

**TENTATIVE AGENDA & MEETING NOTICE  
BOARD OF COUNTY COMMISSIONERS**

**TUESDAY, APRIL 17, 2018  
5:30 P.M.**

**WATAUGA COUNTY ADMINISTRATION BUILDING  
COMMISSIONERS' BOARD ROOM**

<b>TIME</b>	<b>#</b>	<b>TOPIC</b>	<b>PRESENTER</b>	<b>PAGE</b>
5:30	1	CALL REGULAR MEETING TO ORDER		
	2	APPROVAL OF MINUTES: April 3, 2018, Regular Meeting April 3, 2018, Closed Session		1
	3	APPROVAL OF THE APRIL 17, 2018, AGENDA		9
5:35	4	APPALACHIAN REGIONAL LIBRARY PRESENTATION	MS. JANE BLACKBURN	11
5:40	5	PROPOSED PROCLAMATION HONORING RENEE BOUGHMAN AND F.A.R.M. CAFÉ	MR. THOMAS BROWN	37
5:45	6	COMMUNITY/RECREATION CENTER UPDATE	MR. CHAD ROBERSON	39
5:50	7	REQUEST FOR RPO RANKING OF TRANSPORTATION PROJECTS	MR. JOE FURMAN	41
5:55	8	TAX MATTERS A. Monthly Collections Report B. Refunds & Releases	MR. LARRY WARREN	53 55
6:00	9	FINANCE MATTERS A. Budget Amendments B. Proposed Community/Recreation Center Financing	MS. MARGARET PIERCE	61 63
6:05	10	MISCELLANEOUS ADMINISTRATIVE MATTERS A. Authorize the Transfer of 131 Morningside Drive to the Town of Boone B. Announcements	MR. DERON GEOUQUE	77 79
6:10	11	PUBLIC COMMENT		80
7:10	12	BREAK		80
7:15	13	CLOSED SESSION Attorney/Client Matters – G. S. 143-318.11(a)(3)		80
7:30	14	ADJOURN		

**AGENDA ITEM 2:**

**APPROVAL OF MINUTES:**

April 3, 2018, Regular Meeting

April 3, 2018, Closed Session

**DRAFT****MINUTES****WATAUGA COUNTY BOARD OF COMMISSIONERS  
TUESDAY, APRIL 3, 2018**

The Watauga County Board of Commissioners held a regular meeting, as scheduled, on Tuesday, April 3, 2018, at 8:30 A.M. in the Commissioners' Board Room of the Watauga County Administration Building, Boone, North Carolina.

**PRESENT:** John Welch, Chairman  
 Billy Kennedy, Vice-Chairman  
 Jimmy Hodges, Commissioner  
 Larry Turnbow, Commissioner  
 Perry Yates, Commissioner  
 Andrea Capua, County Attorney  
 Deron Geouque, County Manager  
 Anita J. Fogle, Clerk to the Board

Chairman Welch called the meeting to order at 8:33 A.M.

Commissioner Hodges opened with a prayer and Commissioner Turnbow led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

Chairman Welch called for additions and/or corrections to the March 20, 2018, regular meeting and closed session minutes.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the March 20, 2018, regular meeting minutes as presented.

VOTE: Aye-5  
 Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to approve the March 20, 2018, closed session minutes as presented.

VOTE: Aye-5  
 Nay-0

**APPROVAL OF AGENDA**

Chairman Welch called for additions and/or corrections to the April 3, 2018, agenda.

County Manager Geouque requested to add Personnel Matters, per 143-318.11(a)(6) under Closed Session and add the disposition of 131 Morningside Drive under Miscellaneous Administrative Matters.

Vice-Chairman Kennedy, seconded by Commissioner Hodges, moved to approve the April 3, 2018, agenda as amended.

VOTE: Aye-5  
Nay-0

### **PROPOSED PROCLAMATION ESTABLISHING “GREENING MY PLATE” MONTH**

Ms. Margie Mansure and Mr. Bill Moretz presented a proposed proclamation declaring the month of April 2018 as “Greening My Plate Month.” The purpose of the proclamation is to bring awareness to the benefits of locally grown fruits and vegetables and recognize and celebrate the farmers who provide this produce.

Commissioner Yates, seconded by Commissioner Hodges, moved to adopt the proclamation as presented.

VOTE: Aye-5  
Nay-0

### **REQUEST TO RENEW LEASE FOR USE OF COUNTY SPACE FOR WEEKDAY FARMERS’ MARKET**

Ms. Courtney Baines, Executive Director of Blue Ridge Women in Agriculture, requested a renewal of the lease allowing a weekday Farmers Market at the Human Service parking lot. Ms. Baines stated that the Blue Ridge Women in Agriculture would be managing and doing the marketing for the market this year. The main modification to the lease is increasing from a one-year to three-year term. Ms. Baines stated that the three-year term was desired as it would be looked upon more favorably when applying for grants.

County Attorney Capua stated that since the lease would be for a three-year term a nominal rent amount would need to be included to make the lease forcible. A continued point of consideration would also be to ensure that the market does not impact County operations as the request will be for the market to start around 4:00 PM.

Commissioner Yates, seconded by Commissioner Turnbow, moved to approve the lease as amended to include a rent fee of one dollar (\$1.00) per year.

VOTE: Aye-5  
Nay-0

### **PROPOSED COMMUNITY PRIDE WEEK PROCLAMATION**

Ms. Pamela Thomas, Recycling Coordinator, presented a proposed proclamation declaring Monday, May 7 - Saturday, May 12, 2018, as Community Pride Week in Watauga County. Hazardous Household Waste Day will be held on Saturday, May 12, during Community Pride

Week from 8:00 A.M. to 12:00 P.M. The event is conducted each year by Sanitation staff and has proven to be very popular with the County's citizens.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to adopt the proclamation as presented by Ms. Thomas.

VOTE: Aye-5  
Nay-0

## **COMMUNICATIONS AND EMERGENCY SERVICES MATTERS**

### ***A. Proposed Proclamation Declaring April 8-14, 2018, As National Public Safety Telecommunicators Week In Watauga County***

Mr. Jeff Virginia, Communications and Emergency Services Director, presented a proposed proclamation declaring April 8-14, 2018, As National Public Safety Telecommunicators Week in Watauga County. Chairman Welch read the proclamation and presented Mr. Virginia with a signed proclamation.

Commissioner Yates, seconded by Commissioner Hodges, moved to adopt the proclamation as presented.

VOTE: Aye-5  
Nay-0

### ***B. Proposed Proclamation Recognizing Telecommunicators Melissa Harmon, David Hill, Penny Roark, And Aaron Ward For Actions Taken That Contributed To Saving The Lives Of Others***

Mr. Virginia presented a proposed proclamation recognizing Telecommunicators Melissa Harmon, David Hill, Penny Roark, and Aaron Ward for actions taken that contributed to saving the lives of others. Chairman Welch read the proclamation and presented each of those recognized with a signed proclamation.

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to adopt the proclamation as presented.

VOTE: Aye-5  
Nay-0

## **BUDGET AMENDMENTS**

Ms. Margaret Pierce, Finance Director, reviewed the following budget amendments:

Account #	Description	Debit	Credit
233317-343109	State Substance Abuse Tax Revenue		\$5,000
234310-429000	Other Supplies	\$2,000	
234310-435300	Maintenance Repair Vehicles	\$3,000	

The amendment recognizes, per the request of Sheriff Hagaman, additional funds for other supplies and maintenance/repair to vehicles for the Narcotics Division. The funds are from the State Substance Abuse Tax Fund and additional revenue has been received above projections.

663740-381000	Sale of Recycled Scrap	\$60,000
667420-469567	Contracted Services – Tub Grinding	\$60,000

The amendment recognized additional funds from the sale of recycled scrap to cover additional expenditures for grinding brush and stumps.

Commissioner Yates, seconded by Vice-Chairman Kennedy, moved to approve the budget amendments as presented by Ms. Pierce.

VOTE: Aye-5  
Nay-0

### **REQUEST FOR ACCEPTANCE OF THE FY 2018 SHIPP/MIPPA GRANT/CONTRACT**

Ms. Angie Boitnotte, Project on Aging Director, requested acceptance of a Medicare Improvements for Patients and Providers Act (MIPPA) grant from the Seniors' Health Insurance Information Program (SHIPP). The grant is in the amount of \$2,566 with no local match required. If accepted, MIPPA grant funds, in the amount of \$2,566, will be used to expand low income subsidy outreach and to upgrade technology used for SHIP counseling and activities.

Vice-Chairman Kennedy, seconded by Commissioner Yates, moved to accept the Medicare Improvements for Patients and Providers Act (MIPPA) grant in the amount of \$2,566 as presented by Ms. Boitnotte.

VOTE: Aye-5  
Nay-0

### **MISCELLANEOUS ADMINISTRATIVE MATTERS**

#### ***A. Disbursement of 131 Morningside Drive***

County Manager Geouque stated that in the past the County was awarded funds from the Hazardous Mitigation Grant Program (HMGP) for the demolition and removal of a home located at 131 Morningside Drive in Boone. Several years prior to that numerous homes located in the area were demolished and removed along Morningside Drive as part of a HMGP project. At that time, the subject property owner was not interested in participating in the project. However, continued flood related issues after the sale of the home prompted the new owners to request participation in the HMGP. Since the removal, the County has been in negotiations with the Town of Boone. Town of Boone Manager, Mr. John Ward, has stated that the Town is interested in taking ownership of the property. County Manager Geouque stated that he will present a resolution for consideration of donating the property to the Town of Boone at the next meeting.

***B. Boards and Commissions***

County Manager Geouque presented the following for consideration:

Watauga Community Housing Trust

Four terms on the Watauga Community Housing Trust are expiring. The expiring terms are for the following organizations:

- Town of Boone
- Appalachian Regional Healthcare System
- High Country Home Builders Association
- Habitat for Humanity

After appointment, each organization will designate their representative. The terms are for two years.

Vice-Chairman Kennedy, seconded by Commissioner Hodges, moved to waive the second reading and appoint the Town of Boone, Appalachian Regional Healthcare System, High Country Home Builders Association, and Habitat for Humanity to two-year terms on the Watauga Community Housing Trust.

VOTE: Aye-5  
Nay-0

***C. Announcements***

County Manager Geouque announced that the North Carolina Association of County Commissioners will be holding district meetings across the State in April with the meeting for our district being on April 4, 2018, in Yadkin County.

**PUBLIC COMMENT**

There was no public comment.

**CLOSED SESSION**

At 9:06 A.M., Commissioner Turnbow, seconded by Vice-Chairman Kennedy, moved to enter Closed Session to discuss Attorney/Client Matters, per G. S. 143-318.11(a)(3), Land Acquisition, per G. S. 143-318.11(a)(5)(i), and Personnel Matters, per G. S. 143-318.11(a)(6).

VOTE: Aye-5  
Nay-0

Vice-Chairman Kennedy, seconded by Commissioner Turnbow, moved to resume the open meeting at 9:30 A.M.

VOTE: Aye-5  
Nay-0

**ADJOURN**

Commissioner Turnbow, seconded by Vice-Chairman Kennedy, moved to adjourn the meeting at 9:30 A.M.

John Welch, Chairman

ATTEST:  
Anita J. Fogle, Clerk to the Board



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**AGENDA ITEM 3:**

**APPROVAL OF THE APRIL 17, 2018, AGENDA**

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**AGENDA ITEM 4:**

**APPALACHIAN REGIONAL LIBRARY PRESENTATION**

**MANAGER'S COMMENTS:**

Ms. Jane Blackburn, Appalachian Regional Library Director, will present the recently completed salary study for the regional library system. The report is for information only and will be discussed during the Board's budget work sessions; therefore no action is required.

# Appalachian Regional Library

Watauga, Ashe, and Wilkes Counties





- Ashe, Watauga, and Wilkes Counties signed an **Interlocal Agreement** in 1962 to form the Appalachian Regional Library. (Happy 56<sup>th</sup> birthday to us!)
- Title 7 of the NC Administrative Code, Chapter 2, Subchapter I, sections 0301-0308, address regional libraries.
- The Interlocal Agreement stipulates that the budgets for each county *“will include an agreed upon amount paid by each member county for the materials, salaries, and operating expenses.”*

# The Value of a Regional Library System

In North Carolina, 12 library regions provide library services to 42 counties. The other 58 counties operate their own libraries.

A regional library benefits counties by **reducing the cost** of public library service for their citizens through:

- *Economies of Scale, Shared Costs, and Resource Sharing*
- *Administrative Services*
  - Management
  - Finances
  - Personnel
  - Information Technology

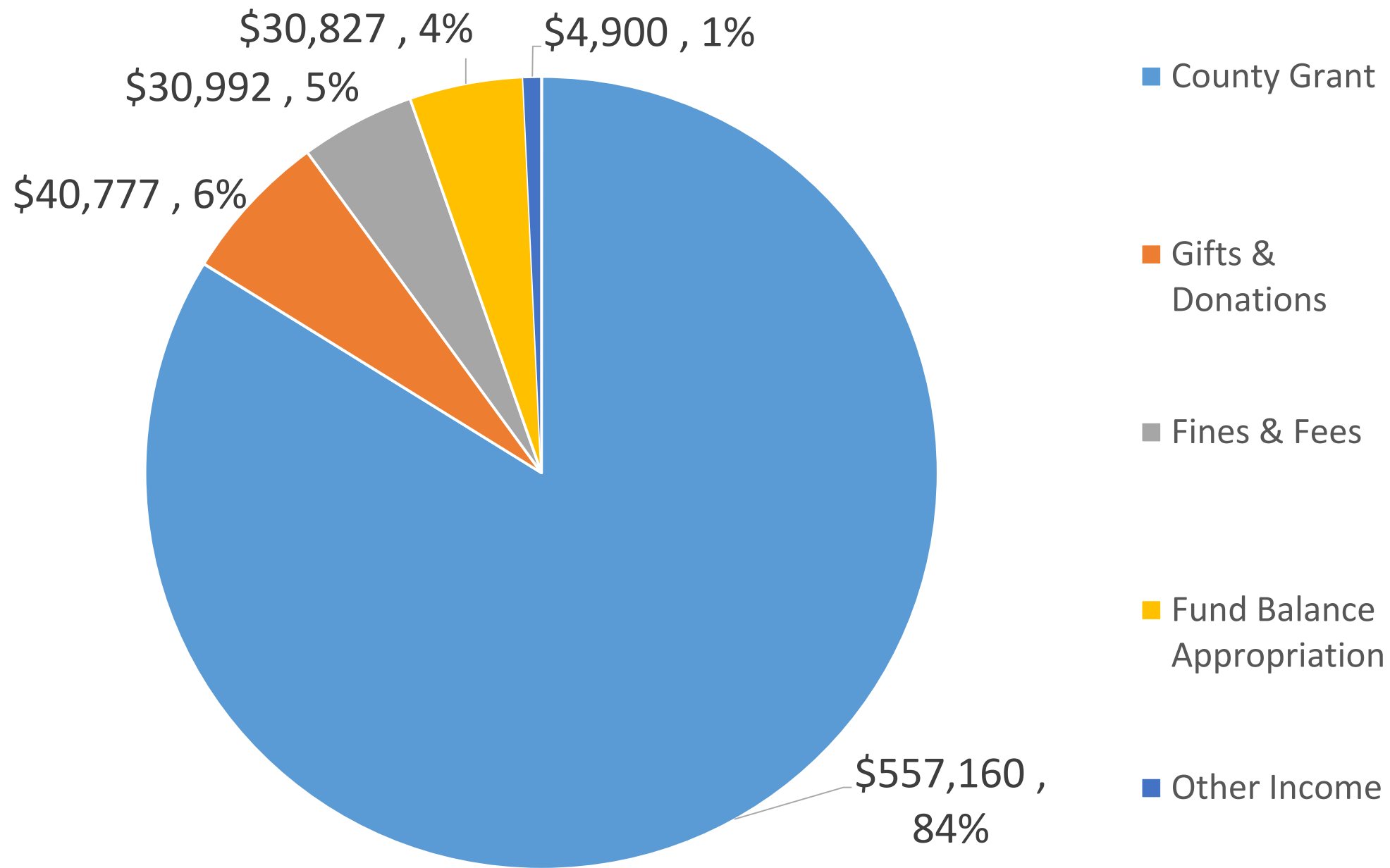


# ARL's Value to its Community in Numbers (population of region 150,732 in 2016-2017)

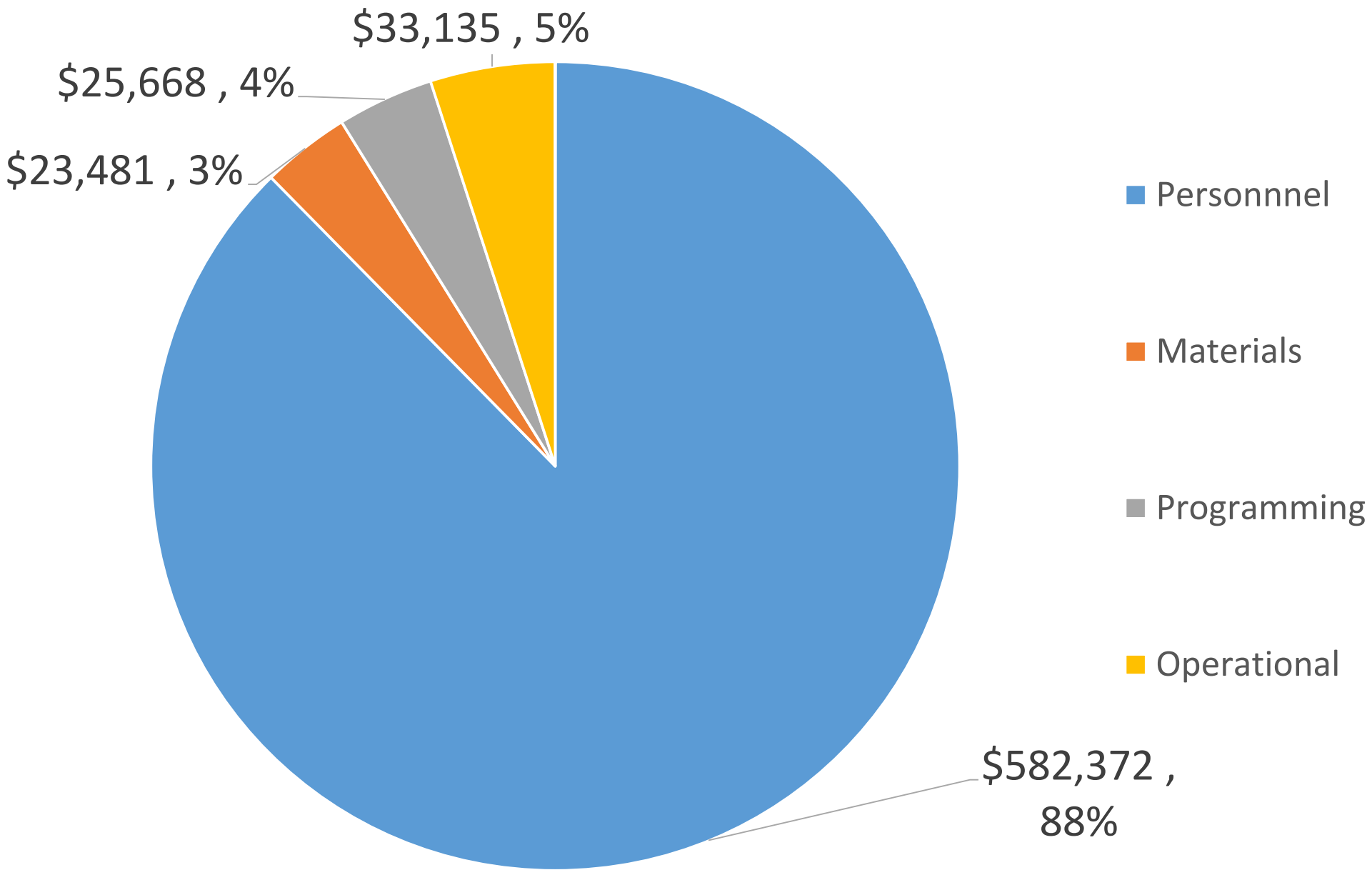
- 742,000 items checked out or viewed (nearly 5 per capita)
- 32,850 Program Attendees at 1,633 Programs
- 98,900 Computer and Wi-Fi Users
- 423,300 Bodies through the doors (nearly 3 visits per capita)







**\$\$\$\$\$: Watauga County Public Library's Current Revenues \$664,656**



**\$\$\$\$\$\$: Watauga County Public Library's Current Expenditures \$664,656**

# Why did ARL do a Compensation Study?

## Pre-Study ARL SWOT Analysis

### Main Strengths of ARL

Staff Creativity

Staff Work Ethic

### Main Weaknesses of ARL

Low Salaries

High Turnover Rate

### Major Opportunity for ARL

Bring Salaries Up to a Fair &  
Competitive Level

### Major Threat for ARL

Decreasing Ability to Give  
Good Customer Service

# What did we hope to achieve with this study?

Support for the Library's efforts ***to attract and retain quality employees by***

- Ensuring ***internal equity and consistency*** among similar positions regardless of location
- Creating a salary plan that is ***externally competitive*** with comparable employers

# The study's methodology

Step 1. Project Initiation/Historical Review

Step 2. Data Collection Step

Step 3. Develop Classification System (internal equity)

Step 4. Pay Plan Development (external competitiveness)

Step 5.



# The Study's Findings

- The Library's ***salary levels are significantly lower*** than the average salary rates paid in comparable regional library systems (benchmark organizations)
- The Library's ***turnover rate is high*** which is costly in service and cash.

# Salary Survey

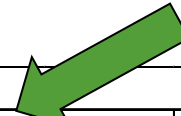
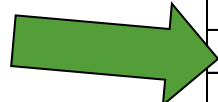
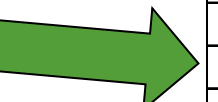
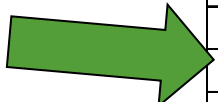
## Benchmark Libraries and Systems

- Neuse Regional Library (Lenoir, Greene, Jones Counties)\*
- Northwest Regional Library (Alleghany, Stokes, Surry, Yadkin Counties)\*
- East Albemarle Regional Library (Camden, Currituck, Dare, Pasquotank Counties)\*
- Sheppard Memorial Library (Pitt County)\*
- Randolph County Public Library\*
- Alamance County Public Libraries\*
- Sandhill Regional Library System (Anson, Hoke, Montgomery, Moore, Richmond Counties)
- Onslow County Public Library

*\*Reflects communities who responded to the survey*

# Survey Results

Sheet	Position Surveyed	Average Midpoint	Minimum Salary	Minimum Salary	Appalachian Regional Library Information								
			Average	Average	Min	Diff	%	Mid	Diff	%	Max	Diff	%
1	Library Page	23,318.19	22,264.22	26,201.46	15,392.00	(6,872.22)	-44.65%	20,030.50	(3,287.69)	-16.41%	24,669.00	(1,532.46)	-6.21%
2	Regional Courier	24,432.00	17,664.00	31,200.00	16,340.00	(1,324.00)	-8.10%	22,262.00	(2,170.00)	-9.75%	28,184.00	(3,016.00)	-10.70%
3	Branch Library Assistant	31,444.51	22,214.07	40,674.95	16,340.00	(5,874.07)	-35.95%	22,262.00	(9,182.51)	-41.25%	28,184.00	(12,490.95)	-44.32%
4	Adult Services Assistant	30,504.00	22,831.00	38,177.00	16,340.00	(6,491.00)	-39.72%	22,262.00	(8,242.00)	-37.02%	28,184.00	(9,993.00)	-35.46%
5	Circulation Assistant	27,825.37	21,790.66	33,860.08	16,340.00	(5,450.66)	-33.36%	22,262.00	(5,563.37)	-24.99%	28,184.00	(5,676.08)	-20.14%
6	DNU - Youth Services Assistant	33,354.00	25,658.00	41,050.00	16,340.00	(9,318.00)		22,262.00	(11,092.00)		28,184.00	(12,866.00)	
7	Adult Services Specialist	35,400.00	25,620.00	45,180.00	18,161.00	(7,459.00)	-41.07%	26,064.00	(9,336.00)	-35.82%	33,967.00	(11,213.00)	-33.01%
8	Assistant Circulation Manager	36,340.36	27,960.00	44,708.33	18,161.00	(9,799.00)	-53.96%	26,064.00	(10,276.36)	-39.43%	33,967.00	(10,741.33)	-31.62%
9	DNU - Outreach Specialist	43,434.50	33,411.00	53,458.00	18,161.00	(15,250.00)		26,064.00	(17,370.50)		33,967.00	(19,491.00)	
10	Reference Specialist	35,400.00	25,620.00	45,180.00	18,161.00	(7,459.00)	-41.07%	26,064.00	(9,336.00)	-35.82%	33,967.00	(11,213.00)	-33.01%
11	Technical Services Specialist	33,576.76	22,733.12	44,420.41	18,161.00	(4,572.12)	-25.18%	26,064.00	(7,512.76)	-28.82%	33,967.00	(10,453.41)	-30.78%
12	DNU - Youth Services Specialist	40,089.56	28,272.00	49,860.00	18,161.00	(10,111.00)		26,064.00	(14,025.56)		33,967.00	(15,893.00)	
13	Branch Library Manager	48,994.51	35,383.42	62,605.60	24,565.00	(10,818.42)	-44.04%	35,280.50	(13,714.01)	-38.87%	45,996.00	(16,609.60)	-36.11%
14	Circulation Manager	45,946.61	35,052.37	56,840.86	24,565.00	(10,487.37)	-42.69%	35,280.50	(10,666.11)	-30.23%	45,996.00	(10,844.86)	-23.58%
15	Technical Services Manager	44,659.50	33,877.00	55,442.00	24,565.00	(9,312.00)	-37.91%	35,280.50	(9,379.00)	-26.58%	45,996.00	(9,446.00)	-20.54%
16	Adult Services Librarian	57,119.50	42,511.50	71,727.50	27,050.00	(15,461.50)	-57.16%	38,835.50	(18,284.00)	-47.08%	50,621.00	(21,106.50)	-41.70%
17	Reference Librarian	54,860.95	42,112.42	67,609.48	27,050.00	(15,062.42)	-55.68%	38,835.50	(16,025.45)	-41.26%	50,621.00	(16,988.48)	-33.56%
18	Youth Services Librarian	54,089.00	40,071.33	68,106.67	27,050.00	(13,021.33)	-48.14%	38,835.50	(15,253.50)	-39.28%	50,621.00	(17,485.67)	-34.54%
19	DNU - Regional Finance and Personnel Man	51,798.00	39,851.33	63,744.67	29,469.00	(10,382.33)		42,347.00	(9,451.00)		55,225.00	(8,519.67)	
20	Regional IT Coordinator	55,851.46	42,163.00	71,631.89	29,469.00	(12,694.00)	-43.08%	42,347.00	(13,504.46)	-31.89%	55,225.00	(16,406.89)	-29.71%
21	County Librarian	57,334.73	45,219.03	70,958.14	34,412.00	(10,807.03)	-31.40%	49,412.00	(7,922.73)	-16.03%	64,412.00	(6,546.14)	-10.16%
22	Regional Director of Libraries	81,922.80	64,839.76	102,421.53	43,641.00	(21,198.76)	-48.58%	60,582.00	(21,340.80)	-35.23%	77,523.00	(24,898.53)	-32.12%
	Averages					(9,964.78)	-40.65%		(11,042.54)	-31.99%		(12,428.71)	-28.18%
	DNU - did not use survey information												





# State Library

Counties

Municipalities

Regions

VS.

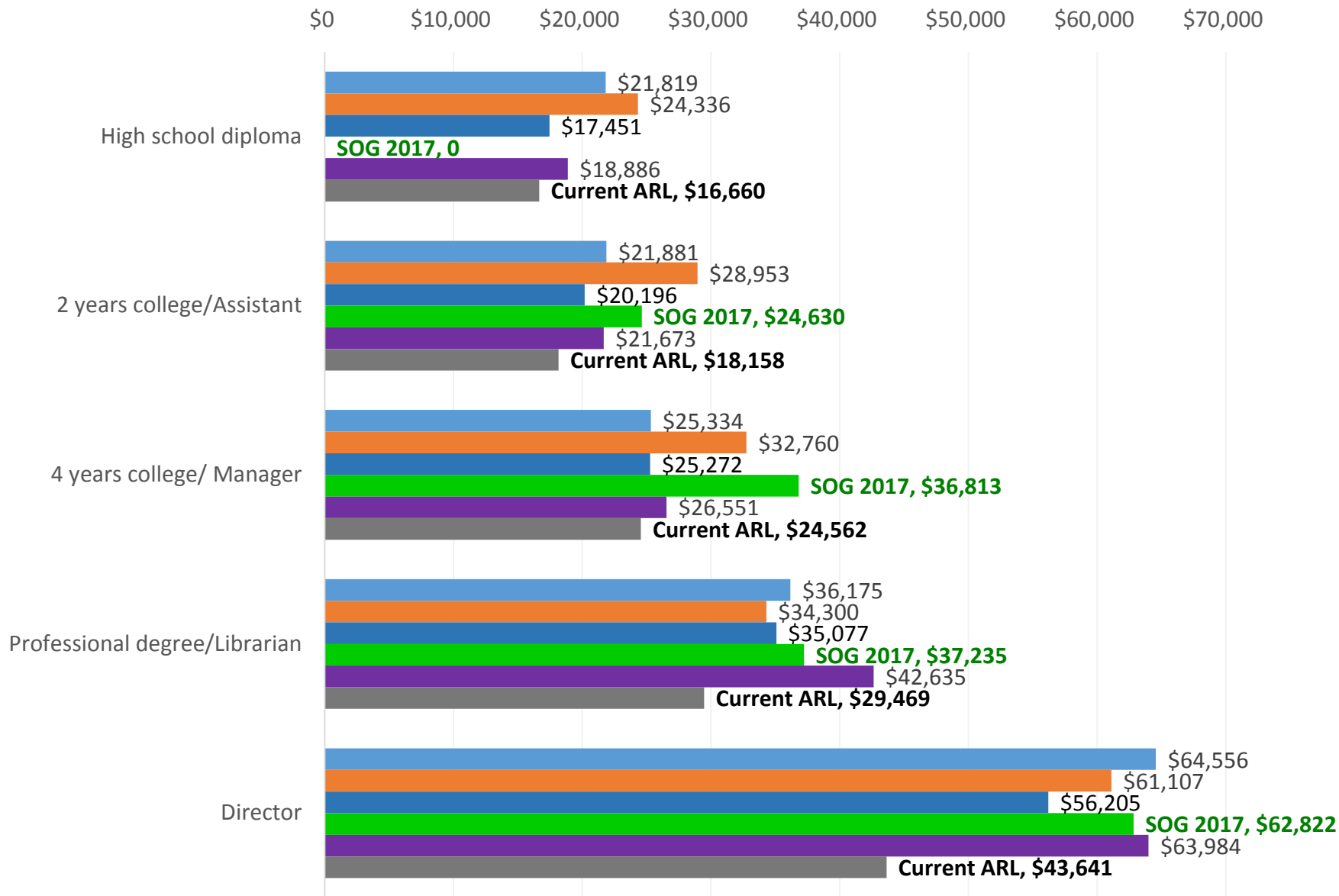
School of Government

VS.

Springsted

VS.

ARL Pay Scale



Counties Municipalities Regions SOG 2017 Springsted Current ARL

# Current ARL Pay Scale

Grade	Salary Range		
	Min	Mid	Max
1	\$15,392	\$20,030	\$24,668
2	\$16,660	\$22,422	\$28,184
3	\$18,161	\$26,064	\$33,967
4	\$24,656	\$35,326	\$45,996
5	\$27,050	\$38,835	\$50,621
6	\$29,469	\$42,347	\$55,225
7	\$34,412	\$50,412	\$64,412
8	\$43,641	\$60,582	\$77,523

# Proposed ARL Pay Scale

% Between Grades:	7%	041718 BCC Meeting	
Range:	60.0%		
Starting midpoint:	23,000		
Salary Range			
Grade	Min	Mid	Max
1	17,692.31	23,000.00	28,307.69
2	18,930.77	24,610.00	30,289.23
3	20,255.92	26,332.70	32,409.48
4	21,673.84	28,175.99	34,678.14
5	23,191.01	30,148.31	37,105.61
6	24,814.38	32,258.69	39,703.00
7	26,551.38	34,516.80	42,482.21
8	28,409.98	36,932.97	45,455.97
9	30,398.68	39,518.28	48,637.89
10	32,526.59	42,284.56	52,042.54
11	34,803.45	45,244.48	55,685.52
12	37,239.69	48,411.59	59,583.50
13	39,846.47	51,800.41	63,754.35
14	42,635.72	55,426.44	68,217.15
15	45,620.22	59,306.29	72,992.35
16	48,813.63	63,457.73	78,101.82
17	52,230.59	67,899.77	83,568.94
18	55,886.73	72,652.75	89,418.77
19	59,798.80	77,738.44	95,678.08
20	63,984.72	83,180.13	102,375.55

Department	Title	Proposed Range			
		Grade	Min	Mid	Max
Circulation	Library Page	2	18,930.77	24,610.00	30,289.23
Adult Services	Adult Services Assistant	4	21,673.84	28,175.99	34,678.14
Circulation	Branch Library Assistant	6	24,814.38	32,258.69	39,703.00
Circulation	Circulation Assistant	4	21,673.84	28,175.99	34,678.14
Admin	Regional Courier	3	20,255.92	26,332.70	32,409.48
Youth Services	Youth Services Assistant	4	21,673.84	28,175.99	34,678.14
Adult Services	Adult Services Specialist	6	24,814.38	32,258.69	39,703.00
Adult Services	Outreach Specialist	6	24,814.38	32,258.69	39,703.00
Adult Services	Reference Specialist	6	24,814.38	32,258.69	39,703.00
Tech Services	Technical Services Specialist	6	24,814.38	32,258.69	39,703.00
Youth Services	Youth Services Specialist	6	24,814.38	32,258.69	39,703.00
Circulation	Assistant Circulation Manager	8	28,409.98	36,932.97	45,455.97
Admin	Branch Library Manager	13	39,846.47	51,800.41	63,754.35
Circulation	Circulation Manager	12	37,239.69	48,411.59	59,583.50
Tech Services	Technical Services Manager	12	37,239.69	48,411.59	59,583.50
Adult Services	Adult Services Librarian	15	45,620.22	59,306.29	72,992.35
Adult Services	Reference Librarian	14	42,635.72	55,426.44	68,217.15
Youth Services	Youth Services Librarian	14	42,635.72	55,426.44	68,217.15
Admin	Regional Finance and Personnel Manager	15	45,620.22	59,306.29	72,992.35
Admin	Regional IT Coordinator	14	42,635.72	55,426.44	68,217.15
Admin	County Librarian	15	45,620.22	59,306.29	72,992.35
Admin	Regional Director of Libraries	20	63,984.72	83,180.13	102,375.55

Proposed  
Placement  
of Jobs in  
Pay Scale

# Three Suggested Options for Funding a New Pay Scale

- **Option 1** brings all those below grade to the minimum of the new recommended grade and provides nothing for those within or above grade.
- **Option 2** brings all those under grade to the minimum of their new recommended grade and provides all those whose current salaries fall within grade a 2% increase (if any are below grade by less than 2%, they get a full 2% raise).
- **Option 3** is Springsted's and the Regional Governing Board's recommended option. It brings employees into the new scale using a 'Years of Service' adjustment based on time with the library as benchmark for service length.

# Implementation Costs – Regional Staff

041718 BCC Meeting

Option 1 - Move to Min						
	# of Staff	Current Salary		Proposed Salary	Difference	% Increase
Totals	4	\$ 161,887.04		\$ 162,034.01	\$ 146.97	0.09%
Employee Below Min	1	\$ 7,449.00		\$ 7,595.97	\$ 146.97	1.97%
Employee Within Range	3	\$ 154,438.04		\$ 154,438.04	\$ -	
Employee Above Max	0	\$ -		\$ -	\$ -	
Option 2 - Min or 2% increase						
	# of Staff	Current Salary		Proposed Salary	Difference	% Increase
Totals	4	\$ 161,887.04		\$ 165,124.78	\$ 3,237.74	2.00%
Employee Below Min	1	\$ 7,449.00		\$ 7,597.98	\$ 148.98	2.00%
Employee Within Range	3	\$ 154,438.04		\$ 157,526.80	\$ 3,088.76	2.00%
Employee Above Max	0	\$ -		\$ -	\$ -	
Option 3 - Min + .5% per YOS						
	# of Staff	Current Salary		Proposed Salary	Difference	% Increase
Totals	4	\$ 161,887.04		\$ 171,640.56	\$ 9,753.52	6.02%
Employee Below Min	1	\$ 7,449.00		\$ 7,975.77	\$ 526.77	7.07%
Employee Within Range	3	\$ 154,438.04		\$ 163,664.79	\$ 9,226.75	5.97%
Employee Above Max	0	\$ -		\$ -	\$ -	

# Implementation Cost - Ashe

Option 1 - Move to Minimum					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	16	\$ 314,134.12	\$ 414,118.93	\$ 99,984.81	31.83%
Employees Below Minimum	15	\$ 266,658.12	\$ 366,642.93	\$ 99,984.81	37.50%
Employees Within Minimum	1	\$ 47,476.00	\$ 47,476.00	\$ -	0.00%
Employees Above Minimum	0	\$ -	\$ -	\$ -	
Option 2 - Minimum or 2%					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	16	\$ 314,134.12	\$ 415,068.45	\$ 100,934.33	32.13%
Employees Below Minimum	15	\$ 266,658.12	\$ 366,642.93	\$ 99,984.81	37.50%
Employees Within Minimum	1	\$ 47,476.00	\$ 48,425.52	\$ 949.52	2.00%
Employees Above Minimum	0	\$ -	\$ -	\$ -	
Minimum plus 0.5% per year of service					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	16	\$ 314,134.12	\$ 422,244.81	\$ 108,110.69	34.42%
Employees Below Minimum	15	\$ 266,658.12	\$ 373,098.96	\$ 106,440.84	39.92%
Employees Within Minimum	1	\$ 47,476.00	48188.14	\$ 712.14	1.50%
Employees Above Minimum	0	\$ -	\$ -	\$ -	

# Implementation Costs - Wilkes

Option 1 - Move to Minimum					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	22	\$ 407,999.63	\$ 479,810.53	\$ 71,810.90	17.60%
Employees Below Minimum	19	\$ 303,242.16	\$ 375,053.06	\$ 71,810.90	23.68%
Employees Within Minimum	3	\$ 104,757.47	\$ 104,757.47	\$ -	0.00%
Employees Above Minimum	0	\$ -	\$ -	\$ -	
Option 2 - Minimum or 2%					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	22	\$ 407,999.63	\$ 481,905.68	\$ 73,906.05	18.11%
Employees Below Minimum	19	\$ 303,242.16	\$ 375,053.06	\$ 71,810.90	23.68%
Employees Within Minimum	3	\$ 104,757.47	\$ 106,852.62	\$ 2,095.15	2.00%
Employees Above Minimum	0	\$ -	\$ -	\$ -	
Minimum plus 0.5% per year of service					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	22	\$ 407,999.63	\$ 492,460.91	\$ 84,461.28	20.70%
Employees Below Minimum	19	\$ 303,242.16	\$ 385,939.50	\$ 82,697.34	27.27%
Employees Within Minimum	3	\$ 104,757.47	\$ 106,521.41	\$ 1,763.94	1.68%
Employees Above Minimum	0	\$ -	\$ -	\$ -	

# Implementation Costs - Watauga

Option 1 - Move to Minimum					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	21	\$ 426,353.91	\$ 530,844.03	\$ 104,490.12	24.51%
Employees Below Minimum	19	\$ 359,513.56	\$ 464,003.68	\$ 104,490.12	29.06%
Employees Within Minimum	2	\$ 66,840.35	\$ 66,840.35	\$ -	0.00%
Employees Above Minimum	0	\$ -	\$ -	\$ -	
Option 2 - Minimum or 2%					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	21	\$ 426,353.91	\$ 531,883.06	\$ 105,529.16	24.75%
Employees Below Minimum	19	\$ 359,513.56	\$ 464,003.68	\$ 104,490.12	29.06%
Employees Within Minimum	2	\$ 66,840.35	\$ 67,879.38	\$ 1,039.03	1.55%
Employees Above Minimum	0	\$ -	\$ -	\$ -	
Minimum plus 0.5% per year of service					
	# of Staff	Current Salary	Proposed Salary	Difference	% Increase
Totals	21	\$ 426,353.91	\$ 553,415.78	\$ 127,061.87	29.80%
Employees Below Minimum	19	\$ 359,513.56	\$ 484,497.36	\$ 124,983.80	34.76%
Employees Within Minimum	2	\$ 66,840.35	\$ 68,918.41	\$ 2,078.06	3.11%
Employees Above Minimum	0	\$ -	\$ -	\$ -	



# ARL's Request to our all our Counties

*Move all current employees to the minimum in their salary range in the new pay scale, plus 0.5% per year in position, and fully fund all personnel costs, over the course of the next 3 years.*

# Notes on the Big Ask

- The Interlocal Agreement stipulates that the budgets for each county “will include an agreed upon amount paid by each member county for the materials, salaries, and operating expenses.”
- Watauga County’s*** current appropriation does fully fund our total actual personnel costs – salaries plus FICA, Health Insurance, Retirement, Unemployment, Worker’s Comp, and Dental Insurance.
- None of our three county appropriations covers all personnel *and* all operating costs for their county.
- No county appropriations pay for *any* library materials.

# More Notes on the Big Ask

- ARL does not expect our counties to pay for all the materials we purchase every year, or for all our operational expenses – that’s where our fines and fees, State Aid, and our Friends and Endowments come in.
- **We fully recognize – and appreciate – and thank our Watauga commissioners** that Watauga County absorbs the full cost of building maintenance and repair in the county’s budget.
- This year we are asking all our counties ***to fund a better pay scale for our employees, and to provide funding for the full personnel budgets***, including all related personnel costs such as FICA, retirement, and health insurance for full time employees.



Thank you for supporting public library services to the citizens of Watauga County.

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**AGENDA ITEM 5:**

**PROPOSED PROCLAMATION HONORING RENEE BOUGHMAN AND F.A.R.M. CAFÉ**

**MANAGER'S COMMENTS:**

Mr. Thomas Brown, Volunteer Coordinator and Marketing/Development Coordinator with F.A.R.M. Café will request the Board to proclaim May 2, 2018, as RENEE BOUGHMAN and F.A.R.M. CAFÉ DAY. The purpose of the proclamation is to bring awareness and support of their work to end food insecurity in the High Country by visiting the F.A.R.M. Café.

Board action is requested to adopt the proclamation as presented.

STATE OF NORTH CAROLINA

COUNTY OF WATAUGA

**DRAFT**

**Proclamation Honoring  
Renee Boughman and F.A.R.M. Cafe**

**WHEREAS**, the F.A.R.M. Café opened its doors in 2012 to Feed All Regardless of Means and the community is celebrating six years of operation; and

**WHEREAS**, in 2009, Renee Boughman began working with local community members to create the plans for what was to become F.A.R.M. Café; and

**WHEREAS**, Renee Boughman has dedicated countless hours of hard work and compassion to provide healthy and delicious meals for all regardless of means; and

**WHEREAS**, each day of operation, the F.A.R.M. Café serves an average of 75 delicious, healthy meals to the community; and

**WHEREAS**, on average, 20% of these meals are served to those experiencing food insecurity, whether at no cost, less than cost, or in exchange for volunteer hours in the Café; and

**WHEREAS**, over the last six years, over 22,000 volunteer hours have been served by F.A.R.M. Café volunteers; and

**WHEREAS**, an estimated 100,000 people have enjoyed a meal at F.A.R.M. Café; and

**WHEREAS**, F.A.R.M. Café has become an important part of the Watauga County, Boone, and specifically, the Downtown area; and

**WHEREAS**, F.A.R.M. Café brings together individuals from all over Watauga County and provides a welcoming, supportive community for all to join.

**NOW, THEREFORE, BE IT PROCLAIMED** that the Watauga County Board of Commissioners declares May 2, 2018, as **RENEE BOUGHMAN and F.A.R.M. CAFÉ DAY**, and urge all citizens to support their work to end food insecurity in the High Country by visiting the F.A.R.M. Café.

**ADOPTED** this the 17<sup>th</sup> day of April, 2018.



\_\_\_\_\_  
John Welch, Chairman  
Watauga County Board of Commissioners

ATTEST:

\_\_\_\_\_  
Anita J. Fogle, Clerk to the Board

**AGENDA ITEM 6:**

**COMMUNITY/RECREATION CENTER UPDATE**

**MANAGER'S COMMENTS:**

Mr. Chad Roberson, Clark Nexsen, will update the Board on the current plans for the recreation center. Mr. Roberson will also request the Board approve the design development submittal and authorize to proceed with construction documents.

Board authorization is requested to approve the design development submittal and direct Clark Nexsen to proceed with the construction documents.



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**AGENDA ITEM 7:**

**REQUEST FOR RPO RANKING OF TRANSPORTATION PROJECTS**

**MANAGER'S COMMENTS:**

Mr. Joe Furman, Planning and Inspections Director, will request the Board rank in order the eight (8) listed projects for the possible inclusion in the 2020-2029 State Transportation Improvement Program (STIP). The rankings are due May 1, 2018.

Board direction is requested regarding the ranking of the eight included transportation projects.

## Memorandum

**Date:** April 11, 2018  
**To:** Deron Geouque  
**From:** Joe Furman, Director  
**RE:** RPO ranking of transportation projects

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We just received the RPO request for ranking of transportation projects for possible inclusion in the 2020-2029 State Transportation Improvement Program (STIP), due May 1<sup>st</sup> (see attached). As you can see from the attached, the Commissioners are requested to rank Watauga County projects included in the list, except those that are already funded and 2 of the Town of Boone projects. Already funded projects are a roundabout at West King Street and Poplar Grove Connector (at Human Services Center) and realignment of the Deerfield Road/Meadowview Drive intersection (at Walgreens). The presumed Town of Boone projects are the bypass (Daniel Boone Parkway) and a multi-use path along East King Street connecting Grove Street to Brookshire Park. That leaves 8 projects for County ranking as follows (not in any suggested order).

- Multi-lane NC Hwy 105 from Clark's Creek Road to US Hwy 221 in Linville
- Middle Fork Greenway, Section 5 from Niley Cook Road to Jordan V. Cook Road
- Improve Deerfield Road/Bamboo Road intersection at 3-way stop sign
- Improve US Hwy 321 between Payne Branch Road and Fairway Drive
- Improve US Hwy 421/old 421 South intersection at Food Lion
- Multi-lane 105 Bypass
- Multi-lane US Hwy 421 from Vilas to Tennessee line
- Multi-lane NC Hwy 194 from East King Street to Howard's Creek Road

Johnny Riddle  
Chair of the Board

Valerie Jaynes  
Vice-Chair



Mark Evans  
Secretary

Chris Jones  
Treasurer

468 New Market Blvd.  
Boone, NC 28607

www.regiond.org

Voice: 800-735-8262

Phone: 828-265-5434  
Fax: 828-265-5439

## MEMORANDUM

**TO:** Mike James, Alleghany County Manager  
Sam Yearick, Ashe County Manager  
Phillip Barrier, Avery County Manager  
Kathy Young, Mitchell County Manager  
Deron Geouque, Watauga County Manager  
John Yates, Wilkes County Manager  
Nathan Bennett, Yancey County Manager  
John Ward, Boone Town Manager

**FROM:** David Graham, Transportation Planner

**SUBJECT:** High Country RPO – Call for Priority STIP Projects

**DATE:** April 3, 2018

The High Country RPO has developed a Project Solicitation and Ranking Methodology for scoring and ranking transportation projects that cover all modes of transportation (*highway, bicycle & pedestrian, transit, airport, and rail*) for consideration in the State Transportation Improvement Program (STIP). In accordance with the High Country RPO Project Solicitation and Ranking Methodology, the High Country RPO will score and rank **all** eligible High Country RPO projects in the NCDOT's database.

Therefore, **please submit in order of priority (1st, 2nd, 3rd ...)** your county's projects for scoring and ranking. As individual municipalities (with the exception of the Town of Boone) will not be submitting projects to the RPO for scoring and ranking, the county requests should include both rural and urban projects. I encourage all counties to discuss the priority order of projects with their respective municipalities prior to submitting projects. ***Attached is the list of all eligible projects sorted by county for scoring and ranking. Please review the attached list and submit all of your eligible projects in order of priority. Do not submit projects that have been selected as Statewide Mobility projects in blue font. Statewide Mobility projects are funded projects.*** In addition, there is no mandate on how counties choose priority projects. If there is a desire to submit a project that is outside of your jurisdiction, please contact me as soon as possible so that this can be coordinated.

**Information Needed for Bicycle and Pedestrian Projects**

When submitting Bicycle and Pedestrian projects, please indicate if all, a portion of, or if no right-of-way has been secured for the project. This information is needed for project scoring.

***Note:** The Division Needs category projects including the projects that cascade down from the Regional Impact category to the Division Needs category will automatically be re-ranked for point allocation. For example: If Ashe County submits 5 projects for scoring and ranking in priority order (#1 - #5) and only the top 2 projects are funded at the Regional Impact category the remaining projects (#3 - #5) will be scored and ranked at the Division Needs Category as follows: Project #3 becomes priority #1, Project #4 becomes priority #2, and Project #5 becomes priority #3. High Country counties and the Town of Boone will have an opportunity to revise division projects if desired.*

**To have projects included for scoring and ranking, please submit your priority projects in order of priority (1st, 2nd, 3rd, ...) to me by May 1, 2018.**

Please give me a call if you would like to discuss individual projects.

Thank you.

Enclosures

cc: High Country RPO Rural Transportation Advisory Committee (RTAC) members  
High Country RPO Rural Transportation Coordinating Committee (RTCC) members  
Shane Fox, Executive Director, High Country Council of Governments  
Phil Trew, Planning Director, High Country Council of Governments  
High Country Town Managers

SPOT ID	Mode	TIP	Project Category	Route / Facility Name	From / Cross Street	To / Cross Street	Description	Specific Improvement Type	Cost to NCDOT	Statewide Mobility Quantitative Score (Out of 100)	Regional Impact Total Score (Out of 100)	Division Needs Total Score (Out of 100)	County(s)
H170959	Highway		Regional Impact	NC 18	SR 1206 (Sparta Parkway)		Improve intersection for safety	10 - Improve Intersection	\$ 1,500,000	N/A	36.86	26.78	Alleghany
H141040	Highway		Regional Impact	US 221	NC 113		Construct roundabout.	10 - Improve Intersection	\$ 1,000,000	N/A	32.70	24.38	Alleghany
H170858	Highway		Division Needs	SR 1248 (Beaver Creek School Road)	US 221 Business	SR 1133 (Ray Taylor Road)	Modernize roadway to 12 foot lanes	16 - Modernize Roadway	\$ 6,200,000	N/A	N/A	20.87	Ashe
H170866	Highway		Division Needs	SR 1149 (Mount Jefferson Road)	Oakwood Road	Campus Drive	Widen the roadway to a four lane divided facility	1 - Widen Existing Roadway	\$ 17,400,000	N/A	N/A	6.51	Ashe
H150358	Highway	R-5833	Regional Impact	NC 194, US 221 BUS (South Jefferson Avenue)	SR 1248 (Beaver Creek School Road)		Construct superstreet intersection	10 - Improve Intersection	\$ 2,800,000	N/A	35.55	25.89	Ashe
H170854	Highway		Regional Impact	US 221	US 221 Business	NC 16	Widen facility from 11' lanes to 12' lanes, add median with turn bays, and add traffic signals where needed.	1 - Widen Existing Roadway	\$ 20,000,000	N/A	20.43	14.22	Ashe
H150440	Highway		Regional Impact	NC 194	US 221 Business (2nd Street)	NC 88	Modernize Roadway	16 - Modernize Roadway	\$ 22,700,000	N/A	19.35	15.41	Ashe
H090169	Highway	R-2811	Regional Impact	NC 184	NC 105	SR 1342 (Hickory Nut Gap Road)	NC 105 to Hickory Nut Gap Rd (SR 1342) in Banner Elk. Widen to Multi-Lanes.	1 - Widen Existing Roadway	\$ 84,700,000	N/A	36.61	31.17	Avery
H170957	Highway		Statewide Mobility	US 19E	NC 194		Construct right turn lane from 19E onto NC 194	10 - Improve Intersection	\$ 500,000	51.09	33.58	23.76	Avery

H141043	Highway		Regional Impact	NC 181	SR 1370 (Avery County High School Road)		Construct roundabout at the intersection of NC 181 and SR 1370 (Avery County High School Road).	10 - Improve Intersection	\$ 1,000,000	N/A	29.48	18.99	Avery
H090921-A	Highway	R-2566A	Statewide Mobility	NC 105	US 221	SR 1136 in Watauga County	Widen to Multi-Lanes.	1 - Widen Existing Roadway	\$ 189,800,000	62.92	44.49	36.22	Avery, Watauga
H170834	Highway	R-2599	Regional Impact	NC 226	NC 197	NC 261	Upgrade roadway from NC 197 to NC 261	16 - Modernize Roadway	\$ 22,600,000	N/A	20.06	17.28	Mitchell
H090110-A	Highway	R-2520A	Statewide Mobility	US 19	East of Spruce Pine in Mitchel County	SR 1106 (Mullin Hill Road) in Avery County	Widen to Multi-Lanes.	1 - Widen Existing Roadway	\$ 45,800,000	49.50	35.91	28.29	Mitchell, Avery
B170742	BikePed		Division Needs	Town of Boone Multi-Use Path	Grove Street	Brookshire Road	The path will extend the existing sidewalk network one mile east, connecting residential apartment dwellers and greenway users to businesses along US 421/E King Street and downtown Boone.	2 - Off-Road/Separate d Linear Bicycle Facility (Bicycle)	\$ 1,685,000	N/A	N/A	28.19	Watauga
B170760	BikePed		Division Needs	Middle Fork Greenway Section 5	Jordan Cook Road (SR 1543)	Niley Cook Road (SR 1532)	Construct section of multi-use path along US 321 between Boone and Blowing Rock	2 - Off-Road/Separate d Linear Bicycle Facility (Bicycle)	\$ 2,000,000	N/A	N/A	27.59	Watauga
H170956	Highway		Division Needs	SR 1522 (Deerfield Road)	SR 1514 (Bamboo Road)		Upgrade intersection	10 - Improve Intersection	\$ 1,700,000	N/A	N/A	22.92	Watauga

H171686	Highway	R-5872	Statewide Mobility	US 421 (W King Street)	SR 1180 (Poplar Grove Connector)		Construct a roundabout at the intersection of US 421 (W King St.) and SR 1180 (Poplar Grove Connector)	10 - Improve Intersection	\$ 1,500,000	79.62	N/A	N/A	Watauga
H171760	Highway	R-5874	Statewide Mobility	US 321	Deerfield Road, Meadowview Road		Realign offset intersections	21 - Realign Multiple Intersections	\$ 8,100,000	75.22	N/A	N/A	Watauga
H170838	Highway	U-2703	Statewide Mobility	New Route - Boone Bypass (Daniel Boone Parkway)	Intersection of US 421/221 and Old 421 (SR 1416) east of Boone	US 421/321 west of Boone approximately .75 of a mile west of US 421/SR 1107 intersection	Construct freeway on new location south of the City of Boone	5 - Construct Roadway on New Location	\$ 271,200,000	65.46	43.38	34.30	Watauga
H172180	Highway		Statewide Mobility	US 321	SR 1541 (Payne Branch Rd.)	SR 1602 (Fairway Dr.)	Modernize roadway w/ curve realignment	16 - Modernize Roadway	\$ 3,900,000	58.07	39.94	30.14	Watauga
H170872	Highway		Statewide Mobility	US 421, US 221	SR 1416 (Old US 421 South), SR 1672 (Old US 421 South)		Upgrade intersection to interchange to improve safety	7 - Upgrade At-grade Intersection to Interchange or Grade Separation	\$ 12,900,000	58.99	39.47	29.39	Watauga
H111016	Highway		Regional Impact	SR 1107 (NC 105 Bypass Road), US 321 TRUCK, US 421 TRUCK	NC 105	US 421/321/NC194	Widen to Multi-Lanes with Bike Lanes. (4 Lanes W/Median and Bike Lanes)	1 - Widen Existing Roadway	\$ 52,000,000	N/A	38.20	26.69	Watauga
H090163-A	Highway	R-2615A	Regional Impact	US 421	Tennessee Line	US 321-US 421 Junction Near Vilas	Tennessee Line to US 321-US 421 Junction near Vilas. Widen to Multi-Lanes.	1 - Widen Existing Roadway	\$ 100,600,000	N/A	35.32	30.52	Watauga
H090314	Highway	U-5867	Regional Impact	NC 194	US 421 (King Street)	SR 1306 (Howards Creek Rd)	Widen to 4 Lanes Curb and Gutter.	1 - Widen Existing Roadway	\$ 29,500,000	N/A	27.85	16.94	Watauga



A130280	Aviation		Division Needs	UKF - Wilkes County Airport	UKF - Taxilane and Hangar Construction (Phase 1&2)	N/A	Phase I - paving two taxilanes for a 10 bay T-hangar building on a previously prepared area and the construction of a 10 bay T-hangar building. Phase II - paving one taxilane for a proposed 10 bay T-hangar building on the north hangar development area and the construction of a 10 bay T-hangar building. Phase includes paving a connector taxiway, one taxilane and construction of a 20 bay T-hangar building on the north hangar development area. /includes Project	1240 - Corporate and T-hangar Taxiway: Construction	\$ 5,220,000	N/A	N/A	23.97	Wilkes
A170731	Aviation		Division Needs	UKF - Wilkes County Airport	UKF - New Airport Terminal	N/A	Construct new airport terminal. Anticipated size of the new terminal building is 8,500 square feet to replace the existing building. The age of the existing facility is approximately 35 years old.	1305 - General Aviation Terminal Building: New Construction	\$ 1,000,000	N/A	N/A	21.39	Wilkes
A170733	Aviation		Division Needs	UKF - Wilkes County Airport	UKF - Eastside Parallel Taxiway	N/A	Construct eastside partial parallel taxiway PC#3803	1100 - Taxiway Requirements	\$ 7,870,000	N/A	N/A	29.61	Wilkes

A170736	Aviation		Division Needs	UKF - Wilkes County Airport	UKF - Eastside development and Access Road	N/A	An expansion of the Wilkes County Airport to the east is planned with the establishment of the Wilkes Business Airpark. To facilitate the development for the 100+ acre site, a suitable access road is desired. PC# 2307	1100 - Taxiway Requirements	\$ 5,015,000	N/A	N/A	30.39	Wilkes
A170738	Aviation		Division Needs	UKF - Wilkes County Airport	UKF - Runway Extension to 7,000'	N/A	Extend runway from 6,250 feet to 7,000 feet to facilitate larger aircraft take off and landing PC#3802	0500 - Runway Length/Width	\$ 14,145,000	N/A	N/A	32.94	Wilkes
B170763	BikePed		Division Needs	Yadkin River Greenway Bridge Over Yadkin River	end of Yadkin River Greenway south	end of Yadkin River Greenway north	Construct bridge over the Yadkin River to connect the Yadkin River Greenway to the north and south of the Yadkin River	1 - Grade-Separated Bicycle Facility or National, State, or Regional Bicycle Route (Bicycle)	\$ 296,000	N/A	N/A	25.07	Wilkes
B170765	BikePed		Division Needs	Yadkin River Greenway Bridge Over Reddies River	west side of Reddies River	east side of Reddies River	Construction of a multi-use path bridge connecting the existing greenways on the east and west banks of the Reddies River north of the existing US 421 Business / D Street bridge	1 - Grade-Separated Bicycle Facility or National, State, or Regional Bicycle Route (Bicycle)	\$ 256,000	N/A	N/A	25.56	Wilkes

H090193	Highway		Division Needs	New Route	US 421	NC 268	Construct new facility, part on new location.	6 - Widen Existing Roadway and Construct Part on New Location	\$ 54,000,000	N/A	N/A	20.76	Wilkes
H140146	Highway		Division Needs	SR 1304 (Boone Trail Road)	SR 1372 (Curtis Bridge Road)	US 421 Business (D Street)	Build to current NCDOT standards	16 - Modernize Roadway	\$ 17,100,000	N/A	N/A	16.03	Wilkes
H170850	Highway		Division Needs	Brown Ford Road	US 421	NC 268	Modernize roadway, partially on new location to straighten curves at Yadkin River crossing	16 - Modernize Roadway	\$ 10,100,000	N/A	N/A	16.08	Wilkes
H090048	Highway	R-0616	Regional Impact	New Route - NC 268 Relocation (Wilkesboro-North Wilkesboro Bypass)	NC 18	US 421	NC 18 to US 421. Multi-Lanes, Part on New Location.	5 - Construct Roadway on New Location	\$ 117,500,000	N/A	35.13	25.07	Wilkes
H171412	Highway		Regional Impact	SR 2366 (Wilkesboro Ave), NC 18 (6th Street)	NC 18 (Wilkesboro Boulevard)	NC 18 (Main Sreet)	Widen to 3 - Lane Facility w/ Bike and Pedestrian Accommodations	1 - Widen Existing Roadway	\$ 8,100,000	N/A	31.01	25.10	Wilkes
H090173	Highway	R-3309	Regional Impact	NC 268	SR 1966 in Wilkes County	Elkin Bypass	SR 1966 in Wilkes County (R-2603) to Elkin Bypass (R-2604). Upgrade Two Lanes.	16 - Modernize Roadway	\$ 165,700,000	N/A	30.77	27.94	Wilkes
H150297	Highway		Regional Impact	NC 115 (Statesville Road)	SR 2340 (Fishing Creek Road)	US 421	Upgrade roadway.	16 - Modernize Roadway	\$ 19,000,000	N/A	29.67	24.17	Wilkes
H150294	Highway		Regional Impact	NC 16	US 421	SR 1317 (Pleasant Home Church Road)/SR 1347 (Charity Church Road)	Widen to four-lane divided facility.	1 - Widen Existing Roadway	\$ 55,600,000	N/A	29.33	19.06	Wilkes

H170846	Highway		Regional Impact	US 421 Business (West D Street)	US 421	NC 18/268 (CBD Loop Road)	Widen existing roadway	1 - Widen Existing Roadway	\$ 33,500,000	N/A	23.83	21.18	Wilkes
H170829	Highway		Division Needs	Jacks Creek Road	East Green Mountain Road	Across One-Lane Bridge	Replace existing one lane bridge with two lane facility	1 - Widen Existing Roadway	\$ 1,900,000	N/A	N/A	3.88	Yancey
T170739	Transit		Division Needs	Yancey County Transit Facility			Design and construction of 10,000 square foot modern office, training and maintenance facility new	8 - Facility - Administrative	\$ 675,000	N/A	N/A	22.98	Yancey
H090645	Highway		Regional Impact	US 19	US 19E	Tennessee State Line	Upgrade the Existing Facility to 24 Ft Shoulder Section. (Mountainous Area)	16 - Modernize Roadway	\$ 36,600,000	N/A	15.68	14.14	Yancey
H170802	Highway		Regional Impact	NC 80	US 19E	Mitchell County line	Upgrade roadway	16 - Modernize Roadway	\$ 14,100,000	N/A	13.90	12.85	Yancey

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**AGENDA ITEM 8:**

**TAX MATTERS**

*A. Monthly Collections Report*

**MANAGER'S COMMENTS:**

Tax Administrator Larry Warren will present the Monthly Collections Report and be available for questions and discussion.


The report is for information only; therefore, no action is required.


**Monthly Collections Report****Watauga County**

Bank deposits of the following amounts have been made and credited to the account of Watauga County. The reported totals do not include small shortages and overages reported to the Watauga County Finance Officer

Monthly Report March 2018

	<u>Current Month</u> <u>Collections</u>	<u>Current Month</u> <u>Percentage</u>	<u>Current FY</u> <u>Collections</u>	<u>Current FY</u> <u>Percentage</u>	<u>Previous FY</u> <u>Percentage</u>
<b>General County</b>					
Taxes 2017	454,101.81	35.31%	30,041,212.96	97.39%	97.16%
Prior Year Taxes	25,101.43		330,376.74		
Solid Waste User Fees	42,869.76	27.80%	2,475,230.34	96.22%	95.59%
Green Box Fees	301.06	NA	5,576.87	NA	NA
Total County Funds	<b>\$522,374.06</b>		<b>\$32,852,396.91</b>		
<b>Fire Districts</b>					
Foscoe Fire	6,364.52	37.62%	448,718.70	97.96%	97.65%
Boone Fire	9,385.26	28.58%	865,543.72	97.55%	97.13%
Fall Creek Service Dist.	204.60	49.30%	9,498.14	97.93%	94.36%
Beaver Dam Fire	2,566.54	27.50%	97,507.00	94.43%	95.31%
Stewart Simmons Fire	8,165.41	64.01%	214,112.44	97.96%	97.95%
Zionville Fire	2,394.44	27.99%	108,859.03	95.53%	95.04%
Cove Creek Fire	5,022.81	36.80%	228,242.41	96.49%	95.85%
Shawneehaw Fire	1,944.72	42.80%	92,857.93	97.38%	97.66%
Meat Camp Fire	4,261.66	28.69%	202,192.55	95.14%	93.68%
Deep Gap Fire	2,512.57	25.04%	178,625.67	96.38%	96.09%
Todd Fire	1,078.24	30.04%	59,880.80	96.74%	96.94%
Blowing Rock Fire	9,699.13	43.09%	459,899.37	97.42%	97.53%
M.C. Creston Fire	297.98	41.77%	6,259.69	94.83%	88.85%
Foscoe Service District	1,348.01	46.70%	70,875.92	98.08%	98.19%
Beech Mtn. Service Dist.	657.18	98.60%	1,650.56	99.44%	97.34%
Cove Creek Service Dist.	0.00	0.00%	324.15	100.00%	100.00%
Shawneehaw Service Dist	99.20	17.61%	6,156.10	92.68%	88.96%
	<b>\$55,797.67</b>		<b>\$3,041,706.04</b>		
<b>Towns</b>					
Boone	45,240.43	30.21%	5,843,566.49	98.43%	98.28%
Municipal Services	1,152.40	10.87%	126,953.07	93.46%	95.66%
Boone MV Fee	0.00	NA	0.00	NA	NA
Blowing Rock	0.00	NA	0.00	NA	NA
Seven Devils	0.00	NA	0.00	NA	NA
Beech Mountain	0.00	NA	0.00	NA	NA
Total Town Taxes	<b>\$46,392.83</b>		<b>\$5,970,519.56</b>		
Total Amount Collected	<b>\$624,564.56</b>		<b>\$41,864,622.51</b>		

 Tax Collections Director

 Tax Administrator

**AGENDA ITEM 8:**

**TAX MATTERS**

*B. Refunds and Releases*

**MANAGER'S COMMENTS:**

Mr. Warren will present the Refunds and Releases Report. Board action is required to accept the Refunds and Releases Report.



03/29/2018 16:55  
Larry.Warren

WATAUGA COUNTY  
RELEASES - 03/01/2018 TO 03/29/2018

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OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE CHARGE	AMOUNT
1645765 BLUE RIDGE AVIATION WORSLEY, JOHN 208 CARRIAGE LAMP CT  BOONE, NC 28607	RE 2017	1000091	03/26/2018			0 F02	12.84
		2920-10-3580-005		F02		G01	75.54
	TAX RELEASES				6416		
	BILLED TO INCORRECT GL YEAR REBILL						88.38
1077395 HICKS, WALTER MACK 246 DUSTY RD  BOONE, NC 28607-7993	RE 2017	43763	03/29/2018			0 F02	31.38
		2921-63-0242-000		F02		G01	184.62
	TAX RELEASES				6413	SWF	80.00
	MOBILE HOME DOUBLE BILLED						296.00
1077395 HICKS, WALTER MACK 246 DUSTY RD  BOONE, NC 28607-7993	RE 2017	43767	03/29/2018			0 F02	74.70
		2921-63-2241-000		F02		G01	439.49
	TAX RELEASES				6411	SWF	80.00
	MOBILE HOME DOUBLE BILLED						594.19
1077395 HICKS, WALTER MACK 246 DUSTY RD  BOONE, NC 28607-7993	RE 2017	43767	03/29/2018			0 F02	-74.70
		2921-63-2241-000		F02		G01	-439.49
	TAX RELEASES				6412	SWF	-80.00
	MOBILE HOME DOUBLE BILLED Reversal of release				6411		-594.19
1551601 JONES, DAVID R - ARCHITECT 285 DEER CREST LANE  BOONE, NC 28607	PP 2017	2794	03/29/2018			0 C02	10.62
		551601999		F09			
	TAX RELEASES BUSINESS IN F09 NOT CO2				6410		
1522664 MCLEAN, TIMOTHY PATRICK 150 HOUSTON HARMON RD  SUGAR GROVE, NC 28679-0224	PP 2017	1615	03/29/2018			0 G01	55.81
		169787200		F07		F07	7.91
	TAX RELEASES				6414	SWF	80.00
	MOBILE HOME BURNED TOTAL LOSS					G01L	5.58
	ON 09/25/2016					F07L	.79
							150.09
1245430 NELSON, HUBERT E AND NORMA 319 MARCELLE ST N E  LENOIR, NC 28645-3721	RE 2017	48786	03/29/2018			0 F10	17.00
		2961-XX-0070-000		F10		G01	120.02
	TAX RELEASES				6409		
	DOUBLE BILLED; PARCEL HAD AN INVALID PARCEL NUMBER 2961XX0070000						137.02
1725237 NOVACEK, ROBERT J 339 GORGE VIEW DR  BLOWING ROCK, NC 28605	RE 2017	1000090	03/26/2018			0 F02	14.82
		2920-10-3580-004		F02		G01	87.19
	TAX RELEASES				6415		
	BILLED TO INCORRECT GL YEAR REBILL						102.01

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WATAUGA COUNTY  
RELEASES - 03/01/2018 TO 03/29/2018

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OWNER NAME AND ADDRESS	CAT YEAR PROPERTY REASON	BILL	EFF DATE	JUR	REF NO	VALUE	CHARGE	AMOUNT
1621649 TAYLOR, DAVID G TAYLOR, RICHARD 1200-B FALLS CHURCH RD RALEIGH, NC 27609	RE 2016	15594	03/29/2018			81,600	F01	40.80
	1970-72-9955-000			F01			G01	255.41
	TAX RELEASES				6407		SWF	80.00
	HOUSE BURNED IN FEBRUARY 2015							<hr/> 376.21
1621649 TAYLOR, DAVID G TAYLOR, RICHARD 1200-B FALLS CHURCH RD RALEIGH, NC 27609	RE 2017	15721	03/29/2018			81,600	F01	40.80
	1970-72-9955-000			F01			G01	288.05
	TAX RELEASES				6408		SWF	80.00
	HOUSE BURNED IN FEBRUARY 2015							<hr/> 408.85
DETAIL SUMMARY	COUNT: 10	RELEASES - TOTAL				163,200		1,569.18

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WATAUGA COUNTY  
 RELEASES - 03/01/2018 TO 03/29/2018

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RELEASES - CHARGE SUMMARY FOR ALL CLERKS

YEAR	CAT	CHARGE	AMOUNT	
2016	RE	F01	FOSCOE FIRE RE	40.80
2016	RE	G01	WATAUGA COUNTY RE	255.41
2016	RE	SWF	SANITATION USER FEE	80.00
			2016 TOTAL	376.21
2017	RE	F01	FOSCOE FIRE RE	40.80
2017	RE	F02	BOONE FIRE RE	59.04
2017	RE	F10	DEEP GAP FIRE RE	17.00
2017	RE	G01	WATAUGA COUNTY RE	755.42
2017	RE	SWF	SANITATION USER FEE	160.00
2017	PP	C02	BOONE PP	10.62
2017	PP	F07	COVE CREEK FIRE PP	7.91
2017	PP	F07L	COVE CREEK FIRE LATE LIST	.79
2017	PP	G01	WATAUGA COUNTY PP	55.81
2017	PP	G01L	WATAUGA COUNTY LATE LIST	5.58
2017	PP	SWF	SANITATION USER FEE	80.00
			2017 TOTAL	1,192.97
			SUMMARY TOTAL	1,569.18

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WATAUGA COUNTY  
RELEASES - 03/01/2018 TO 03/29/2018

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RELEASES - JURISDICTION SUMMARY FOR ALL CLERKS

JUR	YEAR	CHARGE	AMOUNT
F01	2016	F01 FOSCOE FIRE RE	40.80
F01	2016	G01 WATAUGA COUNTY RE	255.41
F01	2016	SWF SANITATION USER FEE	80.00
F01	2017	F01 FOSCOE FIRE RE	40.80
F01	2017	G01 WATAUGA COUNTY RE	288.05
F01	2017	SWF SANITATION USER FEE	80.00
F01 TOTAL			785.06
F02	2017	F02 BOONE FIRE RE	59.04
F02	2017	G01 WATAUGA COUNTY RE	347.35
F02	2017	SWF SANITATION USER FEE	80.00
F02 TOTAL			486.39
F07	2017	F07 COVE CREEK FIRE PP	7.91
F07	2017	F07L COVE CREEK FIRE LATE LIST	.79
F07	2017	G01 WATAUGA COUNTY PP	55.81
F07	2017	G01L WATAUGA COUNTY LATE LIST	5.58
F07	2017	SWF SANITATION USER FEE	80.00
F07 TOTAL			150.09
F09	2017	C02 BOONE PP	10.62
F09 TOTAL			10.62
F10	2017	F10 DEEP GAP FIRE RE	17.00
F10	2017	G01 WATAUGA COUNTY RE	120.02
F10 TOTAL			137.02
SUMMARY TOTAL			1,569.18

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**AGENDA ITEM 9:**

**FINANCE MATTERS**

*A. Budget Amendments*

**MANAGER'S COMMENTS:**

Ms. Margaret Pierce, Finance Director, will review budget amendments as included in your packet.

Board approval is requested.



## WATAUGA COUNTY FINANCE OFFICE

814 West King St., Suite 216, Boone, NC 28607 Phone (828) 265-8007

### MEMORANDUM

**TO:** Deron T. Geouque, County Manager  
**FROM:** Margaret Pierce, Finance Director  
**SUBJECT:** Budget Amendments - FY 2017/18  
**DATE:** April 10, 2018

The following budget amendments require the approval of the Watauga County Board of Commissioners. Board approval is requested.

<u>Account #</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
103300 332004	SHIIP Grant		2,566
105550 449901	SHIIP Grant expenses	2,566	

To recognize the acceptance of the Medicare Improvements for Patients and Providers Act (MIPPA) grant from the State Health Insurance Information Program (SHIIP). No match is required.

103300 349909	NC Lottery Funds		117,500
105911 470004	Valle Crucis Fire Alarm Replacement	57,500	
105911 470028	Phone and Intercom System-Cove Creek	60,000	

To allocate funds for NC Lottery projects as requested by the Watauga County Schools and approved by NC DPI.

**AGENDA ITEM 9:****FINANCE MATTERS*****B. Proposed Community/Recreation Center Financing*****MANAGER'S COMMENTS:**

Ms. Pierce will present an engagement letter from Parker Poe Adams & Bernstein LLP to serve as the County's Bond Council for the financing of the new Community Recreation Center (CRC). The County has utilized the services of Parker Poe Adams & Bernstein LLP multiple times in which they have provided exemplary service.

Ms. Pierce will also present an engagement letter from Robert W. Baird & Co. Incorporated to serve as the County's managing underwriter or placement agent for Community Recreation Center. The engagement letter will be replaced and superseded by a bond purchase agreement to be entered into when the Securities are priced following a successful completion of the offering process. Baird has served in many projects in North Carolina and has a successful relationship with the North Carolina Local Government Commission. The proposed fees are in line with the 2012 school refinance.

Board action is required, contingent upon County Attorney approval, to name Parker Poe Adams & Bernstein LLP as the County's Bond Council and Robert W. Baird & Co. Incorporated as managing underwriter/placement agent for the Community Recreation Center with a \$55,000 lump sum payment for Bond Council Services and a per bond fee not to exceed \$2.85/\$1,000 plus expenses related to the bond issuance.





## WATAUGA COUNTY FINANCE OFFICE

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814 West King St., Room 216 - Boone, NC 28607 - Phone (828) 265-8007 Fax (828) 265-8006

### MEMORANDUM

**TO:** Deron T. Geouque, County Manager  
**FROM:** Margaret Pierce, Finance Director  
**SUBJECT:** Agreements on potential Recreation Center Borrowing  
**DATE:** April 10, 2018

Attached please find two agreements for the potential Recreation Center borrowing. One is to name Bond Counsel to represent the County specifically in the borrowing process; one is for underwriting services. There is no cost to the County for either services if the borrowing is not completed.

Scott Leo with Parker Poe Adams & Bernstein LLP has served as Bond Counsel for Watauga County's previous public borrowings. The County has received excellent service and staff requests approval of the attached contract for a lump sum payment of \$55,000. This fee is inclusive of all incidentals and travel expenses. This is a minimal increase from the cost for the 2012 refinance.

Ryan Maher with Robert W. Baird & Co, Inc. has provided an engagement letter to serve as lead underwriter for the County. Baird is highly regarded as a leader in North Carolina public financing. The proposed fee is not to exceed \$2.85/\$1,000 per bond plus expenses related to the bond issuance. This is consistent with the cost for the 2012 refinance.

Adequate funds for these agreements have been identified as part of the Recreation Center Project budget. Board approval is requested.



March 28, 2018

**VIA E-MAIL**

Margaret Pierce  
Finance Director  
Watauga County, North Carolina  
Margaret.Pierce@watgov.org

***County of Watauga, North Carolina  
Limited Obligation Bonds, Series 2018***

Dear Margaret:

You had asked that we provide the County of Watauga (the “County”) with an engagement letter for services of Parker Poe Adams & Bernstein LLP as bond counsel for the above-described limited obligation bonds (the “Bonds”). Our understanding is that the County intends to issue approximately \$20,000,000 aggregate principal amount of the Bonds in or around November 2018 in order to finance the construction of a recreation center. The County plans to use Robert W. Baird, as underwriter for the Bonds. I will be the County’s primary contact for our firm’s work on the Bonds with support from my tax partner Mike Larsen. The firm will provide services as bond counsel for a fee of \$55,000 which includes disbursements for such items as photocopying, long distance telephone, travel, facsimile, express delivery and preparation of the transcripts. Our services include:

1. participation in meetings with County staff and, to the extent deemed necessary by the County staff, with the Board of Commissioners, in structuring the legal aspects of the financing;
2. preparation of the Indenture of Trust, Installment Financing Contract and Deed of Trust, related to the issuance and security for the Bonds and various resolutions relating to the authorization, execution and delivery of the Bonds;
3. preparation of all other papers required as a condition precedent to the execution and delivery of the Bonds;
4. assistance to the County with respect to matters before the Local Government Commission and the rating agencies;
5. participation with underwriter’s counsel and the underwriter in the drafting of the documents for the sale of the Bonds; and
6. delivery of an opinion as to the validity of the Bonds and the federal and state tax treatment of the interest on the Bonds, subject to usual and customary exceptions.

Margaret Pierce  
March 28, 2018  
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The scope of the services that Parker Poe will provide may be expanded during the course of the engagement pursuant to communications establishing a specific mutual understanding of the services Parker Poe is to perform. I have attached our Standard Terms of Engagement, which form a part of this engagement letter.

We wanted to make you aware that our firm has represented, may currently represent and/or expects to represent in the future, Robert W. Baird, the underwriter for the Bonds, in transactions unrelated to the Bonds. Because the County is represented by the County Attorney in the transaction related to the Bonds, we do not consider our representation as bond counsel for the Bonds to be a conflict of interest; however, if any issues arise that we believe would create a conflict of interest we will immediately inform you and work with the County Attorney to resolve the matter in a satisfactory manner.

The firm will comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if the firm utilizes a subcontractor, the firm will require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

We look forward to completing this transaction for the County. If this engagement letter is acceptable to the County I would ask that you please respond as such via email. Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Scott E. Leo".

Scott E. Leo

**PARKER POE ADAMS & BERNSTEIN LLP**  
**STANDARD TERMS OF ENGAGEMENT REGARDING LEGAL REPRESENTATION**

1. Scope of Work and Limitations. The scope of our work and the limitations on the services to be performed will be in accordance with the Engagement Letter.

2. No Guaranteed or Contingent Outcome. While we will perform our professional services on behalf of the client to the best of our ability under the circumstances, we cannot and have not made any guarantees regarding the outcome of our professional efforts. Any expressions about the possible outcome of the matter or the results achievable are our best professional estimates only, and are limited by our knowledge at the time they are expressed.

3. Communications. As requested, we will send to the client copies of pertinent correspondence, documents and other materials prepared or received by us in the course of the representation. The client is encouraged to contact us as to any questions or comments regarding the services, fees, or status of the matter or as to any pertinent facts or considerations which may come to the attention of the client. Material information and documents received by the client should be forwarded to the firm without delay.

4. Attorney Assignment. Each client will have an attorney who shall have primary responsibility for the client's matters. When appropriate, work on the client's matters may be assigned to other attorneys in the firm who have a sufficient level of experience and time availability to handle competently and efficiently portions or all of the client's matters. In addition, assistance of non-attorney support personnel under the direct supervision of firm attorneys may be required, as appropriate.

5. Confidentiality. The firm will protect the confidence of the client and will not divulge confidential information concerning the client's business or legal matters, as required by the Rules of Professional Conduct. However, we understand that, unless you advise us to the contrary, you do not object to our mentioning to others our representation of you or our listing of your name as one of our clients in professional literature or in material published about this law firm.

6. Termination. The firm reserves the right to withdraw from representing the client upon written notice at any time, with or without cause. Likewise, the client may terminate the firm's services prospectively upon written notice to the firm. Unless otherwise requested by the client, the firm will consider the representation terminated upon the completion of the financing.

March 26, 2018

Watauga County, North Carolina  
 Attention: Deron Geouque, County Manager  
 814 West King Street  
 Boone, NC 28607

Dear Deron:

On behalf of Robert W. Baird & Co. Incorporated (“we” or “Baird”), we wish to thank you for the opportunity to serve as managing underwriter or placement agent for Watauga County, North Carolina (“you”, “County” or the “Issuer”) on its proposed offering and issuance of Limited Obligation Bonds, Series 2018 (approx. \$20,000,000 for the Recreation Center Project) (the “Securities”). This letter will confirm the terms of our engagement; however, it is anticipated that this letter will be replaced and superseded by a bond purchase agreement to be entered into by the parties (the “Purchase Agreement”) if and when the Securities are priced following successful completion of the offering process. The Purchase Agreement will set forth the terms and conditions on which Baird will purchase or place the Securities and will contain provisions that are consistent with those stated in this letter.

1. Services to be Provided by Baird. Baird is hereby engaged to serve as managing underwriter of the proposed offering and issuance of the Securities, and in such capacity Baird agrees to provide the following services:

- Review and evaluate the proposed terms of the offering and the Securities
- Develop a marketing plan for the offering, including identification of potential purchasers of the Securities
- Assist in the preparation of the preliminary official statement and final official statement and other offering documents
- Contact potential purchasers of the Securities and provide them with copies of the offering materials and related information
- Respond to inquiries from potential purchasers and, if requested, coordinate their due diligence calls and meetings
- If the Securities are to be rated, assist in the preparation of information and materials to be provided to securities rating agencies and in the development of strategies for meetings with the rating agencies
- Consult with counsel and other service providers about the offering and the terms of the Securities (it being understood that the County is responsible for the selection of such counsel and other service providers)
- Inform the Issuer of the marketing and offering process
- Negotiate the pricing, including the interest rate, and other terms of the Securities
- Obtain CUSIP number(s) for the Securities and arrange for their DTC book-entry eligibility
- Plan and arrange for the closing and settlement of the issuance and the delivery of the Securities
- Such other usual and customary underwriting services as may be requested by the County

2. Disclosures Concerning Baird’s Role as Underwriter as Required by MSRB Rules G-23 and G-17: At the Issuer’s request, Baird may provide incidental financial advisory services, including advice as to the structure, timing, terms and other matters concerning the issuance of the Securities. Please note that Baird would be providing such advisory services in its capacity as underwriter and not as a municipal advisor or financial advisor to the Issuer. As underwriter, Baird’s primary role is to purchase, or arrange for the placement of, the Securities in an arm’s length commercial transaction between the Issuer and Baird. Baird has financial and other interests that differ from those of the Issuer. Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors. However, unlike a municipal advisor or financial advisor, Baird as an underwriter

Robert W. Baird & Co.  
 380 Knollwood Street  
 Winston-Salem NC 27103  
 Main 336 631-5835  
 Toll Free 800 RW BAIRD

does not have a fiduciary duty to the County under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests. As part of its services, Baird will review the official statement applicable to the proposed offering in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the proposed offering.

As underwriter, Baird will not be required to purchase the Securities except pursuant to the terms of the Purchase Agreement, which will not be signed until successful completion of the pre-sale offering period and satisfaction of various conditions. This letter does not obligate Baird to purchase any of the Securities. If all of the conditions to its obligation to purchase any securities have been satisfied, Baird as underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price but must balance that duty with its duty to sell those securities to investors at prices that are fair and reasonable. As senior managing underwriter, Baird is providing this letter on behalf of the underwriters that are members of the underwriting syndicate for the Securities. You may receive separate disclosure letters pursuant to Rule G-17 from one or more co-managing underwriters of the Securities.

3. Fees and Expenses; Conflicts of Interest Baird's underwriting fee/spread will be determined by mutual agreement of the County and Baird and will be reflected in the Purchase Agreement. Baird's proposed underwriting fee/spread will not exceed \$2.85/\$1,000 par amount of the issue (excluding expenses outlined below). The underwriting fee/spread will represent the difference between the price that Baird pays for the Securities and the public offering price stated on the cover of the final official statement. The underwriting fee/spread will be contingent upon the closing of the proposed offering and the amount of the fee/spread will be based on the principal or par amount of the Securities. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest because the underwriter may have an incentive to recommend to the County a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary. Other firms that provide services in connection with the proposed offering may also have fees that are contingent on the closing of the offering.

The County shall be responsible for paying or reimbursing Baird for all other costs of issuance, including without limitation, CUSIP, DTC, IPREO (electronic book-running/sales order system), Municipal Advisory Council fees (Ohio MAC, Texas MAC, etc.), printing and mailing/distribution charges, bond counsel, disclosure counsel, underwriter's counsel and ratings agency fees and expenses, and all other expenses incident to the performance of the County's obligations under the proposed offering.

Baird is a full service securities firm and as such Baird and its affiliates may from time to time provide advisory, brokerage, consulting and other services and products to municipalities, other institutions, and individuals including the Issuer, certain Issuer officials or employees, and potential purchasers of the Securities for which Baird may receive customary compensation; however, such services are not related to the proposed offering. Baird, through its Baird Advisors or Baird Public Investment Advisors unit, may also be engaged from time to time by the Issuer to manage investments for the Issuer (including the proceeds from the proposed offering) through a separate contract that sets forth the fees to be paid to Baird. Baird may compensate its associates for any referrals they have made that resulted in the Issuer's selection of Baird to serve as underwriter on the proposed offering of the Securities. Baird manages various mutual funds, and from time to time those funds may own bonds and other securities issued by the Issuer (including the Securities). Additionally, clients of Baird may from time to time purchase, hold and sell bonds and other securities issued by the Issuer (including the Securities).

In the ordinary course of fixed income trading business, Baird may purchase, sell, or hold a broad array of investments and may actively trade securities and other financial instruments, including the Securities and other municipal bonds, for its own account and for the accounts of customers, with respect to which Baird may receive a mark-up or mark-down. Such investment and trading activities may involve or relate to the offering or other assets, securities and/or instruments of the Issuer and/or persons and entities with relationships with the Issuer. Spouses and other family members of Baird associates may be employed by the Issuer.

Baird has not identified any additional potential or actual material conflicts that require disclosure. If potential or actual conflicts arise in the future, we will provide you with supplemental disclosures about them.

4. Term and Termination. The term of this engagement shall extend from the date of this letter to the closing of the offering of the Securities. Notwithstanding the forgoing, either party may terminate Baird's engagement at any time without liability of penalty upon at least 30 days' prior written notice to the other party. If Baird's engagement is terminated by the Issuer, the Issuer agrees to reimburse Baird for its out-of-pocket expenses incurred until the date of termination.

5. Indemnification; Limitation of Liability. The Issuer agrees that neither Baird nor its employees, officers, agents or affiliates shall have any liability to the Issuer for the services provided hereunder except to the extent it is judicially determined that Baird engaged in gross negligence or willful misconduct. In addition, to the extent permitted by applicable law, the Issuer shall indemnify, defend and hold Baird and its employees, officers, agents and affiliates harmless from and against any losses claims, damages and liabilities that arise from or otherwise relate to this Agreement, actions taken or omitted in connection herewith, or the transactions and other matters contemplated hereby, except to the extent such losses, claims, damages or liabilities are judicially determined to be the result of Baird’s gross negligence or willful misconduct.

6. Miscellaneous. This letter shall be governed and construed in accordance with the laws of the State of North Carolina. This Agreement may not be amended or modified except by means of a written instrument executed by both parties hereto. This Agreement may not be assigned by either party without the prior written consent of the other party. The Issuer acknowledges that Baird may, at its option and expense and after announcement of the offering, place announcements and advertisements or otherwise publicize a description of the offering and Baird’s role in it on Baird’s website and/or other marketing material and in such financial and other newspapers and journals as it may choose, stating that Baird has acted as underwriter for the offering. The Issuer also agrees that Baird may use the Issuer’s name and logo or official seal for these purposes.

7. Disclosures of Material Financial Characteristics and Material Financial Risks.

Accompanying this letter is a disclosure document describing the material financial characteristics and material financial risks of the Securities as required by MSRB Rule G-17.

As the Issuer of the Securities, you will be a party to the Purchase Agreement and certain other legal documents to be entered into in connection with the issuance of the Securities, but the material financial risks of the Securities will be borne by the obligor, as set forth in those legal documents.

If there is any aspect of this Agreement that requires further clarification, please do not hesitate to contact us. In addition, please consult your own financial and/or municipal, legal, accounting, tax and other advisors as you deem appropriate. We understand that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the proposed offering. If our understanding is not correct, please let us know.

Please evidence your receipt and agreement to the foregoing by signing and returning this letter.

Again, we thank you for the opportunity to assist you with your proposed financing and the confidence you have placed in us.

Very truly yours,

**ROBERT W. BAIRD & CO. INCORPORATED**

By:  \_\_\_\_\_  
Managing Director

Accepted this \_\_\_th day of \_\_\_\_\_, 2018

**Watauga County, North Carolina**

By: \_\_\_\_\_

Title: \_\_\_\_\_

## **Disclosures of Material Financial Characteristics and Financial Risks of Proposed Offering of Fixed Rate Bonds**

Robert W. Baird & Co. Incorporated (“Baird”) has been engaged as underwriter for the proposed offering by you (or the “Issuer”) of fixed rate bonds, notes or other debt securities (“Fixed Rate Bonds”), to be sold on a negotiated basis. The following is a general description of the financial characteristics and security structures of Fixed Rate Bonds, as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

This document is being provided to an official of the Issuer who has the authority to bind the Issuer by contract with Baird, who does not have a conflict of interest with respect to the offering.

If the Fixed Rate Bonds proposed to be issued are “conduit revenue bonds,” you will be a party to the bond purchase agreement and certain other legal documents to be entered into in connection with the issuance, but the material financial risks described below will be borne by the borrower or obligor, as set forth in those legal documents.

### **Financial Characteristics**

*Maturity and Interest.* Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies or authorities, such as the Issuer. Maturity dates for Fixed Rate Bonds will be fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. Maturity dates, including the final maturity date, are subject to negotiation and will be reflected in the official statement. At each maturity, the scheduled principal or par amount of the Fixed Rate Bonds will have to be repaid.

Fixed Rate Bonds will pay fixed rates of interest typically semi-annually on scheduled payment dates, although some Fixed Rate Bonds may accrue interest to be paid at maturity. Such bonds are often referred to as capital appreciation or zero-coupon bonds. The interest rates to be paid on Fixed Rate Bonds may differ for each series or maturity date. The specific interest rates will be determined based on market conditions and investor demand and reflected in the official statement for the Fixed Rate Bonds. Fixed Rate Bonds with longer maturity dates will generally have interest rates that are greater than securities with shorter maturity dates.

*Redemption.* Fixed Rate Bonds may be subject to optional redemption, which allows the Issuer, at its option, to redeem some or all of the Fixed Rate Bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds may be subject to optional redemption only after the passage of a specified period of time from the date of issuance, and upon payment of the redemption price set forth in the official statement for the Fixed Rate Bonds, which typically is equal to the par amount of the Fixed Rate Bonds being redeemed (plus accrued interest) but may include a



redemption premium. The Issuer will be required to send out a notice of optional redemption to the holders of Fixed Rate Bonds, usually a certain period of time prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires the Issuer to redeem specified principal amounts of the Fixed Rate Bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the Fixed Rate Bonds to be redeemed. Fixed Rate Bonds may also be subject to extraordinary or mandatory redemption upon the occurrence of certain events, authorizing or requiring you to redeem the Fixed Income Bonds at their par amount (plus accrued interest).

*Credit Enhancements.* Fixed Rate Bonds may feature credit enhancements, such as an insurance policy provided by a municipal bond insurance company that guarantees the payment of principal of an interest on the bonds when due in the event of default. Other credit enhancements could include a letter of credit provided by a financial institution, or financial support from a state agency.

*Tax Status.* If Fixed Rate Bonds are intended to be tax-exempt, counsel will provide an opinion that interest on the Fixed Rate Bonds will be excluded from gross income for federal income tax purposes. Certain Fixed Rate Bonds may also be exempt from state personal income tax.

Some Fixed Rate Bonds (or a portion of those being issued) may be taxable, meaning that interest on the Fixed Rate Bonds will be included in gross income for federal income tax purposes.

### **Security**

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below. The security for Fixed Rate Bonds will vary, depending on whether they are general obligation bonds, revenue bonds, conduit bonds or other types.

#### *General Obligation Bonds*

“General obligation bonds” are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. Ad valorem taxes necessary to pay debt service on general obligation bonds may not be subject to state constitutional property tax millage limits (an unlimited tax general obligation bond). The term “limited” tax is used when such limits exist. General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

#### *Revenue Bonds*

“Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues that are generated from a particular enterprise or service you offer, such as water, electricity, sewer, health care, housing, transportation, toll roads and bridges, parking, parks and recreation fees, and stadiums and entertainment facilities. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not

permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants, license or user fees, or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors. Some revenue bonds may be backed by your full faith and credit or moral obligation. A moral obligation is a non-binding covenant by you to make a budget recommendation to your legislative body to appropriate moneys needed to make up any revenue shortfall in order to meet debt service obligations on the revenue bonds, but the legislative body is not legally obligated to make such appropriation.

#### Tax Increment or Tax Allocation Bonds

“Tax increment” or “tax allocation” bonds are a form of revenue bonds that are payable from the incremental increase in taxes realized from any appreciation in property values resulting from capital improvements benefitting the properties located in a particular location such as a tax incremental district. They are commonly used to redevelop, add infrastructure or otherwise improve a blighted, neglected or under-utilized area to encourage development in that area. Tax increment bonds may also be payable from increased sales taxes generated in a designated district. The proceeds of an issuance of tax increment or tax allocation bonds are typically applied to pay the costs of infrastructure and other capital improvements in the designated district. The incremental taxes or other revenues may not be sufficient to meet debt service obligations on the tax increment or tax allocation bonds. Some tax increment or tax allocation bonds may also be backed by an issuer’s full faith and credit or moral obligation.

#### Conduit Bonds

Conduit revenue bonds may be issued by a governmental issuer acting as conduit for the benefit of a private sector entity or a 501(c)(3) organization (the “borrower” or “obligor”). Industrial revenue bonds are a form of conduit revenue bonds. Conduit revenue bonds commonly are issued for not-for-profit hospitals, health care facilities, educational institutions, single and multi-family housing, airports, industrial or economic development projects, corporations, and student loan programs, among other borrowers or obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the borrower or obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the borrower or obligor defaults.

#### Charter School Bonds

Fixed Rate Bonds issued for the benefit of charter schools are a form of conduit revenue bonds. They are issued by a government entity acting as a conduct for the benefit of a charter school. The charter school is the borrower or obligor for the bonds. Principal and interest on charter school bonds normally are paid exclusively from revenues pledged by the charter school. Unless otherwise specified under the terms of the bonds, you are not required to make payments or principal or interest if the charter school defaults.

#### Financial and Other Covenants

Issuers of Fixed Rate Bonds (and/or obligors) may be required to agree to certain financial and

other covenants (such as debt service coverage ratios) that are designed to protect bond holders. Covenants are a form of additional security. The failure to continue to meet covenants may trigger an event of default or other adverse consequences to you and/or the obligor giving bond holders certain rights and remedies.

The description above regarding “Security” is only a brief summary of certain possible security provisions for the Fixed Rate Bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the Bonds.

### **Financial Risk Considerations**

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following (generally, the borrower or obligor, rather than you, will bear these risks for conduit revenue bonds):

#### *Issuer Default Risk*

You (or the obligor) may be in default if the funds pledged to secure Fixed Rate Bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you (and/or the obligor) and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds may be able to exercise a range of available remedies against you (or the obligor). For example, if Fixed Rate Bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the Fixed Rate Bonds are revenue bonds, you (or the obligor) may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your (or the obligor’s) credit ratings and may effectively limit your (or the obligor’s) ability to publicly offer bonds or other securities at market interest rate levels. Further, if you (or the obligor) are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you (or the obligor) may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you (or the obligor) are unable to comply with covenants or other provisions agreed to in connection with the issuance of the Fixed Rate Bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

#### *Redemption Risk*

Your (or the obligor’s) ability to redeem Fixed Rate Bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you (or the obligor) may be unable to take advantage of the lower interest rates to reduce debt service. In addition, if Fixed Rate Bonds are subject to extraordinary or mandatory redemption, you (or the obligor) may be required to redeem the bonds at times that are disadvantageous.

#### *Refinancing Risk*

If your (or the obligor’s) financing plan contemplates refinancing some or all of the Fixed Rate Bonds at maturity (for example, if there are term maturities or if a shorter final maturity is

chosen than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you (or the obligor) from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your (or the obligor's) ability to refund the Fixed Rate Bonds to take advantage of lower interest rates.

Reinvestment Risk

You (or the obligor) may have proceeds of the Fixed Rate Bonds to invest prior to the time that you (or the obligor) are able to spend those proceeds for the authorized purpose. Depending on market conditions, you (or the obligor) may not be able to invest those proceeds at or near the rate of interest that you (or the obligor) are paying on the bonds, which is referred to as "negative arbitrage".

Tax Compliance Risk (applicable if the Fixed Rate Bonds are tax-exempt bonds)

The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS), and, if applicable, state tax laws. You (and the obligor) must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You (and the obligor) also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of the representations or a failure to comply with certain tax-related covenants may cause the interest on the Fixed Rate Bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you (or the obligor) pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you (or the obligor) or the Fixed Rate Bonds or your (or the obligor's) other bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the Fixed Rate Bonds are declared taxable, or if you (or the obligor) are subject to audit, the market price of the Fixed Rate Bonds and/or your (or the obligor's) other bonds may be adversely affected. Further, your (or the obligor's) ability to issue other tax-exempt bonds also may be limited.

Continuing Disclosure Risk.

In connection with the issuance of Fixed Rate Bonds, you (and/or the obligor) may be subject to continuing disclosures which require dissemination of annual financial and operating information and notices of material events. Compliance with these continuing disclosure requirements is important and facilitates an orderly secondary market. Failure to comply with continuing disclosure requirements may affect the liquidity and marketability of the Fixed Rate Bonds, as well as your (and/or the obligor's) other outstanding securities. Because instances of material non-compliance with previous continuing disclosure requirements must be disclosed in an official statement, failure to comply with continuing disclosure requirements may also make it more difficult or expensive for you (or the obligor) to market and sell future bonds.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing Fixed Rate Bonds.

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**AGENDA ITEM 10:****MISCELLANEOUS ADMINISTRATIVE MATTERS*****A. Authorize the Transfer of County Owned Property at 131 Morningside Drive to the Town of Boone*****MANAGER'S COMMENTS:**

In August of 2014, the Board approved the submittal of an application to the Hazardous Mitigation Grant Program (HMGP) for funding for the demolition and removal of a home located at 131 Morningside Drive in Boone. Several years ago numerous homes located in the area were demolished and removed along Morningside Drive as part of a HMGP project. At that time, the subject property owner was not interested in participating in the project. However, continued flood related issues after the sale of the home has prompted the new owners to request participation in the HMGP. Based on conversations with Mr. Stephen Sudderth, the Town of Boone was not interested in participating in the current application leaving the County the only option for assistance and relief for the home owner.

Board approval was given to accept the grant from the Hazardous Mitigation Grant Program (HMGP) with matching funds to be paid by the State. The demolition and removal of the house has now been completed. The Town of Boone has indicated a willingness to accept the property.

Per North Carolina General Statute 160A-274 staff is requesting the Board authorize the transfer of County owned property located at 131 Morningside Drive to the Town of Boone. The County would handle all necessary legal work regarding the transfer.

Board action is requested.

**§ 160A-274. Sale, lease, exchange and joint use of governmental property.**

(a) For the purposes of this section, "governmental unit" means a city, county, school administrative unit, sanitary district, fire district, the State, or any other public district, authority, department, agency, board, commission, or institution.

(b) Any governmental unit may, upon such terms and conditions as it deems wise, with or without consideration, exchange with, lease to, lease from, sell to, or purchase from any other governmental unit any interest in real or personal property.

(c) Action under this section shall be taken by the governing body of the governmental unit. Action hereunder by any State agency, except the Department of Transportation, shall be taken only after approval by the Department of Administration. Action with regard to State property under the control of the Department of Transportation shall be taken by the Department of Transportation or its duly authorized delegate. Provided, any county board of education or board of education for any city administrative unit may, upon such terms and conditions as it deems wise, lease to another governmental unit for one dollar (\$1.00) per year any real property owned or held by the board which has been determined by the board to be unnecessary or undesirable for public school purposes. (1969, c. 806; 1971, c. 698, s. 1; 1973, c. 507, s. 5; 1975, c. 455; c. 664, s. 9; c. 879, s. 46; 1977, c. 464, s. 34; 2001-328, s. 6.)

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**AGENDA ITEM 10:**

**MISCELLANEOUS ADMINISTRATIVE MATTERS**

*B. Announcements*

**MANAGER'S COMMENTS:**

The location of the Tuesday, May 1, 2018, Board of Commissioners meeting has been changed to the Cooperative Extension Conference Room due to One-Stop Voting taking place in the Commissioners' Board Room. The meeting will be held at 8:30 A.M.

Budget Work Sessions are scheduled for Wednesday, May 2, and Thursday, May 3, 2018, from 12:00 P.M. until 7:00 P.M. The Work Sessions will be held in the Commissioners' Conference Room.



**AGENDA ITEM 11:**

**PUBLIC COMMENT**

**AGENDA ITEM 12:**

**BREAK**

**AGENDA ITEM 13:**

**CLOSED SESSION**

Attorney/Client Matters – G. S. 143-318.11(a)(3)