The Alleghany County Board of Commissioners met in regular session on Tuesday, January 3, 2012, at 6:30pm in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chair Ken Richardson, Vice-Chair Tom Smith, Commissioner Larry Cox, Commissioner John Goudreau, Commissioner Steve Roten, County Attorney Donna Shumate, County Manager Don Adams, and Clerk to the Board Karen Evans.

Chair Richardson called the meeting to order, welcomed everyone, led the Pledge of Allegiance and a silent prayer.

Commissioner Goudreau made a motion to approve the agenda for this January 3, 2012, meeting. Commissioner Cox seconded the motion. Vote 5:0.

**AGENDA**  
**Tuesday, January 3, 2012**  
6:30 PM

6:30  Meeting Called To Order, Pledge of Allegiance and Silent Prayer  
Motion on Agenda for January 3, 2012, meeting  
Motion on Minutes for December 12, 2011, meeting

6:35  A. Public Comments—30 minutes  
B. Public Hearing  
RE: CTP Grant Application  
C. April Hamm  
RE: CTP Grant Application  
AssetWorks/Camera Discussions  
Alleghany in Motion Annual Report  
D. Kevin Dowell  
RE: Town of Sparta Conservation Easement Request  
Town of Sparta Agreement Requests  
E. Rita Miller  
RE: Peter Collins Tax Appeal  
F. General Business  
1. Online Meeting Video Presentation  
2. FY 2010/11 Audit  
G. Closed Session—NCGS 143-318.11 (a) (3)—legal  
NCGS 143-318.11 (a) (5)—contracts  
H. Adjourn

Commissioner Smith made a motion to approve the minutes for the December 12, 2011, meeting. Commissioner Goudreau seconded the motion. Vote 5:0.

Chair Richardson opened the public comments' portion of the meeting and asked for public comments.

Dennis Smith talked about a recent article from the Wilkes Journal Patriot about Brian Ingraham’s comments regarding the fall of New River. He pointed out that Mr. Ingraham did not talk about the General Statutes where LME’s are responsible for the management and oversight of mental health. He talked about Smoky Mountain Center (SMC) knew that New River (NR) had problems in April 2011, SMC had a fund balance, $19,706,150, and instead of using it they chose not to and let the debts pass over to the counties. He talked about at the last meeting when the Board went into closed session, Billy West and Shelly Foreman remained and answered questions about the cars. He explained that Shelly Foreman mentioned several things about Ken Richardson including she has worked with him on several occasions and he tried to reign in the spending at NR, which angered Pam Andrews so Pam Andrews had gotten the other board members to kick Ken Richardson off of the board. He stated that she said to read the minutes. He further explained thinking he had missed something he reread the minutes; Chair Richardson was not removed by NR board members, he was removed from the NR board by the Alleghany County Board of Commissioners because of a letter he wrote to the State legislators about NR. He read the letter. He said that Mr. Richardson wrote this letter shortly after he was voted off as Chairman, and if Mr. Richardson was concerned about the financial situation why wasn’t it mentioned in the letter. He further said that it looks like it was the NR CEO was who was trying to control spending, not Mr. Richardson. He talked about Mr. Richardson’s advocacy committee and the reasons why Mr. Richardson stated it was needed. He read a portion of NR’s minutes about the CEO’s comments regarding the committee. He continued reviewing Mr. Richardson’s letter about the per capita rate, and he has yet to hear why Alleghany County pays more. He talked about Brian Ingraham’s reason is the counties did it, Shelly Foreman said Pam Andrews
kicked Ken Richardson off. He asked can you trust Smoky Mountain Center, if not, wouldn’t it be in the best interest to sever that relationship. He said he would ask the Board to consider the following question; was our government created to oppress the people or be a servant. He talked about Mr. Collins’ appeal and a mistake that government made with the Tax Office is charging him a penalty. He talked about Ken Richardson talking about setting precedent; why not set precedent for the people of Alleghany County. He further talked about if that is setting precedent that it should be followed for the County Commissioners in the creation of the 160A agreement in 2006. He explained that a case could be made that the Commissioners knew and did nothing. He talked about applying the same situation to the Commissioners and County Manager. He explained that this isn’t just about Mr. Collins; it's about whether the Commissioners are going to be oppressors or servants. He read a prayer that was offered in the United States Senate. He talked about at the last meeting, Linda Chekanow asked that a question be answered, and Chair Richardson said that if you leave the question they will get an answer. He said that he would like to leave some questions for the Commissioners. He provided papers to each Commissioner.

Chair Richardson asked for additional public comments. None were received. He closed the public comments' portion of the meeting.

April Hamm, Transportation Director, came before the Board to discuss the Community Transportation Program (CTP) grant. She reviewed the administrative application in the amount of $154,273, which is the same as this fiscal year and is reimbursed at 85% leaving a true total cost to the County of $5,163.45 because of the indirect costs reimbursement of $17,977.50.

Commissioner Smith and April Hamm talked about their required trainings. They further talked about the requirement for cell phones in each van.

April Hamm reviewed the capital application in the amount of $83,829 with a cost to Transportation Fund of $8,382.90.

Chair Richardson opened the public hearing at 6:57pm for the CTP Grant Application. He asked for public comments. April Hamm explained that there are public involvement forms available if anyone is interested. No comments were received. Chair Richardson declared the public hearing closed at 6:58pm and reconvened the regular meeting.

Commissioner Roten made a motion to approve both grant requests. Commissioner Smith seconded the motion. Vote 5:0.

April Hamm explained that back in May they had a FTA site review, and Miriam Perry from North Carolina Department of Transportation (NCDOT) was here to help with the review. She further explained that Ms. Perry told her that maintenance software was available and ARRA monies would pay for it. She talked about at that time the need for more research including she attended a conference in Boone where she learned that two years of the costs will be paid for by stimulus funding. She stated that she asked Ms. Perry is this mandatory. She explained it is a large software system for large transportation systems. She said that Ms. Perry said that the County should be receiving a letter.

County Manager Don Adams talked about the Memorandum of Understanding (MOU) for AssetWorks Vehicle Maintenance Software System. He explained that he got involved in the conversation especially about the mandatory portion. He further explained that there are a lot of data entry, Department has already went through two reviews and passed with flying colors. He received a better understanding of why the State is implementing the software. He explained that a lot of transportation monies are Federal monies so NCDOT can dictate how to handle the programs. He said that Mrs. Hamm asked for a letter saying it was mandatory, and it was never received. He reiterated that this was NCDOT’s answer to address problems found in other areas across the state. He further reiterated that it is a lot of data entry. He explained the current process and what the new system would require. He further explained that the department doesn’t have the manpower to do this. The County Manager and April Hamm talked about there have been four counties that signed the AssetWorks MOU. The County Manager talked to the Board about the information in their packet about the vehicle camera/software project. He explained that NCDOT was going to put cameras in each van across the State. He provided examples of reasons for the cameras. He stated that this was something that the State had indicated they were going to fund for the counties. He referred to a letter from Miriam Perry about the camera/software project where she says the AssetWorks MOU must be included with the Vehicle Camera and Software Project. He explained what they are attempting to do now is back off mandatory but attach it to other funding. He further explained that April Hamm learned that a waiver might be obtained for AssetWorks. He read the proposed letter that he would like to send on County letterhead. He explained that they are requesting permission to send the letter for the waiver and sign the camera MOU for the Vehicle Camera and Software project. He reviewed the MOU, and he proposes to strike out the sentence about setting up and maintain a record for AssetWorks and write in
that a waiver has been requested. He reviewed the requirements for the cameras; maintain for seven years including not selling them and having a three-year warranty.

April Hamm stated that she did attend training on AssetWorks along with another transportation employee. She explained what was involved in the four-step process for prevention maintenance.

County Manager Don Adams talked about if they deny the waiver he will come back before the Board asking about walking away from the camera grant or talk about additional personnel.

Commissioner Cox and April Hamm talked about the four counties are larger counties.

Commissioner Smith and April Hamm talked about the items they are wanting in the software she already has; just not entering it into a software program.

Commissioner Smith and County Manager Don Adams talked about the waiver and the cameras.

Commissioner Smith and April Hamm talked about the cameras. She used examples of when they would be useful.

Commissioner Cox made a motion to ask for the waiver and amend the camera MOU as the County Manager indicated. Commissioner Roten seconded the motion.

Commissioner Goudreau talked about if they need for the cameras. He asked about AssetWorks is personnel time but wouldn't the cameras take personnel time, also.

County Manager Don Adams said that there will be time associated with it but not nearly the amount of time for AssetWorks.

April Hamm said she doesn't know how much time it will take.

Commissioner Goudreau talked about being responsible for theft, which could require insurance to go up.

April Hamm pointed out when new vans are purchased AIM is required to switch the cameras.

County Manager Don Adams explained there have been numerous times that cameras have been needed.

Commissioner Roten and April Hamm talked about the cameras are activated when the vehicle is started. They talked about creating policies about reviewing the video. She explained that the mini vans will have two cameras and the other vans will have four cameras.

The Board voted on the motion on the floor. Vote 4:1 (John Goudreau).

April Hamm presented Alleghany in Motion’s annual report. She reviewed her advisory board members, number of vans, number of employees, amounts/types of training received, number/types of reviews, miles traveled, number of hours on the road, and the percentage of the population served.

Commissioner Roten stated his appreciation and his appreciation on behalf of his deceased father-in-law for providing transportation services for him.

Commissioner Goudreau stated his appreciation, also.

Commissioner Cox said that this is one of the best things in the county.

Kevin Dowell, Town of Sparta Planner, came before the Board to talk about the Town's Storm Water Master Plan. He reviewed what they are currently doing. He explained that they have identified six locations for BMP sites, with one being owned by the County below the former Bristol Compressors facility. He reviewed the packet of information about the site including a site map showing the location, map showing the property is mainly in the floodplain, what the footprint would look like. He explained that it will be a retrofit to what is already there. He talked to the Board about the resolution that the Town is asking for approval from the Commissioners. He reviewed the highlights of the resolution. He talked about the map that shows another view of the conservation area of the 1.2 acres.

Commissioner Goudreau made a motion to approve the proposed resolution as presented by Kevin Dowell. Commissioner Roten seconded the motion.
Commissioner Roten asked can the property be sold. Kevin Dowell answered yes it can but it will still have this easement.

The Board voted on the motion on the floor. Vote 5:0.

Kevin Dowell explained that the next request is school property owned by Alleghany County. He further explained the map showing the property. He explained that he met with Dr. Cox, and he signed the agreements for the BMP on school property which is site 1, and site 2 is behind the rescue squad and Wilco. He explained that it has an existing facility which will be a retrofit. He talked about the need for an agreement to construct the BMPs.

County Manager Don Adams explained the reason why the property is in the County’s name is because of financing for a school building project. He further explained that once the loan is paid in full the property will be transferred back to the schools. He talked about there is a long-term lease in place allowing the schools to continue to operate as they would normally.

County Attorney Donna Shumate stated her concern was the Board of Education signing also because of the long term lease on the property.

Kevin Dowell explained that the Town has to sign an agreement to take care of the areas for 10 years.

Commissioner Smith and Kevin Dowell talked about the chain-link area was used at one time by the schools but it isn’t now. Kevin Dowell talked about the BMP area would provide an excellent educational opportunity.

Commissioner Cox talked about most of the time there is standing water on site 2.

Chair Richardson and Kevin Dowell talked about the agreements are on page 2 and page 10 in the Board’s packets because there is an agreement for each site.

Commissioner Goudreau made a motion to approve both agreements. Commissioner Cox seconded the motion. Vote 5:0.

Rita Miller, Tax Administrator, came before the Board to talk about the Peter Collins appeal. She reviewed her recommendation is 35% complete on January 1, 2006, and he is asking for 20%. She explained that she just has received a letter from Brian Shaw stating that the structure was 20% complete on January 1, 2006, so she is changing her recommendation to 20%. She talked about the other portion of the request is to release the penalties. She further talked about the statutory requirements to charge the penalties. She talked about the amount of payment received so far from Mr. Collins. She explained that she needs action on the percentage complete and on the penalties.

Commissioner Roten made a motion to change the percentage complete from 35% to 20%. Commissioner Cox seconded the motion. Vote 5:0.

Chair Richardson asked about previous information about a similar case in another county.

Rita Miller explained the Henderson County case that had very similar circumstances where the Property Tax Commission ruled in favor of the county.

Chair Richardson asked Mrs. Miller, in her time in the tax office, has any penalties been released.

Rita Miller stated that not that she is aware of. She talked about there was one case last year where the Board did not release it but did allow for payments to be made.

Chair Richardson asked does this impact our position about penalties in the future.

Rita Miller talked about in a true discovery the Board can release the penalty but the other types they cannot be released. She explained the difference. She said to her knowledge, the Commissioners haven’t done that on unlisted or under listed property.

Chair Richardson said this person could appeal like the Henderson County case. Rita Miller answered yes; he could appeal to the Property Tax Commission.

Ed Adams talked about concern about setting a precedent and require everyone to make clear statements. He further talked about there are strong opinions in favor of the taxpayer, and it boils down
to a penalty, which is a fine. He asked what kind of misconduct has he done to be charged a fine of $12,000. He stated that a penalty is a punishment.

Chair Richardson asked isn’t it true that this is set by the North Carolina General Statutes. Rita Miller answered yes it is. She explained that she is required to advertise that people must list improvements, and the ad is currently running. She pointed out that he is in Texas so he doesn’t see it.

Commissioner Smith talked about the listing forms. Rita Miller explained who gets a listing form, and he did not get a listing form. They talked about the property owner believed he was covered because he got the building permit, and she has to go to by what her advisors have told her since the County is on a permanent listing system.

Commissioner Roten and Rita Miller talked about the amount of the penalty.

Chair Richardson and County Attorney Donna Shumate talked about the Commissioners do not have personal liability because the Statutes say that the Commissioners can compromise, settle or adjust the taxes on this type of a discovery.

Commissioner Roten said he thinks the man should pay the interest but should not be charged 10%, 20%, 30%.

Ed Adams stated that he has already paid the interest.

Rita Miller explained there isn’t any interest on this, just the penalties.

Commissioner Roten said he can support him paying the interest but cannot support him paying the penalties.

Rita Miller reviewed the amount of interest charged; interest isn’t charged until delinquent and cannot be charged interest while under appeal.

County Manager Don Adams talked about penalty or interest. He said that this is the State’s version of interest because there is no interest. He explained if the Board releases the penalties then there will be no interest paid. He talked about the question is should he pay anything above the tax.

Chair Richardson asked how the motion needs to be.

County Manager Don Adams said you can’t call it interest because there is no interest.

Rita Miller explained the amounts being discussed.

Commissioner Roten stated that this is a matter of fairness. He explained that he is not saying he doesn’t have some negligence but the County does too. He asked what a fair number is. Rita Miller reviewed the request is to release all penalties. He talked about is the County charging him more than someone that hasn’t paid his taxes in 10 years.

Chair Richardson asked about the interest for someone who hasn’t paid their taxes for 5 years.

Commissioner Roten, Commissioner Goudreau and Rita Miller talked about the amount of the ¾% per month interest.

County Attorney Donna Shumate talked about she thinks to word it correctly it needs to be to reduce the penalty down to the amount it would be for ¾% per month.

Commissioner Smith and Rita Miller talked about there is nothing about solid waste in discussions. Commissioner Smith reiterated that the original was 35% now is 20%.

County Manager Don Adams talked about ¾% is going to be more than you think, and it will be closer to the penalty amount.

Commissioner Goudreau talked about if the County did our job properly he would have paid his bills, and the County is penalizing him. He said he can’t see holding him hostage for that.

Commissioner Cox, Commissioner Goudreau and Rita Miller talked about the revaluation company did flag it for new construction but when the paperwork was entered it was not flagged so it didn’t come out on her reports to review for new construction. Commissioner Goudreau talked about in all fairness the Commissioners should error on the side of taxpayer.
Commissioner Goudreau made a motion to honor Mr. Collins’ request.

Chair Richardson and Commissioner Goudreau talked about he has a responsibility, and the Board does too.

Commissioner Roten asked what about if the Board asks him for half of the penalties. He talked about 9% is still too high. He continued talking about reducing the penalty by 50%.

Motion on the floor died due to lack of a second.

Commissioner Roten made a motion to reduce the penalty by 50%. Commissioner Cox seconded the motion. Vote 4:1 (John Goudreau).

Chair Richardson declared a brief recess at 8:05pm.

County Manager Don Adams demonstrated to the Board how to view the Commissioners’ meeting online on our website, www.alleghanycounty-nc.gov. He explained this has the capacity of 800 hours of video and talked about other videos that could be placed on the website. He talked about he can have conversations with the Board of Education and the Town of Sparta about putting their meetings’ videos online.

Commissioner Smith and County Manager Don Adams talked about the contract with ACTV where they provide the County a digital copy after the meeting and this contract is with EarthChannel for the video online, and they view the County as an umbrella.

The County Manager talked about one of the questions he will ask the Board is how long to archive the videos, which will determine the capacity to sale to the Board of Education and the Town of Sparta. He talked about the process is very user friendly.

County Manager Don Adams presented the FY 2010/11 audit. He explained that when the auditors presented the audit report they didn’t have the hard copies. He talked about the actual audit booklet, the management notes, a single letter and stapled packet. He asked the Board to look at the compliance letters. He pointed out that Alleghany County complied with the compliance requirements in all material respects with the compliance requirements referred to that could have direct or material effect on each major federal programs and on each major State program. He continued reviewing the compliance letters booklet including pages 9-10 are summarizations, findings start on page 11. He read the first finding; management should have a system in place to reduce the likelihood of errors in financial reporting. He read the condition of the finding that financial reporting under the accounting standards requires a level of technical expertise not possessed by County personnel with regards to drafting full accrual. He explained that finding is in every audit, and the only way to correct is have a CPA on staff or hire a CPA to come in monthly to do the accruals. He talked about the recommendation from the auditors talk about to comply is cost prohibitive and states that the County should exercise care in reviewing the financial statement drafted by the external auditors. He continued on to page 12. He read the second finding’s condition about a significant audit adjustment is a proposed correction of the basic financial statements that may not have been detected expect through auditing procedures. He read the recommendation of management should acknowledge limitations in the internal control and financial reporting systems and modify accounting procedures accordingly. He explained that he will come back to this. He referred the Board to the stapled packets with the audit and read a sentence on page 2; provided our findings regarding significant control deficiencies over financial reporting and material noncompliance and other matters noted during our audit in a separate letter dated October 28, 2011. He read the finding on the letter; the County should consider increasing its capitalization threshold from $500 to an amount not to exceed $5,000. He explained that the County inventories anything that costs $500 or more. He reviewed the current process and explained what they are saying is they want the County to move the threshold to at least $1,000. He further explained why they are requesting this change to the capitalization. He continued reading portions of the audit. He read a portion about the material misstatements that were identified is included in Attachment A. He explained that the second finding. He talked about Attachment A is the last three pages. He further explained that he needs to talk to the auditors about this. He explained that these are the adjusting journal entities that Joy Hines gave to them. He further explained that these are the auditors’ journal entities, some are reserved for taxes received, and some of these are figured by auditors’ formulas. He stated that he will have conversations with the auditors to see what they want. He talked about this is a summary of the findings and a summary of the management letters. He reviewed the audit booklet layout for the Commissioners. He asked the Commissioners to review the audit and call him if there are any questions or put it on the agenda. He further asked if a Commissioner wants a question put on the agenda to let him know so he can have the answer at the meeting.
Chair Richardson talked about the PowerPoint presentation by Martin Starnes ties into this.

County Manager Don Adams agreed.

Commissioner Goudreau made a motion to enter into closed session at 8:47pm under NCGS 143.318.11 (a) (3)—legal and (a) (5)—contracts. Commissioner Cox seconded the motion. Vote 5:0.

Commissioner Smith made a motion to adjourn closed session at 9:32pm and reconvene the regular meeting. Commissioner Cox seconded the motion. Vote 5:0.

Chair Richardson stated that no decisions were made during closed session.

Commissioner Roten talked about he would like to make a motion to collectively give the list of questions from Dennis Smith to the County Manager to answer before the next Commissioners’ meeting.

County Manager Don Adams asked does the Board want the questions answered at the next meeting.

Commissioner Roten read the portion of the request that states to give the questions back to Mrs. Evans before the next Commissioners’ meeting so she can make arrangements for him to pick them up, which is the request from Keith Howell and Dennis Smith.

County Manager Don Adams asked what if he doesn’t know the answers.

Commissioner Roten stated that would be what his answers would be on some of them. He explained that the Board has a request from someone and the need to respond.

Commissioner Goudreau and Commissioner Roten talked about ways to proceed.

County Manager Don Adams said he would talk to the County Attorney because of liability issues.

County Attorney Donna Shumate talked about some of the answers haven’t been determined at this point.

Commissioner Roten talked about saying that this is ongoing.

Chair Richardson talked about the normal procedure without a motion is to turn the information over to the County Manager and County Attorney for their review and recommendation.

Commissioner Roten said that the paper was provided to each Commissioner, and he doesn’t see each Commissioner needing to answer individually which is why he said to answer collectively.

Chair Richardson reviewed Commissioner Roten’s motion is to pass this along to the County Manager and the County Attorney for their recommendation.

Commissioner Roten said and for them to answer for everyone instead of answering individually.

Chair Richardson asked if there is a second on the motion.

Commissioner Goudreau asked if this is answering for all of the Commissioners then doesn’t each Commissioner need to review the answers.

Commissioner Roten said the other option is to answer it individually.

Commissioner Goudreau talked about a lot of this hasn’t come out yet.

Chair Richardson said that he thinks if the motion is passed then the Board is passing it to the County Manager.

Commissioner Goudreau said he was fine with that.

Commissioner Cox seconded the motion.

Chair Richardson said with the idea if Commissioners vote on this that the Commissioners are agreeing for the County Manager and County Attorney to answer these.
Commissioner Goudreau said that's fine.

The Board voted on the motion on the floor. Vote 5:0.

Being no further business, Commissioner Roten made a motion to adjourn the meeting at 9:38pm. Commissioner Goudreau seconded the motion. Vote 5:0.

Respectfully submitted,

Karen Evans
Clerk to the Board

Attest:

Ken Richardson
Chairman