

The Graham County Board of Commissioners met Tuesday, December 20, 2022, at 5:30 p.m. for their regular monthly meeting in the Graham County Community Building located at 196 Knight Street Robbinsville, NC. All board was present. Also present Interim County Manager/Clerk Kim Crisp and Finance Director Becky Garland.

1. Chairman Nelms called the meeting to order.
2. Chairman Nelms asks Commissioner Cody to give the Invocation.
3. Chairman Nelms led the Pledge of Allegiance.
4. Chairman Nelms asks for changes to the agenda. Clerk Crisp asks that we add Item 5A – Southwestern RPO Growth Rate approval as presented in the Workshop Session, add under new business Gutter Quote for Sheriff's Office and under Item 11 – add Chris Ferris for privileged or confidential information. Commissioner Eller made the motion to approve as stated. Commissioner Cody seconded this motion. Vote unanimous.
5. Chairman Nelms asks for approval of the Workshop and Regular Meeting Minutes for November 15, 2022. Commissioner Eller made the motion as stated. Commissioner Williams seconded this motion. Vote unanimous.
6. Chairman Nelms asks for a motion to approve the Southwestern RPO 1% Growth Rate prediction for population and employment as presented by Amin Hezaveh in the workshop session. Commissioner Eller made the motion to approve as stated. Commissioner Williams seconded this motion. Vote unanimous.
7. Chairman Nelms asks Juanita Colvard, Transit Director to speak. Director Colvard stated that she was here to get approval for the Graham County Transit Grant Management Procedures which is a requirement regarding her grants management for Transit. Chairman Nelms asks for a motion to approve the Graham County Transit Grant Management Procedures as presented. Commissioner Eller made the motion to approve. Commissioner Williams seconded this motion. Vote unanimous.
8. Director Colvard stated that transit received extra ROAP funding in the amount of \$19,733.00 which brings their total funding to \$114,622.00 and she was very pleased with this news.
9. Chairman Nelms asks Lynn Cody, Stecoah Fire and Rescue Chief to speak. Chief Cody stated that he was speaking on behalf of the Stecoah Fire and Rescue Squad and not as a commissioner. Chief Cody stated that he did not want anyone to think that he had anything against any one department in the county and he personally thanked them for the job that they do and have done. Chief Cody stated that personally, as a commissioner, he failed to speak up, he has at times but not as much as he should have. Chief Cody stated he supported these departments to obtain equipment, add personnel and increased their budgets as a commissioner. Chief Cody stated that this was done to achieve the goals set by the department heads for our citizens and commissioners to have the best service as possible. Chief Cody stated that he wanted to thank each person, churches, business in the county for helping our volunteer fire departments and most of all the support that we have received over the years. Chief Cody stated that he is speaking as a member of the Stecoah Township and the services that they provide there and he knows that other departments in the county feel the same way that he does, at least he hopes so. Chief Cody stated over the years he did not speak up because he did not want it to seem as a conflict or to show favoritism and he will be fair and try to support our county in making it strong and to provide the best for our people. Chief Cody stated he supports each department but when it comes down to it, along the way, we dropped the ball to the departments of fire and rescue. Chief Cody stated that these volunteers put their lives on the line as any others in the county, these volunteers and he is speaking as a volunteer firefighter. Chief Cody stated that these volunteers did not get a bonus before COVID hit or after COVID hit, they responded to calls, they transported patients to hospitals, sat in parking lots for hours as other EMS Services. Chief Cody stated that they have fought house fires, car fires, directed traffic or whatever needed to be done. Chief Cody stated that whatever was needed during COVID, we misplaced our volunteers but we gave bonuses to those departments who worked for the county that did the same things that these volunteers have been doing. Chief Cody stated they left out the volunteers who provided hours and hours of service to the county during this time. Chief Cody stated he is speaking for the men and women who have volunteered who have worked hard to provide these services. Chief Cody stated that each of our departments, Graham County, Meadow Branch, Snowbird, Santeetlah and Stecoah are in need of new trucks. Chief Cody stated for the past twenty years he has seen budgets increased by 50% and to make sure that the county received the equivalent he has supported tax increases in the past to make that happen. Chief Cody stated over the years the commissioners have talked about putting aside funds for

the fire and rescue departments. Chief Cody stated that the fire department budgets have stayed the same over the years with no change. Chief Cody stated that he was looking for funds to help his department and came across the LATCF funds, he forwarded this information over to our Finance Director Becky Garland, she did her due diligence as did he. Chief Cody stated that they researched the requirements for these funds, and they are basically general funds with a broad area of restrictions, so he is asking the board to use these available funds that was not budgeted for to be divided to each of the fire departments in the county. Chief Cody stated that these funds will not solve their problems, but will help them in the direction to purchase what they need. Chief Cody stated that some people have a negative approach in asking for these funds, he is asking the people to go to their local departments, ask and see first hand what it costs to operate these departments, how much it costs to issue replacements for this year and the years to come. Chief Cody stated when they put people in vehicles that are more than thirty years old and the equipment fails, who is liable, these funds will benefit the volunteer fire departments to help them provide better services for our county and the visitors that visit us. Chief Cody stated these funds will not be thrown away, they will be used wisely. Chief Cody stated that he wanted to share information that he found, in the future it will be required to have paid personnel in each department in every 100 counties in North Carolina, that is in the future. Chief Cody stated as a member of Stecoah, we train with our fellow departments as a brotherhood and sisterhood to work together, pray together and cry together because they stand and respond to the needs of our fellow citizens of Graham County and they do not shy away for their duty. Chief Cody stated that he wanted to bring this to the board, he has been meeting at his fire hall every Wednesday to meet with any person that has concerns throughout the county, but was told that this is a bad night so he is moving this time to Thursday from 6:00 p.m. to 7:00 p.m. so anyone can come and talk with him on subjects related to the county. Chief Cody gave a thank you to this board and to the boards in the past for giving the contributions that they have received in the past and he is speaking for himself. Chief Cody stated that he failed as a commissioner to push and make sure that funding was received to all our volunteer fire departments, without them we would be lost. Chief Cody stated that our volunteer fire departments have provided a service that has saved public funds over the years and have been the reason for the ratings to be reduced which means more money into the homeowner's pockets. Chief Cody gave thanks for the opportunity to speak. Chairman Nelms stated that our county is better and safer because of our volunteers and our hired personnel would have a hard time doing their jobs without their assistance. Chairman Nelms asks Chief Cody if he had specific requests on the funding. Chief Cody stated that there is quite a bit of money that is there and those funds can be used for different things, and those funds are right at \$800,000.00. Director Garland stated that we received half of the funds last month and the second half will be in early 2023. Chief Cody stated that if we divide the amount among the fire departments it will give them around \$180,000.00 each and stated that to replace a tank is now over \$2,000.00 and fire gear is around \$10,000.00 each and he knows that some of the other departments are trying to obtain additional funding to purchase another truck. Chief Cody stated that Graham County and Meadow Branch are both working on new trucks, Santeetlah would like to expand so they can store their own trucks but Snowbird is a little different, they have the Tribe who helps them but they are all in a situation of looking toward the future. Chief Cody stated if we do not try and plan ahead we will be in the same boat as now and if we get an inspection without the proper equipment there is a possibility that we lose our rating and our people will suffer if that happens. Commissioner Orr suggests that Director Garland get with Commissioners Cody and Nelms and Commissioner Eller to come up with a presentation to give to the board. Chief Cody stated that he would be glad to work with them to come up with a plan.

10. Chairman Nelms asks Director Garland for the finance report. Director Garland stated that she had a really good meeting with the 555 Committee on the Opioid settlement agreement that the national group has come up with on the third round. Director Garland stated this will cover Walmart, CVS and several other retail chains who were part of the pill mill. Director Garland stated that the first round yielded around \$750 million dollars for the State of North Carolina where 85% went to the counties and 15% went to the state. Director Garland stated the second agreement was \$600 million which will come to the state, they will be receiving around \$1.2 - \$1.3 billion dollars over a 18-year period which translates for Graham County using the same formula around \$1 million dollars over an 18-year period which translates to around \$70,000.00 per year. Director Garland stated that is good news, what they discussed is to add a layer to the first MOU and they anticipate Spring 2023 for settlement. Director Garland stated that we did have to sign the MOU agreement and there was a lot of discussion on attorney fees, some attorney's felt they were not compensated properly, so for Graham County would be around \$2,000.00 for attorney fees. Director Garland stated that the funds are set to direct deposit into our bank account.

11. Director Garland stated that our CDBG -Scattered Site Housing has finally begun to move forward and our housing specialist has been out to speak with the homeowners. Director Garland stated that we are seeing progress and we will have the bid packet out by the end of January 2023 for our local contractors. Director Garland stated that they are advertising broader this time but hopes to receive local contractors.
12. Director Garland stated that she would now go to the finance reporting. Director Garland stated that we ended the month with a \$8,771,403.83 cash balance which is behind by \$50,539.50 but there are lots of good reasons for this deficit. Director Garland stated that our projects balances are:
 - a. Capital Projects – NCCMT \$2,930,998.26
 - b. School Capital Project – NCCMT \$115,559.83
 - c. American Rescue Plan Act - \$902,869.72
 - d. SCIF Grant – Courthouse - \$5,060,168.62Director Garland stated that our year-to-date interest on the NCCMT accounts is \$107,018.27.
13. Director Garland stated that our November tax collections was \$1,126,491.31 for current year taxes, \$9,937.93 for prior years and \$41,167.10 for DMV. Director Garland stated our year-to-date collection is \$3,189,659.85 for Real and \$279,767.49 for DMV. Director Garland stated that our tax rate is 42.67% and our total levy is \$7,289,388.66.
14. Director Garland stated our revenues for the month was \$2,137,144.05 and our expenditures was \$1,404,319.71 for a surplus of \$733,824.34. Director Garland stated that our year-to-date revenues was \$8,122,494.61 and our expenditures was \$8,102,360.93 for a year to date surplus of \$20,133.68.
15. Director Garland stated that we received \$454,343.81 in LATCF funding and she agrees with the board to use this funding to support our public safety.
16. Director Garland stated that our sales tax collection was \$274,985.48 for October and we have seen a 103% growth in our sales tax collections.
17. Director Garland stated we have \$42,712.89 in our past due collections and the tax office continues to work very hard on these collections.
18. Director Garland stated that we have collected \$893,000.00 on the ¼ cent sales tax since inception and this is to be used for our new courthouse-justice center.
19. Director Garland stated that our capital projects expenditures to date are:
 - a. Election Board / Bathroom Renovation \$224,351.74
 - b. Recreation Building \$94,248.05
 - c. Cemetery Building \$104,565.02
 - d. Middle School – County Match \$1,142,089.03
 - e. Total Middle School to date \$4,300,305.99
20. Director Garland stated that our budget should be at 59% and we are holding at 60%.
21. Director Garland stated that she did need approval for the Health Call System final agreement on our paramedicine program for \$13,680.00 and this amount is budgeted. Commissioner Orr made the motion to approve payment. Commissioner Cody seconded this motion. Vote unanimous.
22. Director Garland stated that we had our workers comp audit, and the premium payments made the expense go up so we owe an extra \$21,114.00. Director Garland stated that she did budget \$10,000.00 but not the \$21,114.00 so she did need approval to pay and she will do a budget amendment for this amount. Commissioner Eller made the motion to approve a budget amendment for the extra cost of the workers comp audit. Commissioner Williams seconded this motion. Vote unanimous.
23. Director Garland stated that she did have a Capital Project Ordinance for our capital projects in the amount of \$600,000.00. Commissioner Orr made the motion to approve the capital ordinance as presented. Commissioner Cody seconded this motion. Vote unanimous.
24. Director Garland stated that she met with Lester Greene and Kevin White on the preliminary costs on the middle school and there have been some change orders so she will be diving deep into the change orders regarding the general conditions. Director Garland stated that she did not understand why DPI would not fund the extra amounts needed. Director Garland stated that she may have extra funding through the sales tax surplus and explained the debt service for the school and when they will be paid. Director Garland stated that she would try to pull from grant dollars with the second level coming from sales tax dollars to pay the general conditions, she is not advocating either way, this is a board's decision. Director Garland stated that the board could decide now, or she can do more research regarding the funding. Commissioner Orr asks if she will have more accurate numbers after the research. Commissioner Williams asks that they wait for the accurate numbers. Chairman Nelms asks that we table this decision.
25. Director Garland gave some audit highlights.
 - a. Received an unmodified (clean) opinion on Graham County Government, RDA and Travel and Tourism.

- b. Implemented GASB 87 which is how we account for leases.
 - c. Our general fund balance increased by \$485,027.00 and our special revenue funds and capital projects funds increased by \$1,053,099.00.
 - d. Unassigned fund balance is \$6,854,754.00
 - e. Unrestricted fund balance available for appropriation for General Fund \$7,232,945.00
 - f. General Fund Balance as a % of expenditures:
 - i. Including restricted cash 45.06%
 - ii. Excluding restricted cash 38.61%
 - iii. Notes to consider.
 - 1. The amount of unrestricted fund balances above 35% is \$677,056.00
 - 2. This is important to bear in mind as we move forward into budget for the 2023-2024. We have worked hard to get from a 6% in the 2008-2009 fund balance to where we are today.
 - g. Tax Collection rate is 97.91%
 - h. Capital Outlay totaled \$434,054.00 which was funded out of general fund revenues.
 - i. Debt financing of \$2,115,000.00 financed school construction match and local capital project expenditures, likewise, \$325,000.00 in USDA loan proceeds and a \$75,000.00 grant reimbursed the county for the front loader garbage truck and other sanitation equipment.
 - j. Compliance
 - i. Stewardship NCGS, no violations, no over expenditures of budget and no violations of state or federal law were detected.
 - ii. Federal Single Audit – Major federal programs DSS, ARPA, CDBG unmodified opinion
 - iii. State Single Audit – Major state programs State DSS Funds, Middle School Grant – unmodified opinion.
 - iv. Findings
 - 1. No material weakness over internal controls
 - 2. Significant deficiencies – definition- deficiency in internal control that is less severe than a material deficiency, but which warrants attention.
 - 3. Deficiencies reported
 - a. Audit due October 31st was submitted December 8th
 - i. Implementation of GASB 87 delayed process
 - ii. Lots of grants, reason for another staff person
 - iii. Learning curve for new assistant
 - iv. Workload over grants has become an issue
 - 4. DSS Eligibility Error in Medicaid case; issues were reported by DSS Director, corrective action in place
 - 5. Issue with Jail Inmate Funds – former administration overrode internal controls on accounting for these funds; issue was reported by Becky upon discovery of the issue; will meet with new staff to reimplement
 - k. Next Steps
 - i. Waiting on final review by LGC – auditor will meet with board in January
 - ii. Self-reported “Unit Letter” is in process to be signed by board and submitted
 - iii. Auditor RFP process – have compiled a list of auditors servicing WNC and will send out requests by January 1st.
26. Chairman Nelms asks for public comment. Clerk Crisp stated that Jack Gross was signed in for public comment. Mr. Gross thanked the board and county staff for all that they do, they do a great job and he wanted to personally thank them. Mr. Gross stated that he hoped that the county would be able to re-coop the funds spent on the hearings of the Town of Santeetlah’s election.
27. Chairman Nelms asks for discussion items. Clerk Crisp asks for a motion to approve the releases for \$422.71. Commissioner Eller made the motion to approve. Commissioner Orr seconded this motion. Vote unanimous.
28. Clerk Crisp asks for approval of the polls for:
- a. 11/28 Training for Deputies \$8,305.00
 - b. 12/07 Christmas Gift to employees for \$250.00
 - c. 12/08 HVAC replacement DHHS building for \$10,300.00
 - d. 12/15 Second and last HVAC replacement for DHHS Building for \$10,300.00
- Commissioner Eller made the motion to approve the polls as stated. Commissioner Cody seconded this motion. Vote unanimous.
29. Clerk Crisp stated that we received on quote for guttering from Kelly Andrews for \$6300.00 at the Sheriff’s Department. Commissioner Eller made the motion to approve as stated. Commissioner Cody seconded this motion. Vote unanimous.

30. Clerk Crisp gave a reminder of the Christmas Holiday for December 23rd, 26th 27th and New Year's January 2nd, 2023.
31. Clerk Crisp stated that she gave the board a copy of the project manager's reporting and if they have questions to please let her know.
32. Chairman Nelms asks for a motion to go into closed session under G.S. 143-318.11(a)(1)(3)(5)(6) for privileged or confidential information, attorney client privilege, personnel and contracts. Commissioner Eller made the motion as stated. Commissioner Cody seconded this motion. Vote unanimous.
33. Chairman Nelms asks for a motion to go back into open session. Commissioner Orr made the motion as stated. Commissioner Eller seconded this motion. Vote unanimous.
34. Chairman Nelms asks for a motion to approve the December 5, 2022 Organizational Meeting Minutes. Commissioner Williams made the motion to approve. Commissioner Orr seconded this motion. Vote unanimous.
35. Chairman Nelms asks for a motion to adjourn. Commissioner Williams made the motion to adjourn. Commissioner Orr seconded this motion. Vote unanimous.

Jacob Nelms, Chairman

Natasha Williams, Vice-Chair

Lynn Cody, Member

Keith Eller, Member

Connie Orr, Member

ATTEST:

Kim Crisp, Clerk to the Board