

The Alleghany County Board of Commissioners met in regular session on Monday, December 21, 2015, at 9:00am in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chair Tom Smith, Vice-Chair Karen Leys, Commissioner Larry Davis, Commissioner Mark Evans, Commissioner Bobby Irwin, County Attorney Donna Shumate, County Manager Don Adams, and Clerk to the Board Karen Evans.

Chair Smith called the meeting to order, led the Pledge of Allegiance and offered the Invocation.

Chair Smith added two items to the agenda; open deputy position and open transportation director position.

Commissioner Davis made a motion to approve the amended agenda for this December 21, 2015, meeting. Commissioner Evans seconded the motion. Vote 5:0.

AGENDA  
Monday, December 21, 2015  
9:00 AM

- 9:00 Meeting Called To Order, Pledge of Allegiance and Invocation  
Motion on Agenda for December 21, 2015, Meeting  
Motion on Minutes for December 7, 2015, Meeting
- 9:05 A. Rita Miller, Tax Administrator
1. November Releases and Refunds - Standard release and refund of both automobile and real property taxes due to reasons listed on the report. Actions Requested – Vote on releases and refunds.
  2. November Collections Report - Monthly 2015 collection rates through November as compared to 2014 monthly collection rates. No action requested.
  3. Enforced Collections Report – Summarizes enforced collections for the month of November 2015. No action requested.
  4. Payment Agreement Report - List of people with payment agreements who did not make payments. No action requested.
  5. Solid Waste Fee Release Request – One appeal will be presented. Action Requested – Vote on the request.
  6. Motor Vehicle Appeal – One appeal will be presented. Action Requested – Vote on the request.
  7. Greg Wright Present Use Qualification Appeal – A timeline describing Mr. Wright’s circumstances will be presented. There will also be discussions on how State law applies to this situation.
- 9:25 B. Louise Paglen, Paglen Law Office  
Ms. Paglen will be representing Mr. Wright in regards to his Present Use Qualification appeal.
- 9:45 C. Justin Knight, Martin Starnes and Associates  
RE: 2014/15 Audit Presentation. No action requested.
- 10:00 D. General Business
1. Juvenile Crime Prevention Council (JCPC) Budget Amendment  
Enclosed is General Fund Budget Amendment #8 in the amount of \$1,708 to budget for additional JCPC and County funds. Action Requested – Vote on the budget amendment.
  2. Planning Meeting  
It is requested that a special called meeting be scheduled in January 2016 to begin discussions regarding the expanded sales tax. Action Requested – Set a special called meeting.
  3. Salary Study Core Market  
It is requested that the Board set the core market in which the County employees will be compared to within the ongoing salary study. Action Requested – Vote on the core market.
  4. Open Deputy Position (added)
  5. Open Transportation Director Position (added)

- E. Public Comments—30 minutes
- F. Commissioners Comments
- G. Adjourn

Commissioner Leys made a motion to approve the December 7, 2015, minutes. Commissioner Irwin seconded the motion. Vote 5:0.

Rita Miller, Tax Administrator, presented the November auto releases.

Commissioner Davis made a motion to approve the November auto releases. Commissioner Evans seconded the motion. Vote 5:0.

Rita Miller presented the November refunds under the vehicle tax system (VTS).

Commissioner Leys made a motion to approve the November VTS auto refunds. Commissioner Irwin seconded the motion. Vote 5:0.

Rita Miller presented the November real property releases.

Chair Smith and Rita Miller talked about the larger amounts are because the business owner did not file their business listings, estimates were made and when the owner complied the adjustment was made.

Commissioner Leys and Rita Miller talked about the business owner paid taxes on the higher values for three years, owner had requested the release on their two outstanding bills.

Commissioner Irwin and Rita Miller talked about this is not an error on the Tax Office part.

Commissioner Evans made a motion to approve the November real property releases. Commissioner Davis seconded the motion. Vote 5:0.

Rita Miller presented the November real property refunds.

Commissioner Irwin made a motion to approve the November real property refunds. Commissioner Leys seconded the motion. Vote 5:0.

Rita Miller presented the November 2015 reports; collection rate report, enforced collection report, payment agreement report.

Rita Miller presented a request for a solid waste fee refund for a property located at 1267 Mountain Valley Road because the house burned in November 2014.

Commissioner Leys made a motion to approve the request. Commissioner Irwin seconded the motion. Vote 5:0.

Rita Miller submitted a motor-vehicle appeal for a 2003 Honda Accord, assessed value of \$5,280, dealer's value of \$3,500, owner's requested value of \$2,000. She stated that her recommendation is \$3,500, which is the dealer's value.

Commissioner Irwin made a motion to approve the appeal with the Tax Administrator's recommended value. Commissioner Evans seconded the motion. Vote 5:0.

Chair Smith read the agenda regarding Greg Wright's Present-Use qualification appeal.

Rita Miller provided papers to the Commissioners. She explained the purpose of the present-use values, qualifications and appeals for the present-use values. She reviewed a timeline beginning in 1999 regarding Greg Wright. (See attached)

County Manager Don Adams talked about the history of the taxes. He talked about the timeline, legal opinions from School of Government and the Department of Revenue and procedures for the application process including the approval process for use value. He asked for questions on the history of the taxes.

Rita Miller talked about the history of the taxes are what has happened with the taxes. She said that she understands the complaint is Mr. Wright did not receive any mail. She stated that it is the opinion of the Tax Office, if and when an application is received the 2015 taxes are the only year the application applies to meaning it can't go back to previous years. She presented information from the Department of Revenue. She read information about personal liability. She presented information from the School of Government's Chris McLaughlin who agreed the late application for 2015 cannot cover prior year taxes. She explained if we receive an application what the requirements are that must be met, and the application must be received by December 15, 2015.

Chair Smith clarified that the late application for use may be submitted by the end of the year. Rita Miller said yes for 2015. Chair Smith asked about liability. Rita Miller said nothing in the General Statutes talk about going back in the application. They talked about an application has not been received for 2015.

Rita Miller said she has more information.

County Manager Don Adams said if Mr. Wright would go through with the application process then the Tax Office would render their decision. He further said that he thinks their information is premature since nothing has been applied for at this time. He said his recommendation is not get into the details until an application has been submitted.

Commissioner Leys said it would be good public information for the use application information to be heard.

Rita Miller reviewed the use application including the ownership requirement, size requirements, income requirements for each of the programs and must meet one of the sound management practices. She listed out the 6 areas.

Commissioner Irwin and Rita Miller talked about over 30% of the county is in use value.

Chair Smith and Rita Miller talked about the letter from Mr. Wright saying he is being singled out. She explained that once every 8 years properties are required to have an audit to see if the property exemption still applies. She talked about 1 example is a use application.

The County Manager said this late application was approved in 2009. Rita Miller said the audit was 2014.

Commissioner Leys asked for more information about the personal liability portion.

Rita Miller read NCGS 105-380 that pertains to the personal liability of the Commissioners if the Commissioners violates the statute, the Board members individually can personally liable for those taxes.

Commissioner Evans and Rita Miller talked about the amount of applications received and how many are approved or not with her explaining that more often than not they are approved.

Chair Smith asked do all applications take a field review. Rita Miller answered no and explained when there is an appeal then there is a field review.

Commissioner Leys asked with all applications is there a review of federal and state forms. Rita Miller explained examples of when that information is requested.

The County Manager mentioned there are no standards on a late application as long as it is in the same year. He reiterated there never has been a standard. He said they have always allowed the late applications.

Commissioner Leys said that the general schedule is they have to submit the application by January 31 or then it is late. Rita Miller agreed.

Louise Paglen, representing Mr. Wright regarding his land-use, stated that they believe Mrs. Miller has performed her duties. She stated that Mr. Wright wants to be reinstated to when he lost the use value in 2014, and he is prepared to submit the application for 2015. She explained based on her research they do not need to reapply every year to receive the benefits and the reason he lost the use value was because there was an audit and Mr. Wright said he didn't receive his mail. She further explained why he didn't receive the mail. She explained he first become aware that he lost the present-use value when he received the foreclosure letter. She stated they are not here to talk about the lack of paying the taxes. She talked about this is a small farming operation, when he applies again he will comply. She explained he does construction work, when the recession hit he got behind on his taxes, during that time he was paying as much as he could, noticed on his taxes that they had went back 3 years and the rate for 2015 was more than doubled, which was the first time he found that he had been disqualified. She said he was never given an opportunity to provide the information requested by the tax audit. She stated he has completed the questionnaire and can provide that information. She said he has sound management practice. She stated he only has to meet 1 of those requirements. She provided a letter to the Board. She said she looked at opinions from the Property Tax Commission. She reviewed her letter to the Board. She asked why he couldn't have received a phone call. She said the Statute doesn't require it but the Statute requires without good cause. She reviewed the opinions from the Property Tax Commission. She provided a copy to the Board about a property tax exemption for a church and good cause because they didn't receive their notice in the mail. She summarized the Property Tax Commission opinions.

Commissioner Irwin asked Louise Paglen does the Statute say it doesn't have to be certified. She stated this is the only statute to authorize refunds and continued to explain why they are focusing on without good cause along with the determination was not made prior to the disqualification.

Commissioner Evans said the opinions focus on erroneous address. Louise Paglen said that's correct. He said it looks like Mr. Wright would want to correct the mail issue. She explained he has talked to the post office. He said that he could get a post office box. She stated that's an extra expense.

Louise Paglen summarized the requests, and stated she believes the Board has discretion on this and the Board wouldn't be doing anything illegal.

Commissioner Irwin asked who was Mr. Wright's contact with the NC Ag Cost Share program and when. Louise Paglen said it was in 2012. He asked which office. She said Soil, and their point is if he received it then it would have complied. He asked did he finish the water boxes. Greg Wright answered yes. Commissioner Irwin asked was it David Tucker or Greg Wagoner. Greg Wright answered he is not sure but Raleigh signed off on it. Commissioner Irwin asked how many water boxes. Greg Wright said 1. Commissioner Irwin asked how many feet. Greg Wright said 2,000.

County Attorney Donna Shumate asked did he receive a tax bill. Louise Paglen said she doesn't know.

Commissioner Leys clarified he was served papers by the Sheriff. Louise Paglen said that was the first time he knew something was wrong.

County Attorney Donna Shumate said it was from the complaint that she filed for the delinquent taxes.

Louise Paglen provided a copy of the complaint to the Chair. She reiterated that he didn't realize that he was disqualified.

Chair Smith stated that he asked for use twice and was denied so it took a couple of efforts to get it.

Commissioner Irwin asked how many acres is this. Louise Paglen said he farms 10 acres, and has 25-27 total so it meets the size requirement.

County Manager Don Adams talked about we are debating a conversation where there isn't an application yet. He said if the application is submitted and if it is approved then it will be on the next agenda. He further said that we don't know if the application would be approved or not. He stated we can debate this now or wait on the application. He reiterated that the request is to go back to 2014, use in 2015 and proceeding forward. He stated that the use for 2015 and forward must have an application submitted by December 31.

Louise Paglen said they aren't here to discuss the 2015 application but are here to talk about the 2014 disqualification and request to reinstate it.

Chair Smith said this Board will have to approve the late application. Louise Paglen said they are prepared to present the late application.

Commissioner Leys said she needs to see the paper in front of her before the decision can be made. Chair Smith agreed.

Commissioner Irwin and Chair Smith talked about that is all Chair Smith is talking about.

Louise Paglen reviewed their reasons for being here. Commissioner Leys clarified it is 2012, 2013, 2014 back taxes.

Louise Paglen said if the Board reinstated back to 2014 then an application wouldn't be needed.

Chair Smith and Commissioner Evans talked about the Tax Office can accept the application.

County Manager Don Adams reiterated that the 2015 application has to be submitted by December 31, and then it will be put on the next agenda. He stated that the application submission would dictate the next step.

Commissioner Leys and County Manager Don Adams talked about the process if the application was denied.

Louise Paglen handed Rita Miller the application.

Chair Smith asked what does the Board need to do next. County Attorney Donna Shumate explained what happens next with the late application and the Tax Office will come back with it once they review it.

County Attorney Donna Shumate said she wants time to review all of the information that has been submitted before she issues an opinion.

Commissioner Evans said this does nothing to the 2014 taxes. County Attorney Donna Shumate agreed.

Commissioner Evans said the Tax Office has done what was required, and whatever the law allows.

Louise Paglen submitted the letter that was sent for the audit.

Rita Miller says she has an application but nothing about sound management. Louise Paglen said she gave it to the Board.

County Manager Don Adams said he thinks the direction needs to be that Mr. Wright submit a complete application. He explained we have the application in process. He talked about allowing time for everyone to review all of the information and put it on the mid-month January meeting. He summarized actions that will come before the Commissioners at that meeting.

Chair Smith declared a brief recess at 10:30am.

Justin Knight with Martin Starnes and Associates began to present the 2014/15 audit to the Commissioners.

The County Manager explained where some key areas are in the audit book.

Justin Knight provided a PowerPoint presentation showing the highlights of the audit including the financial statement overview, independent auditors report, management's discussion and analysis, fund financial statements, supplementary information, compliance reports, audit highlights, fund balance, ad valorem taxes, other taxes and licenses, restricted intergovernmental revenues, general government expenditures, public safety expenditures, education expenditures, debt service, other governmental funds, enterprise fund.

During the PowerPoint presentation conversations occurred between the County Manager and Justin Knight about the fund balance, restatement of pensions in the enterprise fund, compliance, and the Tourism Development Authority.

Commissioner Leys and Justin Knight discussed the unassigned fund balance.

Commissioner Leys and the County Manager talked about the County doesn't have a bond rating because the County doesn't obtain bonds. He explained that Alleghany County has a municipal rating of 79, which is good.

Commissioner Leys thanked everyone for the hard work on the audit including Joy Hines and Karen Evans.

County Manager Don Adams presented Budget Amendment General Fund #8 in the amount of \$1,708 for additional Juvenile Crime Prevention Council monies. He explained that if the budget amendment is approved then the Chair will sign off on the funding allocation.

Commissioner Leys made a motion to approve Budget Amendment General Fund #8 in the amount of \$1,708. Commissioner Evans seconded the motion.

Commissioner Evans stated that he serves on that committee, they are doing a lot and are trying to help the youth who get in trouble with the law.

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

County Manager Don Adams said that he is requesting that the Board schedule a special-called meeting in January. He reiterated the two different types of sales tax; ¼¢ sales tax and expanded sales tax. He talked about the special meeting is to discuss the expanded sales tax during the first of the January. He explained that this meeting is about the process for the tax.

The Board talked about dates/times for the meeting. They decided on January 7 at 6:00pm.

County Manager Don Adams talked about the salary study's core market. He reminded the Board that The MAPs Group is looking for the Commissioners to select 9 to 11 areas for the core market. He reviewed the areas that Becky Veazey mentioned; Surry County, Wilkes County, Ashe County, Grayson County, Town of Sparta, Town of Elkin, Town of Jonesville.

Chair Smith said those are the recommendations of the first 7, and he is comfortable with Mitchell County. Commissioner Evans mentioned including Yadkin County. Commissioner Leys said the smaller counties don't report their information very well on the School of Government's website. Commissioner Leys and Commissioner Evans talked about including Avery County in the study. Chair Smith asked for any others. Commissioner Evans said Clay County is similar. The County Manager explained they will send surveys out to those counties. Chair Smith asked is the Board comfortable with Clay County. Commissioner Leys said yes.

Commissioner Evans made a motion for the following counties to be included in the core market; Surry County, Wilkes County, Ashe County, Grayson County, Town of Sparta, Town of Elkin, Town of Jonesville, Yadkin County, Mitchell County, Avery County, Clay County. Commissioner Leys seconded the motion. Vote 5:0.

County Manager Don Adams presented a request to fill an open Deputy position at a grade 62, \$25,622.61.

Commissioner Irwin made a motion to fill the open Deputy position. Commissioner Evans seconded the motion. Vote 5:0.

County Manager Don Adams presented his request to fill the open Transportation Director position. He explained that his request is to fill the position on an interim basis and permanent basis. He further explained that the vacancy is because the Director has accepted a position as the Assistant Finance Officer.

Chair Smith said that April Hamm has done an excellent job in this position.

Commissioner Davis made a motion to approve the requests to fill the position. Commissioner Evans seconded the motion. Vote 5:0.

County Manager Don Adams wished everyone a Merry Christmas and be safe over the holidays.

Chair Smith opened the floor for public comments. None were received. He closed that portion of the meeting.

Commissioner Evans talked about the ¼¢ sales tax referendum, people are talking with him, good conversations, we aren't mandated to do the towers but as leaders this is a good time to work on the communications. He said he is looking forward to having conversations. He mentioned suicide conversations and not knowing what is available for people. He stated that there are groups out there to help. He talked about the daycare needs, they are challenged and 3 to 5 ratings are low and the Commissioners may hear from that group. He wished everyone a Merry Christmas. He stated that it has been a good year and is looking forward to the New Year. He thanked the County Manager, County Attorney and Clerk.

Commissioner Irwin wished everyone a Merry Christmas. He asked about the group regarding the In God We Trust work. County Manager Don Adams answered if it doesn't rain tomorrow it will be installed, they are going to try to get it done before Christmas, the letters are in, and it is just a matter of getting it installed. Commissioner Irwin mentioned a good article in the Allegheny News about the Economic Development Plan. He talked about the need to stay on it and don't want to see it set on a shelf. He said that the next meeting is very important about the sales tax. He further said right now it is geared towards communications, and State funds may not be available in the future. He said the bond referendum is coming up and the need to talk about that and the redistribution of sales tax. He stated that he is looking forward to those discussions. He talked about the need to get Wilkes Community College involved in those conversations regarding their plans for the future. He wished everyone a Merry Christmas.

Commissioner Davis wished everyone a Merry Christmas.

Commissioner Leys talked about the bond is coming March 15, and there is a lot of work to do getting the word out. She stated that she understands about the daycares. She said there is no place she would rather live than Allegheny County, even with our problems, we are blessed. She wished everyone a Merry Christmas.

Chair Smith wished everyone a Merry Christmas.

Being no further business, Commissioner Leys made a motion to adjourn at 11:43am. Commissioner Davis seconded the motion. Vote 5:0.

Respectfully submitted,

Attest:

Karen Evans  
Clerk to the Board

Tom Smith  
Chair