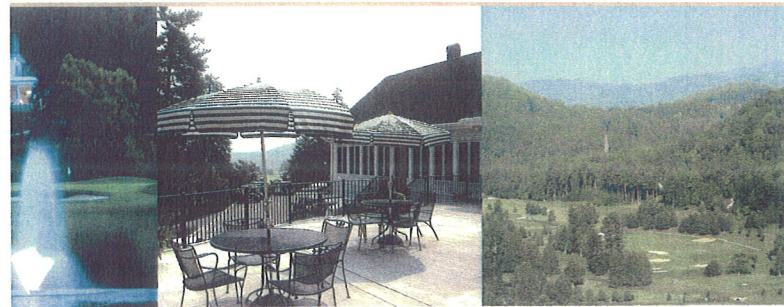


PROPOSED AREA



Site Map

- Fairway Village I
- Fairway Village II
- Vantage Point
- Golfside
- Golfside IV
- Ridgeview
- Woodlands
- Forest View



Terry Wilson

From: luke22@bellsouth.net
Sent: Tuesday, January 02, 2007 3:41 PM
To: Terry Wilson
Subject: Letter

RECEIVED
1/2/07
3:45pm.

Here it is.

January 2, 2007

To: Henderson County Board of Commissioners
Blue Ridge Community College Board of Trustees

Cc: Mr. Steve Wyatt, Henderson County Manager
Dr. David Sink, President, Blue Ridge Community College

Subj: Remarks concerning the Athletic Program Issues

The views which I am about to express are my own and do not express the policy or views of WHKP management nor of the program "Open Line" of which I am one of the hosts.

Board Members:

One of our TV viewing delights is the Food Channel's Emiril Live program in which he frequently punctuates his cooking progress with a vehemently expressed "BAM!! Followed by the equally vehement, "UP ANOTHER NOTCH!". Reading the latest exchange of Resolutions between The State Board of Community Colleges and Blue Ridge Community College about the only thing missing is Emiril's histrionics. The difference is that he is signifying progress toward some exotic, highly succulent culinary creation and I cannot imagine an analogous and equally satisfying conclusion to this one. Somewhere along this tortuous trail both managements seem to have lost track of the itch that started all this scratching at each other, i.e. an acceptance of an end justifies the means management mentality at Blue Ridge that had to be rooted out and exposed to the public by the State Auditor's office. Neither the State Board nor the Blue Ridge Board had a clue of what was going on. If you go back and reread that report you will see there is no real disagreement as to what took place or of the measures needed to correct it. The divergent issue is clearly, did the punishment fit the crime? The State maintains a firm no and declares its right of oversight in demanding a formal reprimand of President Sink by the Blue Ridge Board. Blue Ridge then responds by effectively telling the State Board it is none of their business. In fact Blue Ridge's response sounds more like and follows the format of the Declaration of Independence than anything else, with Hilda Pinnix-Ragland, the State Board Chair, substituting for King George III.

Ignoring the exhortation from their attorney that Blue Ridge not become the "Poster Child" for some sort of revolution against State Board leadership and get back to the business of educating college students, they have commissioned three envoys to visit the North Carolina Association of Community College Trustees and the Association of Community College Presidents to recruit support for their defiance. More money and staff hours to be diverted from educating students to Raleigh travel, PowerPoint presentations, more scarce Board hours spent on this digression. Where will the money for this extra effort come from?

Yet while all this goes on, the new Technology Center moves toward completion and readiness to assume its task of preparing our work force for participation in the technology industry of the 21st Century. But we know there were shortages in funding for the complete outfitting of the building. What about its faculty, is there a staffing plan? What about its recruiting of qualified students? The BRCC Board should be right in the middle of getting support for this task and management should be involved in the project up to its neck all day, every day - not looking for a new baseball coach or struggling to get its athletic program on a sound financial footing or worrying about recruiting a good left-handed pitcher. We will have spent around a million dollars of Foundation, private, State and County funds on this debacle. If offered the choice, might

cc: B.O.C
Steve

not the Moreno family have preferred to have their name on a breakthrough virtual reality teaching laboratory than a baseball diamond? Or the Foundation awarding science rather than athletic scholarships?

Where will all this end up. Not sure, but there are some realities:

The State Board cannot afford to lose this battle nor can its master, the Governor, allow them to lose - the Lt. Governor is an ex-officio member of the Board and the Chair is a Governor's appointee- else they may have a full scale insurrection on their hands. Blinking at the driving ego and passion of one president, then multiplied by 58 is not the kind of anarchy that can be tolerated in any organization legally responsible for managing public funds intended for the education of the community work force. The "will resign" announcement of the baseball coach gives the Trustees an opportunity to reappraise the athletic program in its entirety and most certainly the proposed athletic facility. If Dr. Sink were not the President would the program exist? If it really is of serious educational value, why is it not taxpayer funded and why are so few Community Colleges involved?

The State Board did not really ask for very much; a negotiated payback of misapplied State funds, and surely the County must demand the same, a cease and desist order against current and future use of state money, demand restitution from those who used the facility but did not pay for it and acceptance of their rebuke for not having done a responsible job of managing public funds.

The reprimand is not limited to the athletic program for you cannot go back and read the 2003, 2004 and 2005 audit reports as I have done, without feeling some pain of shared guilt. Our President said those discrepancies would be fixed and they were not, in fact, in one case it had actually worsened over the two year period since first reported. The audit reports I refer to are all available on the State Auditor's website. Since the BRCC Trustee rebuke happens because the State concluded that the law was not favoring their bypassing the BRCC Board and taking direct action against the President, themselves the strong implication exists that acceptance of the rebuke requires disciplinary action by the BRCC Board against the President.

I hope you noticed the "our" in my wording of the last paragraphs. When the State specified the time period of the program as dating from 1 January 2002, I became involved immediately in a more formal sense, since I served as a Board member until late summer of 2004 when health problems forced my resignation. So I admit to being one of the inattentive ones. I did not challenge the athletic program enough nor the Foundation's early funding thereof. I asked some questions but not hard enough or insistent enough. I sincerely regret that, .

It is my opinion that the BRCC Board should do the following immediately:

Cancel the plan to encourage support from the NCACCT and the NCACCP.
Acknowledge Board responsibility for failure in oversight of the athletic program during the years in question. The State Board acknowledges your activities in correcting the errors but seems to demand that you acknowledge the errors that required those corrections. Why not and please stop saying there was no wrongdoing because only the team benefited. Should the same tolerance of law-breaking be applied to the "Center Stage Players" or the "Grass Roots Conservation Club" or other extracurricular activities?

Strongly encourage the immediate retirement of President Sink. Demand if necessary.
Appoint a temporary President and a search committee to find his replacement.
Direct Staff to update, or prepare if one does not now exist, a complete program plan for the implementation of the Technology Center and establish an oversight sub-committee to follow through. I would think it appropriate to include a representative of the Board of Commissioners and perhaps the Board of Public Education if agreeable to them.

So let's quit escalating the temper of the dialog and go back to work at our basic task which we know we are able to do and do really well, educating college students and serving the community and its work force.

I repeat, these remarks, opinions and recommendations are my own and do not represent the views of the management of WHKP nor of our "Open Line" program.

Very respectfully,

Fielding G. Lucas

50 Squirrel Trail
Hendersonville, NC 28791
891-5291, luke22@bellsouth.net

HENDERSON COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2006

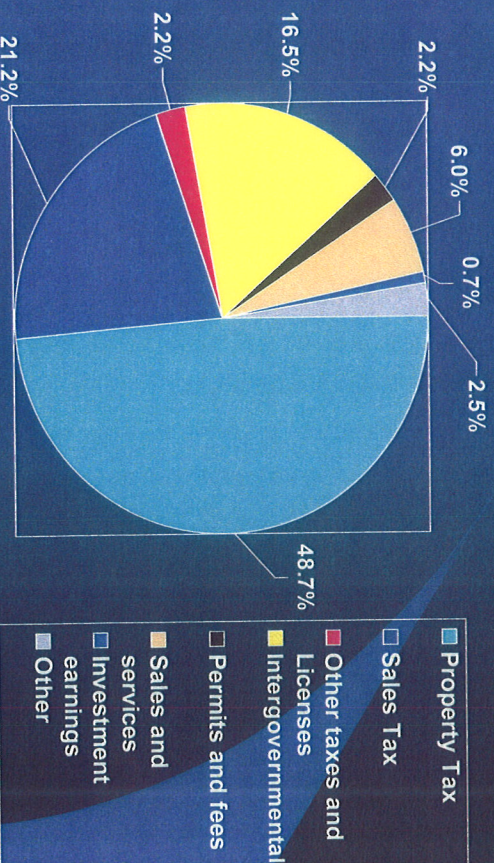
GENERAL FUND REVENUES

- REVENUES AND TRANSFERS TOTAL \$97.1 MILLION
- INCREASE OF 10.2% OVER FY2005
- LEADING SOURCES OF REVENUE
Property Taxes (48.7%), Sales Taxes (21.2%) and Intergovernmental (16.5%)

DISCUSSION TOPICS

- General Fund Activity
- Capital Projects
- General Fund Balance Position
- Debt Position
- Fiscal Highlights
- Audit Results
- Future Accounting Changes

GENERAL FUND REVENUES BY SOURCE



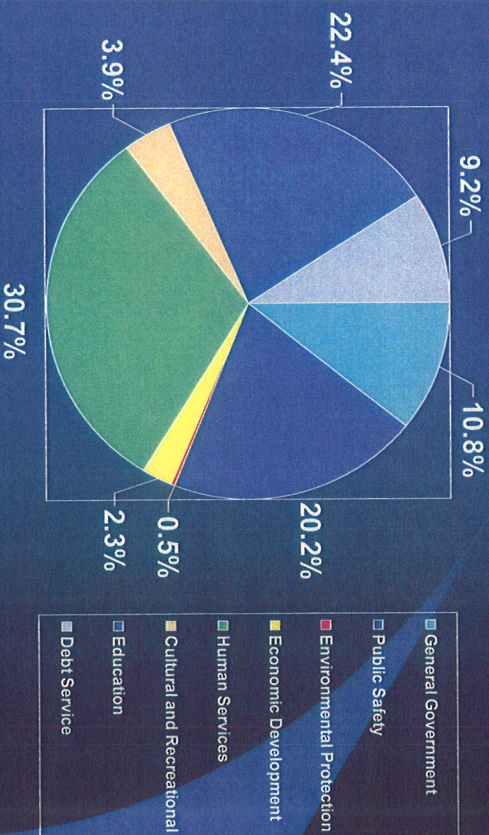
PROPERTY TAXES

- FY2006 TOTAL ASSESSED VALUE - \$9.1 BILLION
- INCREASE OF 3.2% OVER FY2005 TOTAL VALUE
- 97.1% OF FIRST YEAR TAX LEVY COLLECTED
- CONTINUES TO BE ONE OF THE TOP 1ST YEAR TAX COLLECTION RATES IN THE STATE

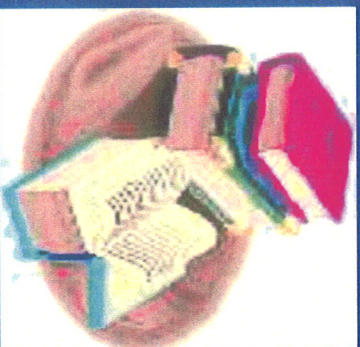
GENERAL FUND EXPENDITURES

- EXPENDITURES AND TRANSFERS TOTALED \$92.0 MILLION
- INCREASE OF 7.2% OVER FY2005
- LEADING EXPENDITURE CATEGORIES INCLUDE PUBLIC SAFETY (20.2%), HUMAN SERVICES (30.7%) AND EDUCATION (22.4%)

GENERAL FUND EXPENDITURES BY CATEGORY



EXPENDITURES FOR PUBLIC SCHOOLS



26.3%
OF
GENERAL
FUND

\$24.2 MILLION GENERAL FUND DOLLARS FOR SCHOOLS

- Current Expense \$16.9 Million
- Capital 1.6 Million
- Debt Service 5.7 Million
- Ranked 25th out of 100 counties in total resources per student (4th in WNC)
- Current expense funding per student ranked 27th (4th in WNC)

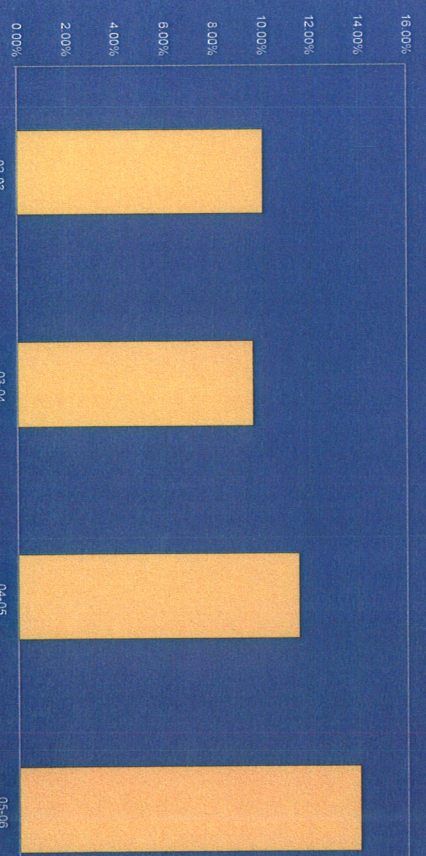
CAPITAL PROJECT EXPENDITURES

- \$10.3 Million in School Capital Projects
 - Dana Elementary - \$8.4 Million
 - Sugarloaf Rd Elementary - \$1.9 Million
- \$8.6 Million – Human Services Building
- \$1.4 Million – New Animal Shelter
- \$992,000 – Historic Courthouse Project
- \$888,000 – Mills River Sewer Project
- \$365,000 – BRCC Technology Building

FUND BALANCE POSITION

- Total General Fund Balance = \$21.3 Million
- Increase of \$5.0 Million over FY2005
- \$12.9 Million unreserved as of 6/30/06
- 14.02% of FY2006 General Fund Expenditures
- Appropriated fund balance of \$515,000 for the FY2007 budget

UNRESERVED FUND BALANCE AS A PERCENTAGE OF GENERAL FUND EXPENDITURES



FUND BALANCE

- ❑ SURPASSES 8% LOCAL GOVERNMENT COMMISSION RECOMMENDED MINIMUM IN UNRESERVED
- ❑ SURPASSES BOC GOAL OF 12% IN UNRESERVED GENERAL FUND BALANCE
- ❑ FUND BALANCE GROWING AND REMAINS SOUND

DEBT LEVELS

- ❑ Actual outstanding debt = 1.17% of total assessed value for FY2006 (3.0% debt policy maximum)
- ❑ Actual debt service payments = 9.20% of General Fund Expenditures for FY2006 (15.0% debt policy maximum)

DEBT POSITION

- ❑ OUTSTANDING DEBT @ 6/30/06 \$107.1 MILLION
- ❑ DEBT EVIDENCED BY
 - BONDS \$ 6.7 MILLION
 - COPS AND INSTALLMENT FINANCING CONTRACTS \$100.4 MILLION
- ❑ \$41.6 MILLION IN NEW DEBT ISSUED FOR COUNTY, SCHOOL, AND COMMUNITY COLLEGE PROJECTS IN JUNE 2006

SUBSEQUENT YEAR DEBT

- ❑ Board to review and prioritize Strategic Plan and Capital Improvement Plan Projects in January 2007 that may have debt issuance implications for FY2008
- ❑ Possibility of issuing General Obligation Bonds for elementary school projects with project costs yet to be determined

2006 FISCAL HIGHLIGHTS

- ❑ Financing for Historic Courthouse Rehab, BRCC Technology Education Bldg and new Sugarloaf Road Elementary School projects completed
- ❑ Received bond rating increase to AA- from Standard & Poors
- ❑ Unreserved General Fund Balance surpasses Board of Commissioner's minimum 12 percent goal

POSITIVE AUDIT RESULTS

- ❑ All financial records, related data and minutes requested by auditor made available
- ❑ No disagreements with management
- ❑ No significant audit adjustments
- ❑ Auditor encountered no difficulties in performing the audit
- ❑ No Single Audit Findings or Questioned Costs on Federal and State grant programs
- ❑ "Unqualified Audit Opinion" (BEST)
- ❑ LGC has reviewed and approved audit report

"OPEB"

(Other Post Employment Benefits)

- ❑ Governmental Accounting Standards Board (GASB) Statement #45
- ❑ Health and Dental insurance coverage liability for all current and retired employees must be recorded in FY2008
- ❑ Actuarial valuation completed currently estimates liability at \$11 million
- ❑ Future Funding – pension trust fund or "pay-as-you-go"

QUESTIONS ???

Mr. J. Roger Gregg, CPA
Gregg & Company, P.A.
Asheville, NC
(828) 254-6357

J. Carey McLelland
Finance Director

Clarification of County Expenditures

Blue Ridge Community College



Joe Spearman, Chairman
Mary Ann Engel, Vice Chairman
Lee Mulligan, Board Member
BRCC Board of Trustees

Areas of Concern

- County Funds expended to support athletic facilities
- County Funds expended for salary supplements for the President's salary

The Baseball Field

- Constructed with Private Funds in 2002
 - No County Funds were needed or used to build the facilities.

The Baseball Field

- The facility belongs to Henderson County and has been open to use by community groups.
- County Funds were used for maintenance of the field in the same way that public schools maintain their athletic facilities and in accordance with State Statutes

Expenditures – 2002 - 2006

Category	Expenditures (4 – Year)	Insurance Reimbursement	Net Expenditures
Baseball Field Signs	\$ 618.95		\$ 618.95
Benches	\$ 899.48		\$ 899.48
Dugout Repair / Maintenance	\$ 8,874.22	\$ 7,641.41	\$ 1,232.81
Fence Repair	\$ 11,392.65	\$ 7,637.65	\$ 3,755.00
Field Maintenance	\$ 13,737.40		\$ 13,737.40
Landscaping	\$ 2,343.71		\$ 2,343.71
Portable Toilet	\$ 2,389.01		\$ 2,389.01
Scoreboard Installation	\$ 9,817.79		\$ 9,817.79
Sidewalk Construction (ADA)	\$ 4,800.00		\$ 4,800.00
Vehicle Maintenance	\$ 1,901.45		\$ 1,901.45
Equipment Maintenance	\$ 879.90		\$ 879.90
Cell Phone	\$ 2,373.39		\$ 2,373.39
Security	\$ 1,168.75		\$ 1,168.75
	\$ 61,196.70	\$ 15,279.06	\$ 45,917.64

Volleyball Expenses FY 2004 - 06

CATEGORY	TOTAL
Cell phone -	\$ 1076.40
Security -	\$ 675.00
<hr/>	
TOTAL	\$ 1751.40

County Responsibility

North Carolina General Statutes – Support for Community Colleges

§ 115D-32. Local financial support of institutions.

(a) The tax-levying authority of each institution shall be responsible for providing, in accordance with the provisions of G.S. 115D-33 or 115D-34, as appropriate, adequate funds to meet the financial needs of the institutions for the following budget items:

(1) Plant Fund: Acquisition of land; erection of all buildings; alterations and additions to buildings; purchase of automobiles, buses, trucks, and other motor vehicles; purchase or rental of all equipment necessary for the maintenance of buildings and grounds and operation of plants; and purchase of all furniture and equipment not provided for administrative and instructional purposes.

(2) Current expenses:

a. Plant operation and maintenance:

1. Salaries of janitors, maids, **watchmen**, maintenance and repair employees.
2. Cost of fuel, water, power, and **telephone services**.
3. Cost of janitorial supplies and materials.
4. Cost of operation of motor vehicles.
5. **Cost of maintenance and repairs of buildings and grounds.**
6. Maintenance and replacement of furniture and equipment provided from local funds.
7. Maintenance of plant heating, electrical, and plumbing equipment.
8. **Maintenance of all other equipment, including motor vehicles, provided by local funds.**
9. Rental of land and buildings.
10. **Any other expenses necessary for plant operation and maintenance.**

President's Salary Supplement

- Henderson County has been paying a salary supplement for BRCC's President **since 1979**
 - Started when Dr. William Killian was President
 - Continued when Dr. David W. Sink, Jr. was hired
- 56 of the 58 Community Colleges in North Carolina have additional supplements for their Community College Presidents
 - **55 Community Colleges receive supplements from their supporting counties.**
 - *One institution provides its supplement from a private foundation*

President's Salary Supplement

- Each year the BRCC President's salary supplement is clearly identified in the budget details provided to the County Manager as:
 - **“Executive Management Salary or Salaries and Salary Supplements”**
- This information is provided as part of BRCC's annual budget request to the County Commissioners for their review and discussion
- Dr. Sink has received this supplement every year since 1987
- There has been **no** attempt at any time on the part of BRCC to disguise or conceal this practice.

Dr. Sink's Compensation

- Commensurate with his experience and record of success and service
 - 30 years of experience in the North Carolina Community College System
 - BRCC has been ranked “Superior” for the past six years by the NC Community College System – one of only two colleges to receive this distinction
 - BRCC's Continuing Education program in Work Force Development and Life-long Learning is first in the state in the ratio of continuing education students to curriculum students
 - His salary is comparable to other institutions the same size as BRCC in North Carolina

Why Salary Supplements are Essential

- State funds for the salaries of Community College Presidents are limited
 - Local funds are essential to attract qualified senior leaders for community colleges

County Responsibility

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6. Maintenance and replacement of furniture and equipment provided from local funds.
7. Maintenance of plant heating, electrical, and plumbing equipment.
8. Maintenance of all other equipment, including motor vehicles, provided by local funds.
9. Rental of land and buildings.
10. Any other expenses necessary for plant operation and maintenance.

(b) The board of trustees of each institution may apply local public funds provided in accordance with G.S. 115D-33(a), as appropriate, or private funds, or both, to the supplementation of items of the current expense budget financed from State funds, provided a budget is submitted in accordance with G.S. 115D-54.



BRCC
BLUE RIDGE
COMMUNITY COLLEGE

For More Information Contact:
Dr. David W. Sink, Jr.
694-1705