

Haywood County “Toeprints”

May 2, 2014

Vol. #5 Issue #7 (Subject: Haywood County Schools vs. \$700,000 Natural Gas Pipeline Project)

www.haywoodtp.net

What’s Happening?

The purpose of this newsletter is to inform Haywood County Taxpayers of what transpires at the bi-monthly County Commission Meetings. This newsletter will be written from the perspective of a casual observer, myself. Any opinions expressed will be mine.

“County is all in for \$700,000 ... [re: Mountaineer]”

In yet another sneaky move by Haywood County Commissioners, the following item was placed in New Business on the April 7, 2014 County Commission Meeting Agenda:

7. Grant from Department of Commerce; Evergreen – Ira Dove, Interim County Manager.

This one came in under the radar and was immediately pencil whipped.

[Editors Note: No attachment had been provided.]

[Editors Note: It is nearly impossible to hear Ira Dove or **Chip a.k.a Leon Killian** during these meetings, as they never speak into the microphones, and acoustics are so lousy. You can hardly hear what the commissioners are saying. So, I took the easy way out this time, and instead of transcribing from the video, I lifted this from the approved minutes ...].

From the Minutes of the April 7th meeting:

“Mr. Dove explained that the County had turned in the initial application for the grant on February 10th and an amended application on March 3rd to the Department of Commerce.

[Editors Note: The County turned this application in on 2/10/2014! Vicki Hyatt of the Mountaineer said (re: <http://themountaineer.villagesoup.com/p/county-is-all-in-for-700-000/1163344#1169667>) County learned the grant has been awarded on 3/3/2014, like it was a big surprise].

This grant is to increase the amount of natural gas capacity to western North Carolina, with Evergreen Packaging the primary benefactor. He noted that this project is required for Evergreen to operate effectively. The grant total is 2.8 million with a \$700,000 match. The County requested 2.1 million dollars and was advised that it will receive the grant. Mr. Dove requested that the Board give him permission to respond via letter accepting the grant on behalf of the County.

Chairman Swanger stated that this had been discussed in work sessions and the Council of Government meeting last week. He said that a motion would be required to authorize

Mr. Dove to send a letter to the Department of Commerce copying Evergreen Packaging, that we accept the 2.1 million dollar grant and that the County would budget the match portion of \$700,000 over two years. Mr. Dove acknowledged and also stated that the County will comply with the requirements of the Department of Commerce.

[Editors Note: So now we have to start monitoring work sessions with the Councils of Government? Did Haywood County Taxpayers know about any of this or provide any input?]

Commissioner Upton made a motion authorizing Mr. Dove offer a letter accepting the grant.

Vice-Chairman Kirkpatrick seconded and the motion passed unanimously.

A discussion was held among the commissioners about the impact this has on Haywood County, both currently and in the future.

Chairman Swanger noted that Evergreen is committing about one million dollars to the engineering portion of this project.

[Editors Note: Evergreen is a Private Company, now getting direct support from Haywood County Taxpayers. I think I would also like to get some Haywood County Taxpayer money for my business, along with every other struggling private business owner in Haywood County. Do we have to start attending Council of Government Meetings for this money grab?]

Commissioner Sorrells acknowledged the hard work and efforts of Mark Clasby on this project reiterating the impact that this project has on Haywood County.

Commissioner Ensley noted that natural gas is an efficient and cleaner fuel and is good for the infrastructure of western North Carolina.

[Editors Note: Western North Carolina already has a natural gas pipeline for it’s infrastructure. This project increases the pressure, which is just fine right now for everyone else, and the only private company that needs more pressure, because of more stringent EPA regulations, is Evergreen. Why doesn’t the Council of Government pay **Mark Clasby** directly to go to Washington as a lobbyist and petition **Obama** to pencil whip and relax some EPA rules (that are killing this county) requiring this expenditure as **Obama** is currently pencil whipping implementation delays with Obamacare? Problem solved!].

Commissioner Upton stated that for 30 years we have made sure that we let them know that we want them in our County.

Chairman Swanger concluded by stating that economic development is not just about attracting new jobs, it's about keeping and maintaining the jobs that are there."

[**Editors Note:** The PRE-APPLICATION FORM / RESERVATION OF FUNDS REQUEST (appended immediately following this Toeprints,) asks the question - "Will the project involve job creation?" The answer is "No." Having the county pour \$700,000 into this Western Carolina Pipeline infrastructure project **is not anticipated to create a single new job!**].

Where is this \$700,000 going to come from? Since Commissioners are not contemplating raising taxes (in an election year, **Sorrells, Upton** and **Kirkpatrick** would be slitting their own throats), it's going to be diverted from the Haywood County School System budget request, among others. "Let's see if we can throw Haywood County students under the bus", as County Commissioners did at the April 17, 2014 Budget Work Session.

Commissioner Budget Workshop #2, April 17, 2014.

As has been the case over the past couple of years, this second workshop has been dedicated to giving lip service to Haywood County Schools and Haywood Community College. Anne Garrett, Haywood County School Superintendent and **Barbara Parker**, HCC President, both gave overviews of their requests in separate sessions.

[**Editors Note:** This newsletter will deal primarily with the Haywood County Schools request, since I am still recovering from getting stabbed in the back by **Barbara Parker** at the October 7, 2013 Board of Trustees meeting where **Barbara Parker** and **Pat Smathers** sandbagged me by convincing Board of Trustee members that my Request for Public Information regarding the FLS Solar Thermal System in the Creative Arts Building did not fall into the classification of Public Information. If **Barbara Parker** wants to lay blame for getting snubbed at this Workshop, she should consider laying blame with **Rose Johnson, Mark Bumgarner** and **Donna Forga** -

(re: <http://haywoodtp.net/pubTP/T101023.pdf>) for gobbling up the 1/4 cent sales tax revenue for the next 10 years paying off the Platinum Grade Creative Arts Building].

Julie Davis gave a brief presentation to commissioners saying revenues for the coming year were projected to be flat. (But that did not deter commissioners from throwing \$700,000 to fund a Western North Carolina Pipeline project.) **Julie Davis'** presentation is now posted on www.haywoodtp.net.

Anne Garrett and Tracy Hargrove gave lengthily presentations on status of teachers, buildings, programs, etc. The Haywood County School presentation is also posted on www.haywoodtp.net.

The Summary of Budget Increases included the following:

• Personnel	\$ 557,965
• Mandated	\$ 312,829
• Requested	\$ 227,669
• Other	\$ 36,500
Total:	\$1,134,963 or 6.87% Increase

All in all, Anne Garrett was requesting a 6.87% increase in the budget from last year. Then **Swanger** admonished Anne Garrett, what about the Funding Formula? Don't you remember about the Funding Formula, he asked angrily?

[**Editors Note:** What Funding Formula is he talking about?]

Swanger reminded Anne Garrett, that back in the day, there used to be contentious battles about how much money the county should give to Haywood County Schools. Everyone agreed to abide by a Funding Formula, set forth by (non other than) **Swanger, Kirkpatrick** and **Ensley** back in 2009. Everyone (signed by **Chuck Francis**) agreed to this, he reminded Anne Garrett.

Swanger said, if you ask for more than the Funding Formula sets forth, it doesn't become a Formula any longer.

[**Editors Note:** This Funding Formula is appended at the end of this newsletter, following **Mark Clasby's** request to dump \$700,000 of Haywood County Taxpayers money into a Western North Carolina Natural Gas Pipeline project. **Julie Davis** computes the formula, which is checked by the HC School Finance Department. The computed results follow the formula, but do not indicate what numbers were actually used to compute these results.]

One portion of the presentation that stuck was by Alison Francis, the School Food Service Director, recounting the difficulties of providing meals for Haywood County kids. Due to more mandates regarding diet [re: **Michelle Obama**], more and more students were bringing their own lunches. Why? Because the kids did not like the lunches that they were required to serve. Good food (fruit and stuff) was being thrown out and wasted. They could not serve regular pizza any more. The pizza that replaced normal pizza was made of whole wheat bread using turkey pepperoni. Have you ever tasted turkey pepperoni? They are losing money. School Food Service is self-supporting and does not receive local funds. However, the fund balance is almost depleted at which time local funds will be used. This is simply one instance where a Funding Formula developed five (5) years ago is not working.

A Funding Formula works if conditions remain static, but when changes are made that are beyond the control of Haywood County Commissioners and the Haywood County School System, something has to give. There is a provision in the resolution to review this Funding Formula in three (3) years, but there has never been a review. One School Board member I spoke to was unaware of this Funding Formula and would like to see a workshop on this.

[**Editors Note:** This Funding Formula came into being March 9, 2009, about eight (8) months prior to these same three

commissioners (**Swanger, Kirkpatrick and Ensley**) being responsible for signing the Emergency Management Ordinance [re: <http://haywoodtp.net/pubTP/T140425.pdf>].

It should be pointed out that **Upton and Sorrells**, both coming from the Haywood County School system, were unable stand up against **Kirkpatrick, Swanger and Ensley** in their bid to squash any consideration of increasing the Haywood County School budget request.

My experience is that every department in the county will request additional money that they already have budgeted. It will be up to **Julie Davis** and the new guy, Ira Dove (Interim County Manager, DSS guy, and don't forget, a lawyer) to come up with a new budget. It will be up to these people to beat down expenses to counter any possibility of a tax rate increase. However, there are two (2) departments that I personally feel that should get cut some slack at the expense of others. They are:

- Law Enforcement, i.e., Sheriff's Department, and
- Teachers in the Haywood County Public School System.

My opinion is that Commissioners were foolish to give away \$700,000 to a Natural Gas Pipeline Project while throwing Haywood County students under the bus. Where are they going to get that money? Is **Julie Davis** going to refinance a bunch more debt? Here are three projects Commissioners have spent Taxpayer Dollars on with little or no input from Taxpayers:

- **\$700,000** on a Natural Gas Infrastructure Pipeline Project that will not create a single job. This project floated through completely under the radar.
- **\$1,100,000** on gutting and refurbishing the old Marc Building (63 Elmwood Way, PIN 8616-37-2484), for what? So that the Board of Elections can move into a newer building? This project floated through completely under the radar. It is currently assessed for \$1,110,600.
- Best (worst) of all, **\$1,114,922** on a piece of farmland in Jonathan Creek that **Kirkpatrick** soon hopes to turn it into the **James Weaver "Kirk" Kirkpatrick III** Park (with the assistance of the TDA?). Problem is, over half of the park is in a designated flood plain! You can't build stuff in a flood plain! Oh, lest we forget that **Chip** a.k.a. **Leon Killian** screwed up on the Title Search and we (Haywood County Taxpayers) had to pay some guy off in the area of \$100,000 for cattle grazing rights. Haywood County realizes no property tax income from this property. (PIN 8607-27-9452, assessed at \$883,600).

I, on the other hand, see many area's of the county budget that are bloated and should be eliminated. The first thing I would recommend is eliminating **Marc Pruett's** Erosion and Sediment Control Department and all the personnel in that department. I would take look at **Bruce Crawford's** Building Inspection Department. Not much building going on right now. The list goes on and on ...

2014 Primary Elections.

You know, there is a primary election coming up, and there is a runoff in the Democrat County Commissioner race. Contenders are three incumbents, **Kirkpatrick, Sorrells and Upton**, with two new candidates, Kyle Edwards and Bob McClure. As is sometimes the case with county commissioners and some other offices, I express a preference with my opinion of who would best serve Haywood County.

I have used the following toeprint symbols as an aid...



This means a good guy, and



This means we could do better.

Here are recommendations for County Commissioners in the May Primary Election.



Kyle Edwards



Bob McClure



Kirk Kirkpatrick



Michael Sorrells



Bill Upton

Democrats can vote on these candidates. Unaffiliated voters, if they select a Democrat voting ballot, can also vote for these candidates.

If you feel you must vote for three, then vote for Kyle Edwards, Bob McClure and **Bill Upton**. **Bill Upton** has traditionally trailed in all elections behind **Kirkpatrick** and **Sorrells**, and would most likely be the easiest to beat in the November Election, where two (2) Republicans and one (1) Libertarian is running.

Legend: If any name is in **bold**, it can't be a good thing.

Monroe A. Miller Jr.,
Haywood County Taxpayer
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Waynesville, NC 28786
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NORTH CAROLINA INDUSTRIAL DEVELOPMENT FUND UTILITY ACCOUNT

PRE-APPLICATION FORM / RESERVATION OF FUNDS REQUEST

Evergreen Packaging

Project Name

Commerce (B&I) developer working on the project

Amount Requested \$2,100,000 Grant Loan

Date of Request (mm/dd/yy) March 3, 2014

Local Government Applicant Haywood County
 Address (street/PO box) 215 N Main St
 Address (city, NC, zip) Waynesville, NC 28786
 Contact Person Mark B Clasby
 Phone 828 456 3737
 E-mail mclasby@haywoodnc.net
 County Haywood
 Tier Designation* 2
 Federal ID # 56-6001524

Project Company Evergreen Packaging
 SIC Code, or
 NAICS Code 322121
 Federal Tax ID # 20-8042663
 Contact Person Dane Griswold
 Phone 828 646 2820
 E-mail dane.griswold@everpack.com

Company Background

Type of company/product Paper Mill
 Startup or existing company? Existing Years in business 100 Number of employees 1174
 Does the company have other operations in NC? yes If yes, where? Raleigh

Project Description

Does the project involve relocation from another NC county? No If yes, from where?
 Does the project involve a new facility or expansion of an existing facility? No
 Will the project involve job creation? No If yes, how many? *
 * Do not show cumulative totals
 Average wage per year? Year 1 \$78,300 Year 2

Provide a narrative describing the overall project, what Utility Account funds are to be used for, need and resulting benefits.

This project will increase Natural Gas capacity to Western North Carolina. Specifically, the project will involve piping modifications and the addition of Natural Gas compressors to increase the pressure in the existing lines throughout the region. With an increase in line pressure, a corresponding increase in natural gas is achieved. A primary benefactor will be Evergreen Packaging in Canton, NC. They are in the process of converting a portion of the power generating capabilities over to Natural Gas. In order for them to have the volume of gas they need to run 24/7/365, this project is required. Evergreen Packaging will agree to take approximately half of the cost of the \$5.5 Million project in a gas purchase agreement of \$2.7 Million.

Source/Uses of Funds (list all sources in the first row)

	Utility Acct.	Applicant	Company					Total
Water								\$5,500,000
Sewer								
Gas	\$2,100,000	\$700,000	\$2,700,000					
Electric								
Rail								
Acquisition								
Construction/Rehab								
Machinery/Equip.								
Engineering								
Other								
Total	\$2,100,000	\$700,000	\$2,700,000					\$5,500,000

For Commerce Department Use ONLY

Finance Officer _____ Date _____	Comments:
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RESOLUTION

FORMULA FOR FUNDING SCHOOL CURRENT EXPENSE

- WHEREAS,** funding of education is a top priority for Haywood County; and
- WHEREAS,** the Haywood County Board of Education desires that Haywood County Schools are funded in the top per pupil funding statewide in appropriations from local resources; and
- WHEREAS,** the County Board of Commissioners and the Board of Education agree that the best system for funding school current expense is on a per pupil allocation; and
- WHEREAS,** after six years of budgeting with a formula, it has been determined that a formula for current expenditure allocation has been beneficial to both the county and the school system: and
- WHEREAS,** it has been determined that the current formula could be improved by changing the ADM portion of the formula to reflect the highest ADM projected amount before adjusting to the actual 10 day ADM number to parallel the state’s allocation procedure, and to reinforce the per pupil allocation purpose, as follows:

$$\begin{array}{r}
 \text{Haywood County Per Pupil Appropriation increased by the 5-year Average Percent Increase} \\
 \times \\
 \text{NC Public Schools DPI ADM state planning allotment, using the highest projection amount, and Adjusted} \\
 \text{to Actual Budget Year 10 day ADM when information becomes available,} \\
 + \\
 \text{ABC Revenues} \\
 = \\
 \text{Total Current Expense Appropriation from the County}
 \end{array}$$

NOW, THEREFORE, BE IT RESOLVED that the Board of Education hereby adopts this resolution establishing the formula of funding for school current expense for the next three years, unless unusual economic conditions dictate otherwise, after which the funding formula will be reviewed.

BE IT FURTHER RESOLVED that the adjustment for current expense that will be made after the 10 day ADM figure is known should be transmitted to the County Board of Commissioners and the school administration as soon as practicable so that both boards may finalize their budgets.

Adopted this 9th day of March 2009.

Charles H. Francis, Chairman



ATTEST:

Anne G. Garrett, Secretary

HAYWOOD COUNTY and BOARD OF EDUCATION
BUDGET FORMULA for SCHOOL APPROPRIATIONS
JHD

YEAR	HAY. CO. PPA	% INCREASE	YEAR
2009/10	1,880	9.52%	2009/10
2010/11	1,880	1.07%	2010/11
2011/12	1,880	2.69%	2011/12
2012/13	1,889	2.17%	2012/13
2013/14	1,889	1.85%	2013/14
2014/15	1,943	2.93%	2014/15
2015/16	0	-100.00%	2015/16

FORMULA

Revised County PPA X (1 plus 5-year average % increase per year) X (current year ADM increased 1%, and adjusted to actual 16 day ADM when available) = County Appropriation, before ABC increases
 $\$1,950 \times 1.0537\% = \$13,175,852$
 $\times (7187+1.01) = \$13,175,852$
 with actual 10 day known in AUG. 2008

Fiscal Year 2009-2010
 County Approp ADM \$ 14,403,307 7.27%
 County Allocation per pupil \$ 7,148, adjusted at 10 day ADM (original formula calculated to 8174)
 County Allocation per pupil \$ 3,850.41 9.57% per pupil alloc increase over prior year

Fiscal Year 2010-2011
 County Approp ADM \$ 14,403,307 0.00%
 County Allocation per pupil \$ 7,653, adjusted at 10 day ADM (original formula calculated to 7150)
 County Allocation per pupil \$ 3,819.09 1.03% per pupil alloc increase over prior year

Fiscal Year 2011-2012
 County Approp ADM \$ 13,971,307 -3.00%
 County Allocation per pupil \$ 7,636, adjusted at 10 day ADM (original formula calculated to 7050)
 County Allocation per pupil \$ 3,829.06 -2.66% per pupil alloc increase over prior year

Fiscal Year 2012-2013
 County Approp ADM \$ 14,144,926 1.24%
 County Allocation per pupil \$ 7,587, adjusted at 10 day ADM (original formula calculated to 7050) ADJUSTED 1/18/2012
 County Allocation per pupil \$ 3,803.29 2.17% per pupil alloc increase over prior year

Fiscal Year 2013-2014
 County Approp ADM \$ 14,402,707 1.82%
 County Allocation per pupil \$ 7,524, adjusted at 10 day ADM (original formula calculated to 7050)
 County Allocation per pupil \$ 3,828.09 1.69% per pupil alloc increase over prior year

Fiscal Year 2014-2015
 County Approp ADM \$ 14,645,044 1.68%
 County Allocation per pupil \$ 7,636, adjusted at 10 day ADM (original formula calculated to 7500)
 County Allocation per pupil \$ 3,849.24 2.33% per pupil alloc increase over prior year