

MINUTES
WILKES COUNTY BOARD OF COMMISSIONERS
February 16, 2016

PUBLIC CONCERNS – None

The Wilkes County Board of Commissioners met on Tuesday, February 16, 2016 at 7:00 P.M. with the following members present: Chairman Eddie Settle, Vice Chairman Greg Minton, Commissioner Keith Elmore, Commissioner Gary D. Blevins, and Commissioner David Gambill.

Also present for the meeting were Tony Triplett, County Attorney; John Yates, County Manager; and Sarah Call, Clerk to the Board.

Chairman Eddie Settle welcomed everyone to the meeting.

INVOCATION – Commissioner David Gambill led the Invocation.

PLEDGE OF ALLEGIANCE – Chairman Eddie Settle recognized Boy Scouts Dylan Rash and Ethan Hayes from Troop 333 in Mt. View, who led the Pledge of Allegiance.

APPROVAL OF MINUTES – Motion was made by Commissioner Gary D. Blevins, seconded by Commissioner Keith Elmore and unanimously adopted to approve the Minutes of the Board meeting held on January 19, 2016.

APPROVAL OF MINUTES – Motion was made by Commissioner David Gambill, seconded by Vice Chairman Greg Minton and unanimously adopted to approve the Minutes of the Board meeting held on February 2, 2016.

BUDGET AMENDMENTS/TRANSFERS – Motion was made by Vice Chairman Greg Minton to approve Budget Amendment No. 16 (General Fund – Juvenile Crime Prevention; Budgeting additional grant funds awarded to Wilkes County by the N.C. Dept. of Juvenile Justice and Delinquency Prevention. Some of the funds are passed through other surrounding counties. The JCPC Administration assists these multiple counties. No County funds required). The motion was seconded by Commissioner Gary D. Blevins and unanimously approved.

MANAGEMENT AGREEMENT – WILKES COUNTY YMCA OF NORTHWEST N.C., WILKES FAMILY YMCA, WILKES COMMUNITY COLLEGE, AND WILKES COMMUNITY COLLEGE ENDOWMENT CORP. – Chairman Eddie Settle recognized Tony Triplett, County Attorney. Mr. Triplett stated the memo in the packet explains there are five parties to the agreement, which include Wilkes Community College, the Endowment Corporation along with both the local and northwest regional YMCA and the County. He added the agreement is a result of lots of discussions between the County and YMCA, mainly Caroline

Whitson, Executive Director who is at the meeting. Mr. Triplett said this is for the Y to basically take over the administration of the camp ground at the Rivers Edge Park, which has been a MerleFest camp ground for many years. He added the contract that is before the Board and for consideration and approval sets forth all the terms that would be part of this agreement under which the YMCA will do this. Mr. Triplett stated this is a one-year contract and an experiment to see if this works for both the County and the YMCA, if it does another contract could be submitted for approval next year, and if it's not satisfactory to all parties no-one is locked in. He added the College and Endowment Corporation are bound by this contract as well because it is tied to and for MerleFest camping.

Commissioner Blevins stated it is times such as this when the Board appreciates having a competent County Attorney to draw up these documents so the Board feels confident when the vote is taken that all the legalities are taken care of. Mr. Triplett said lots of time has been put in by many folks with the County and Ms. Whitson to work out the details and everyone is satisfied with the arrangement and ready to give this a try. Commissioner Blevins added last week the Board members were at a meeting with the Commerce Secretary at the Walker Center on campus. He said the College President was discussing the economic benefits of MerleFest and the millions of dollars that was involved. The Board supports anything that promotes MerleFest and allows the Endowment to generate funds to help with capital improvement at the College and the Wilkes Tax payers would appreciate this in his opinion, he noted.

Chairman Settle stated this will also help the YMCA. Ms. Whitson agreed and added they have had camping behind the Y, but it is much smaller with about 105 sites and 400 to 500 people. She said they had also sold hotdogs at the festival. Ms. Whitson said when they were approached about this they were excited because this is a win for the Y. The proceeds will go to the open doors program which allows the YMCA to provide scholarships, she noted. Ms. Whitson said they will no longer do the hotdogs. She stated that Suzanne Hamby is going to help them and they are very happy to be doing this and it is a great opportunity for their organization.

Commissioner Gary D. Blevins made a motion to approve the Management Agreement between Wilkes County, YMCA of Northwest N.C., Wilkes Family YMCA branch, Wilkes Community College, and Wilkes Community College Endowment Corporation as presented. The motion was seconded by Vice Chairman Greg Minton and unanimously approved.

AIRPORT – AARON AEROSPACE, INC. – RESOLUTION FOR FINAL APPROVAL OF NEW COMMUNITY HANGAR LEASE – Tony Triplett said this matter was on the agenda before and the Board authorized advertisement of a lease for Mr. Sherman Aaron, Aaron Aerospace to lease space at the Wilkes County Airport. He added Mr. Aaron has leased the Community Hangar for several years and would like to renew the lease for 2-years. The Airport Board did approve this and recommended final approval to the Board, he noted. Mr. Triplett said he did advertise per the statute that governs leases for 10-days and the Resolution is before the Board for consideration.

Commissioner Blevins stated these go to the Airport Board first and they have deliberated on this and made a recommendation for approval to the Board. He added the Airport Board has very good members and Mr. Aaron is quite a businessman. Mr. Triplett agreed, and noted the rental amount is staying the same, and there are no other parties interested in this hangar at this time. He said the jobs created by Mr. Aaron will count toward the job creation requirements needed for the grant status with the granting agencies. Commissioner Elmore asked how many jobs has Mr. Aaron created. Mr. Triplett replied two.

Chairman Settle said the Airport is an asset and there is a lot going on at the Wilkes Airport. Commissioner Blevins agreed and added things changed and it gained new vitality when Samaritan's Purse bought the old Lowes Hangar and completely up-fitted it. He added the Airport has also received great grant funds through the engineering firm for some much needed resurfacing of the apron and this spring the runway will be resurfaced. The Airport will be in good condition after all this is completed, and ready for success in recruiting some businesses to the area, he said.

*RESOLUTION AUTHORIZING
LEASE AND OPERATIONS AGREEMENT
WITH AARON AEROSPACE, INC., AT WILKES COUNTY AIRPORT*

*WHEREAS, the County of Wilkes (hereinafter the "County") is the owner and operator of the Wilkes County Airport in Rock Creek Township, Wilkes County, North Carolina, and is further the owner of a hangar and office space which is approximately 12,648 square feet in size, the same having been purchased by the County from U*S Aviation, LLC, in 2005, and being known as the "community hangar"; and*

WHEREAS, the County has received an offer from Aaron Aerospace, Inc., a North Carolina corporation with its principal office and place of business in Wilkes County, North Carolina, to lease the above described hangar and office space, together with ground space on which the same is situated and other property as described hereinbelow, upon those terms and conditions as are further described hereinbelow; and WHEREAS, the above described lease, together with all of the terms and provisions for the same, have been reduced to writing in the form of a Lease and Operations Agreement (hereinafter the "Agreement") which the County and Aaron Aerospace, Inc. desire to execute; and

WHEREAS, the Wilkes County Airport Board at its regular meeting of December 17, 2015, approved the Agreement and recommended that the same be approved and executed by the Wilkes County Board of Commissioners (hereinafter the "Board of Commissioners"); and

WHEREAS, the Board of Commissioners, at its regular meeting of January 19, 2016, reviewed the Agreement and, upon the recommendation of the Wilkes County Airport Board, desires to accept said offer by Aaron Aerospace, Inc. and to execute the same; and

WHEREAS, a Notice of Intent describing the terms of the Agreement has been duly published at least ten (10) days prior to the adoption hereof, as required by G.S. §160A-272; and

WHEREAS, the description of the property to be leased as set forth in the Notice of Intent was as follows:

*DESCRIPTION OF PROPERTY TO BE LEASED: The Agreement is for the lease of approximately 27,064 square feet of ground space (0.621 acres), together with a hangar situated thereon which is owned by the County and which is approximately 12,648 square feet in size, the same being known as the "community hangar" and having been purchased by the County from U*S Aviation, LLC in 2005. The County has secured a survey and legal description of said property in order to more fully and accurately describe the same, and said description and legal description will be attached as exhibits to the Agreement.*

AND WHEREAS, the amount and terms of the offer by Aaron Aerospace, Inc. to lease said property were set forth in the Notice of Intent as follows:

AMOUNT AND TERMS OF OFFER: Aaron Aerospace, Inc. proposes to lease the above described property from the County, and the County proposes to lease the same to Aaron, for a term of two (2) years, commencing as of December 1, 2015, at a rental of \$2,000.00 per month. The Agreement authorizes Aaron to engage in the business of aircraft manufacture, assembly, storage, restoring, maintenance, and repair (including composite aircraft and materials), avionics, and charter flight operations. Said lease shall in all respects be subject to the Rules and Regulations for the Wilkes County Airport.

NOW, THEREFORE, BE IT RESOLVED, pursuant to G.S. §§153A-176, 160A-272, and 63-53(3), that the Agreement with Aaron Aerospace, Inc. as presented at the January 19, 2016 meeting of the Board of Commissioners, and as set forth in the Notice of Intent, is hereby approved, and that the Chairman and Clerk of the Board of Commissioners be and are hereby authorized to execute the same on behalf of the County.

This the 16th day of February, 2016.

WILKES COUNTY

By: _____

Eddie Settle, Chairman

Wilkes County Board of Commissioners

ATTEST:

Sarah D. Call, Clerk

Vice Chairman Greg Minton made a motion to approve the Resolution authorizing Lease and Operations Agreement with Aaron Aerospace, Inc., at Wilkes County Airport as presented. The motion was seconded by Commissioner Gary D. Blevins and unanimously approved.

SET BUDGET WORK SESSION – County Manager John Yates asked the Board if they would like to set a Work Session on the proposed 2016-2017 Wilkes County Budget on Monday, April 4, 2016 at 5:30 P.M. at the Wilkes County Agricultural Center located at 416 Executive Drive, Wilkesboro, NC 28697.

Commissioner David Gambill made a motion to approve the Budget Work Session for April 4, 2016 at 5:30 P.M. at the Wilkes County Agricultural Center located at 416 Executive Drive, Wilkesboro, NC 28697, as presented. The motion was seconded by Commissioner Gary D. Blevins and unanimously approved.

FINANCE - COMMISSIONERS' QUARTERLY REPORT (QUARTER ENDING DECEMBER 2015) – Finance Director Jerry Shepherd stated this report is as of December 31, 2015. The Quarterly Financial Report is shown below:

WILKES COUNTY
 Cash and Investments
 December 31, 2015

CENTRAL DEPOSITORY

Checking Account.....	\$	593,281.30
Investments.....		<u>44,143,300.69</u>
TOTAL	\$	<u>44,736,581.99</u>

CENTRAL DEPOSITORY EQUITY BY FUNDS

General Fund.....	\$	36,461,116.19
Emergency Telephone E-911 System.....		883,036.32
Law Enforcement Restricted Fund.....		28,537.99
Community Development Capital Project Funds.....		0.00
Jail Capital Project Fund.....		404,627.82
Hwy 268 E Water Project.....		-327,415.32
Gardner Glass Capital Project.....		0.00
Water Intake Project.....		-316.80
Airport Enterprise Fund.....		-451,222.81
Landfill Enterprise Fund.....		1,784,564.20
Landfill Capital Reserve Fund.....		4,084,845.48
Tax Collections to be distributed to (4) Towns.....		904,200.56
Tax Collections to be distributed to (25) Fire Districts.....		<u>636,876.24</u>
TOTAL	\$	<u>44,736,581.99</u>

CENTRAL DEPOSITORY EQUITY BY FINANCIAL INSTITUTION

NC Capital Management Trust.....	\$	2,317,567.73
First Citizens Bank.....		32,284,466.90
BB&T.....		2,775,643.07
FiniStar.....		266,365.42
SunTrust.....		0.00
Community One.....		<u>7,092,538.87</u>
TOTAL	\$	<u>44,736,581.99</u>

WILKES COUNTY
 TAX COLLECTIONS SUMMARY REPORT
 GENERAL FUND

<u>MONTH</u>	<u>FISCAL YEAR</u> <u>2013-2014</u>	<u>FISCAL YEAR</u> <u>2014-2015</u>	<u>CURRENT</u> <u>FISCAL YEAR</u> <u>2015-2016</u>	<u>MORE/LESS</u> <u>THAN</u> <u>PRIOR YEAR</u>
JULY	\$ 1,263,674.78	\$ 302,929.21	209,398.80 *	\$ (93,530.41)
AUGUST	12,586,977.97	13,943,701.90	12,570,610.87	(1,373,091.03)
SEPTEMBER	4,448,737.80	3,519,684.41	5,440,461.02	1,920,776.61
OCTOBER	1,376,998.95	1,695,972.62	1,435,084.78	(260,887.84)
NOVEMBER	1,645,921.09	1,265,547.40	1,535,787.88	270,240.48
DECEMBER	5,943,630.95	6,319,537.29	7,319,463.20	999,925.91
JANUARY	4,579,606.88	4,138,235.66		
FEBRUARY	1,530,849.15	1,350,757.86		
MARCH	1,495,096.21	1,480,798.35		
APRIL	748,988.83	725,115.14		
MAY	567,506.79	619,513.81		
JUNE	<u>936,088.21</u>	<u>1,005,709.22</u>		
TOTAL	<u>37,124,077.61</u>	<u>36,367,502.87</u>	<u>28,510,806.55</u>	<u>1,463,433.72</u>
BUDGET	<u>34,588,339.00</u>	<u>35,300,749.00</u>	<u>36,113,015.00</u>	
OVER/UNDER	2,535,738.61	1,066,753.87	(7,602,208.45)	

* July Vehicle Taxes not collected from the State until August

The above figures represent the following monies collected by Tax Collections (General Fund Only). Does not include Fire Districts and Towns.

- A. Current Year Tax Collections (Real, Personal and Vehicles)
- B. Prior Years (1st through 10th)
- C. Penalties, Interest and Advertising Costs on Past Due Taxes
- D. Less 1.5% Tax Discounts for Early Payments

Mr. Shepherd said he thinks the County will meet the budget on property tax collection as they are a little ahead of where there were at this same time last year and could possibly exceed it.

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WILKES COUNTY SALES TAX DISTRIBUTION CURRENT FISCAL YEAR COMPARISON TO LAST FISCAL YEAR

ACTUAL:	COUNTY	Fiscal Year Comparison		Article 46		
MONTH STATE RECEIVED	FY: 2014-2015	FY: 2015-2016	Difference +/-	% More/Less		
COLLECTED*	(15 TH of Month)			Additional ¼ cent Effective 10/1/2010		
July	September	1,175,939.87	1,165,144.69	(10,795.18)	-0.92%	109,826.39
August	October	1,066,131.59	1,130,324.41	64,192.82	6.02%	108,197.31
September	November	1,090,395.55	986,772.30	(103,623.25)	-9.50%	86,561.14
October	December	949,705.76	1,036,190.45	86,484.69	9.11%	96,900.92
November	January	1,128,666.80	1,066,658.57	(62,008.23)	-5.49%	102,650.09
December	February	1,119,383.44	1,039,328.17	(80,055.27)	-7.15%	96,713.35
January	March	1,311,227.39				
February	April	978,659.35				
March	May	956,772.36				
April	June	1,070,640.47				
May	July	1,073,961.34				
June	August	1,142,192.45				
Total Collected:		13,063,676.37	6,424,418.59	(105,804.42)	-1.62%	600,849.20
BUDGET:						
Total Budgeted:		12,844,426.0	13,346,625.00	502,199.00	3.91%	
			<u>÷12</u>			
Monthly Budget			1,112,218.75			
			<u>X 6 month</u>			
			6,673,312.50			
Over/Short of Budget		219,250.37	(248,893.91)	-3.73%	Collections to Date More (Less) than Budget	

NOTE:

*The month listed is when the NCDOR collects the revenue for sales generated the prior month. Therefore, July collections are for sales in the month of June, etc. and the funds are forwarded to us 2 months following their collections. We receive July collections in September, etc.

Mr. Shepherd said he has just received the February distribution and the new sheet he gave the Board included this information. He added the County is 1.6% or \$105,804.42, less than what was collected at this same time last year. The County is not sure why these numbers are less than what was expected, but it is currently 3.73% below what was budgeted he added. Mr. Shepherd stated he hopes within the next three months this will catch up but he is not confident at this time that will happen. Commissioner Blevins said this could be due to internet sales during the holiday season and local purchases that were not made and therefore the sales tax does not come back to the County. He added the online purchases seems to be increasing each year. Mr. Shepherd agreed and added a few sites charge sale tax but not all. He said Commissioner Gambill made a good point that maybe the lower gas prices have allowed folks to travel outside the County more for their shopping.

Mr. Shepherd said maybe the tax collections will continue to be ahead and help offset this. He added it is possible that not all the Christmas shopping sales tax are collected as well, if someone filed late, those sales tax will be received next month. Commissioner Blevins asked how the sales tax we have collected or budgeted for this year compares to the sales tax collected before

the recession. Mr. Shepherd replied the County is about \$2.5 million under what was collected in the fiscal year ending 2008 when the County collected over \$15 million in sales tax, in 2016 the County will do good to collect \$13 million. Chairman Settle added this was supposed to change and rural Counties collect more in sales tax. Commissioner Blevins said if the citizens living in Wilkes County could buy as much as they can as often as they can in Wilkes it will help to keep the property tax lower because those sales tax will come back to Wilkes by shopping locally.

Chairman Settle said if Wilkes would have gotten the sales tax redistribution that Senator Brown wanted this number would be significantly more because the money that is spent out of town would come back. Commissioner Blevins agreed and said the Board tried but the urban counties did not share the same view point. Chairman Settle added the 17 urban counties overruled the 83 rural counties on this issue. Commissioner Gambill added the Board is fortunate to have Hwy. 421 running through the county that helps Wilkes and many others do not have this asset. The Board all agreed with this.

**Wilkes County General Fund
 Other Miscellaneous
 December 31, 2015**

To be on target with Budget the % used or collected should be: 50%

Summary of other Revenue & Expense

<u>Revenue</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>%</u>
Deed Stamp Excise Tax	130,000	101,637	78.2%
Reg of Deeds Recording Fees	180,000	87,748	48.7%
Building Inspection Fees	160,000	99,901	62.4%
Planning Permits & Fees	40,000	17,570	43.9%
Environmental Health Fees	118,000	59,990	50.8%
EMS Collections	2,984,232	1,360,085	45.6%
<u>Expense</u>	<u>Original</u>	<u>(Used) or Added</u>	<u>Available</u>
Contingency Reserve	\$ 20,000	\$	\$ 20,000
	<u>2015-2016 Revised Budget</u>	<u>2015-2016 Actual</u>	
General Fund			
Total General Fund Revenues	\$ 76,023,497	\$ 42,298,328	55.6%
Total General Fund Expenses	\$ 76,023,497	<u>34,386,270</u>	45.2%
	Revenues Over	7,912,058	
	(Under) Expense		

Mr. Shepherd said the reason EMS collections are slightly behind the 50% they want to have collected by this time is due to the Medicaid cost settlement that has not been received, it will be received later in the year. He added the County is almost \$8 million ahead when the revenues

are compared to expenses. The Board has to keep in mind that most of the property tax have already come in and it will be spend down as the year goes on for debt service and other expenses. Mr. Shepherd said this is the half-year report and the quarterly report ending December 31, 2015.

Vice Chairman Minton asked if March has always been the highest revenue for sales tax in the past. Mr. Shepherd replied yes because of the Christmas sales.

The Board thanked Mr. Shepherd for his quarterly update.

CLOSED SESSION – Commissioner David Gambill made a motion to go into Closed Session under Section 143-318.11(a)(3) of the North Carolina General Statutes to consult with the County Attorney in order to protect the attorney-client privilege. The motion was seconded by Commissioner Gary D. Blevins and unanimously approved.

Motion was made by Commissioner Gary D. Blevins, seconded by Commissioner Keith Elmore and by unanimous vote adopted to adjourn back into regular session. No action was taken in the closed session.

ADJOURN – Motion was made by Commissioner Gary D. Blevins, seconded by Commissioner Keith Elmore and by unanimous vote adopted to adjourn the meeting of the Wilkes County Board of Commissioners at 8:50 P.M.

Sarah D. Call, Clerk

Eddie Settle, Chairman

WILKES COUNTY BOARD OF COMMISSIONERS

Approved: