney, Member

ATTEST:

Kathy Young, NCCCC Clerk to the Board