

Haywood County "Toeprints"

August 24, 2019

Vol. #10 Issue #4 (Subject: Francis Farm Expenses, The Numbers Don't Add Up)

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.

Consider the following numbers.

The numbers don't add up...

Let's consider the following numbers on Francis Farm Landfill revenue and expenditures.

- Tax Revenue collected by Haywood County with the rise in Solid Waste Fee from \$92 to \$164 for 2015 - 2018:

2015	\$5,054,981.73
2016	\$5,031,226.61
2017	\$5,058,472.66
2018	\$5,139,711.82

Total: \$20,284,392.82

- Total Expenditures since 1998 through current date, according to **Bryant Morehead**, Haywood County Manager [re: July 16, 2019 e-mail]. That's the total expenditures for Twenty (20) Years, folks:

\$ 6,240,988.11

- Tax Revenue set aside by Haywood County with the rise in Solid Waste Fee from \$92 to \$164 for 2015 - 2018, for projected Francis Farm Landfill Expenses from the December 2014 Budget Workshop presented by **David Francis**:

\$ 8,925,132.00

- Projected Francis Farm Landfill expenses by **David Francis** for the years 2015 - 2018 from the December 2014 Budget Workshop:

\$ 6,850,000.00

WTF? Someone is lying to us, and the finger points directly to **Bryant Morehead**.

What prompted this investigation?

Terry Ramey made a verbal Public Records Request in January of this year for all county expenses for the Francis Farm Landfill. Nothing happened. About two (2) weeks later, I made a written Public Records Request for all Francis Farm Landfill Expenses from 2008 to the current time. Nothing happened. I have still never received a document showing expenses from 2008 to the current time.

Finally, I received a four (4) page document from **Bryant Morehead** on July 16, 2019, purporting to show Francis Farm Expenses from 1998 to current. No letterhead, no date, no author, no nothing. No way to correlate these numbers with anything. The total expenses of these four (4) pages is \$ 6,240,988.11.

[**Editors Note:** See the actual four (4) pages sent by **Bryant Morehead** following the end of this issue.]

(Flashback to the December 2014 Budget Workshop.)

[**Editors Note:** See the actual two (2) slides presented to commissioners at the December 2014 Budget Workshop following the end of this issue.]

Land Fill Fee raised from \$92 to \$164 in 2015.

David Francis, at a Budget Workshop for County Commissioners, **Mark Swanger** chair at the time, made a presentation about possible Francis Farm future expenses on the horizon. **David Francis** lobbied for a sizable increase in the Land Fill Fee to prepare for this contingency, **Swanger** and the rest of the commissioners agreeing.

That increase is reflected in the following table. The income from the total Land Fill Fee by year [re: Tax Collectors Office]:

2015	\$5,054,981.73
2016	\$5,031,226.61
2017	\$5,058,472.66
2018	\$5,139,711.82

Some simple math - how much of this money was earmarked for the Francis Farm Land Fill?

$92/164 = .56$ (\$92 or 56% goes to original expenses)
 $1 - (.56) = .44$ (Balance of 44% goes to Francis Farm)

2015	$\$5,054,981.73 \times (.44) = \$2,224,192$
2016	$\$5,031,226.61 \times (.44) = \$2,213,739$
2017	$\$5,058,472.66 \times (.44) = \$2,225,728$
2018	$\$5,139,711.82 \times (.44) = \$2,261,472$

Total: \$8,925,132

That's almost \$ 9 million dollars the county has collected (through 2018) to put (earmarked) towards Francis Farm Expenses.

How much did **David Francis** predict spending on the Francis Farm Landfill from 2015 - 2018 for justifying this increase?

2015	\$1,900,000
2016	\$1,650,000
2017	\$1,650,000
2018	\$1,650,000

Total: \$6,850,000

On the one hand, the county is telling us they spent \$6.2 million in the entire time from 1998 to now [re: **Bryant Morehead**].

On the other hand, thanks to the hefty Solid Waste tax increase, there is \$8.9 million earmarked waiting to be spent on Francis Farm expenses.

On the third hand, not even **David Francis** could spend the (allocated) \$8.9 million on only \$6.8 million in projected expenses [re: December 2014 Budget Workshop].

It is interesting to note that in the Administrative / Agency Report that **David Francis** presented to commissioners at the June 15, 2015 county commission meeting, on the slide marked 2015 Solid Waste Budget, the line item for Francis Farm Landfill expense was \$ 2,152,912.

[<http://www.haywoodtp.net/pubII/190813FlashbackFrancisFarmPowerpoint.pdf>]

The amount collected in taxes for 2015 earmarked for the Francis Farm Landfill (see prior table) was \$ 2,224,192.

That's uncanny! A difference of only \$72,280, yet no one can (or will) tell me where any of this money is being spent.

Was this ever spent? Who knows, as there is a complete lock-down on getting any meaningful information from:

- **Julie Davis**
- **David Francis**
- **Bryant Morehead**
- **Kevin Ensley**

Gould Killian CPA Group, P.A.

Enter the auditor, Travis Keever, from Gould Killian CPA Group, P.A., the auditor selected by **Julie Davis** to create the CAFR (Certified Annual Financial Report).

In an interesting correspondence with Travis Keever (who am I to be having a correspondence with Travis Keever - I am not paying him?), he had some interesting comments on the \$8,925,132 earmarked for the **David Francis** Solid Waste Slush Fund.

He said:

"I understand the logic you are using here, but you are operating under a false premise of there being some legal distinction in incremental amounts collected after the fee increase versus amounts collected from the original fee. The County's budget ordinance, which is available on the website, clearly shows the Solid Waste Fund being budgeted in total. No distinction is made between Francis Farm Landfill and other solid waste expenditures, nor is the County under any legal obligation to do so."

WTF?

I recall this from a past experience with the sales tax increase. It is against NC Statutes to designate any portion of any collected tax to go to a specific expense.

What does this mean? It means that **Julie Davis** and **David Francis** can spend this \$ 2.2 million each year on anything their hearts desire.

All of this extra money goes into the pot, and there is no accountability for how this \$8.9 million collected auspiciously and designated for the Francis Farm Landfill is being spent.

The auditor, Travis Keever also had some other interesting comments relating to questions surrounding Francis Farm Landfill expenses.

- "The beginning fund balance of the solid waste fund in total is \$8.7M as stated on page 16 of the FY18 CAFR".
- "The extra \$72 is being accounted for in the solid waste fund, same as the rest of the fee. The expenditures are also accounted for in the CAFR in total which allows one to derive a total fund balance in the Solid Waste Fund. This is 100% consistent with all reporting requirements. The fund Balance has been going up each year, so it appears most of the incremental revenue is being set aside for future spending."
- "The reporting done for the solid waste fund is consistent with standards required by the Government Accounting Standards Board and the Government Finance Officers Association. This will look virtually identical the CAFR reporting for solid waste funds of other governments in NC."
- "No CAFR is ever going to address items like this at this level of detail. This is not indicative of an attempt to mislead the public, this is simply how governmental financial statements are presented."

Whoa!

Keever pointed out that "The beginning fund balance of the solid waste fund in total is \$8.7M as stated on page 16 of the FY18 CAFR". Let's take a more detailed look at this...

Sheet of the very expensive Green Graph Paper.

It is interesting to plot the beginning balance of the SOLID WASTE MANAGEMENT FUND from 2009 - 2018. This is plotted on the Green Graph Paper, immediately following this issue of Toeprints. The fund is the green line, and overlaid on the same graph is the total tax collected from each taxpayer.

This is where you get to use your brain to analyze what is happening.

For years, from 2009 through 2014, there was a steady state. Revenue, about \$2.2 Million was matched closely with the beginning fund balance for each year. Then things went nuts.

Revenue increased to about \$5 Million a year, and after a slight dip in 2015, the fund started taking off - straight to the moon.

Haywood County is treating taxpayers like mushrooms, i.e., keeping them in the dark.

Conclusion.

Without accountability, how do we know where this extra money is going, that was supposed to be earmarked for the Francis Farm Landfill, and more importantly, how long will the county continue to collect tax at the current \$164 per house hold, and when will it return back to the original \$92?

There are remedies that can be advanced to obtain a valid understanding of what is going on here, and they will be pursued.

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

Monroe A. Miller, Jr.
Haywood County Taxpayer
2200 Camp Branch Road
Waynesville, NC 28786
www.haywoodtp.net
Si vis pacem, para bellum

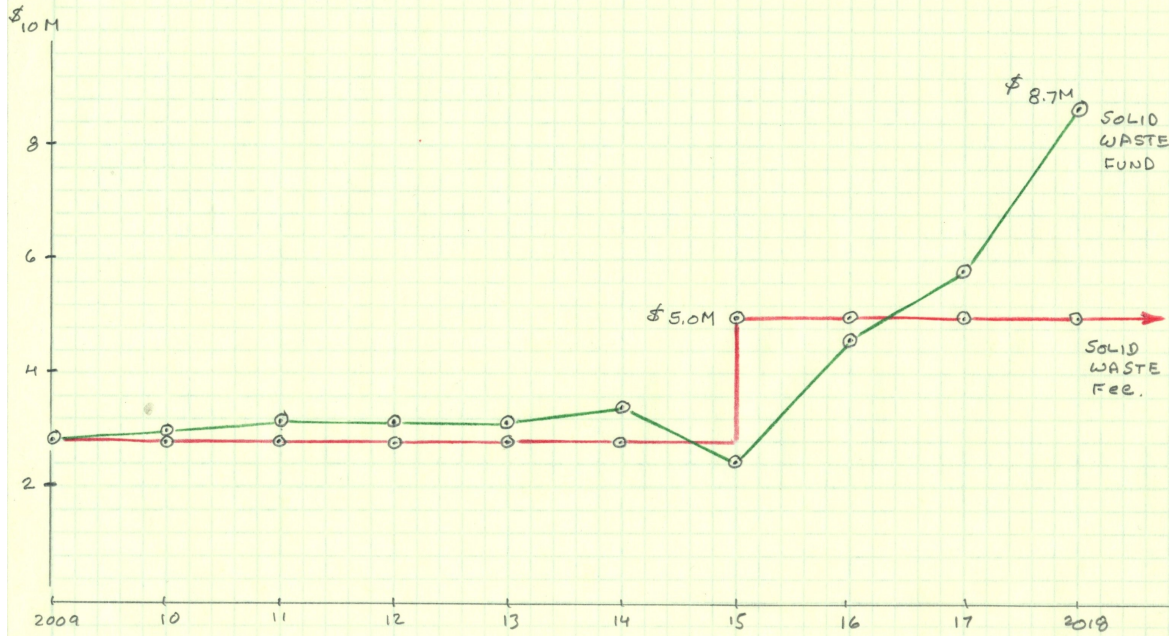
Monroe A. Miller, Jr.
2200 Camp Branch Road
Waynesville, NC 28786



SOLID WASTE MANAGEMENT FUND

Source: 2009-2018 CAFR

AUG 24 2019



Budget Work Shop Dec. 2014

JUN 2 2015

Francis Farm Area - No City Water



THIS MAP IS PREPARED FOR THE DIRECTORY OF REAL PROPERTY FOR THE YEAR 2014. THIS MAP IS COMPILED FROM RECORDED DEEDS, PLATS, AND OTHER PUBLIC RECORDS AND DATA. USERS OF THIS MAP ARE HEREBY NOTIFIED THAT THE APPLICABLE PUBLIC PRIMARY INFORMATION SOURCES SHOULD BE CONSULTED FOR VERIFICATION OF THE INFORMATION CONTAINED ON THIS MAP. HAYWOOD COUNTY ASSUMES NO LEGAL RESPONSIBILITY FOR THE INFORMATION CONTAINED ON THIS MAP.

Legend

- Parcels with no City Water
- Waynesville Water Lines
- Francis Farm 1500 ft Buffer
- Well Site

Map Created on 07/18/2011



Budget Workshop Dec 2014

	White Oak Landfill	Hauling	Convenience Centers	MRF*	Francis Farm Landfill	Capital Improvements	Yearly Cost	Solid Waste Fee Needed
2015 - 2016	556,250	687,982	327,967	1,272,000	1,900,000	640,000	5,384,198	165
2016 - 2017	578,500	687,982	337,806	1,272,000	1,650,000	475,000	5,001,288	153
2017 - 2018	601,640	702,426	347,940	1,310,160	1,650,000	400,000	5,012,166	153
2018 - 2019	625,706	702,426	358,377	1,349,465	1,650,000	350,000	5,035,974	154
2019 - 2020	650,733	720,053	369,129	1,389,949	1,650,000	350,000	5,129,864	157
2020 - 2021	676,762	720,053	380,203	1,431,647	300,000	25,000	3,533,665	108
2021 - 2022	703,833	737,304	391,609	1,474,597	300,000	250,000	3,857,343	118
2022 - 2023	731,986	737,304	403,357	1,518,834	300,000	25,000	3,716,481	113
2023 - 2024	761,265	755,415	415,458	1,564,399	300,000	25,000	3,821,537	116
2024 - 2025	791,716	755,415	427,922	1,611,331	300,000	25,000	3,911,384	119
10 Yr Total:	\$6,678,391	\$7,206,360	\$3,759,767	\$14,194,382	\$10,000,000	\$2,565,000	\$44,403,899	
			10 year Average					AVG.
			Land Purchase	\$ 1,200,000	Reimb. fund bal.			\$ 135.50
			Previous years exp	\$ 988,255	3.67			\$ 3.67
			Current year budget	\$ 950,371	3.02			\$ 3.02
				\$ 3,138,626	2.90			\$ 2.90
						Total 10 yr. ave.		\$ 145.10
			First 5 Years Average	\$ 156.14	9.59	Total 1st 5 yr. ave.		\$ 165.74
			Weighted average	\$ 150.62				\$ 150.62
Notes: There is a no fuel surcharge factored for Hauling.								
Years 6 - 10 Capital Improvements amounts are low due to upgrades being completed								
Francis Farm construction timeline has not been determined. Costs are based on current projections								
and may be heavier in some years. Amount has been evenly spread for presentation.								

JUN 2 2015

FROM 1998 period 1 through 2019 period 12

ACCOUNTS FOR:

ACTUALS

244710

SOLID WASTE MANAGEMENT

47106 - FFLF

244710 512100 47106 SAL & WAG-PERM FT & PERM PT	560,124.14
244710 512600 47106 SAL & WAGES-TEMP & PART	17,264.41
244710 512700 47106 SAL & WAGES-LONGEVITY	10,108.65
244710 515000 47106 CLOTHING ALLOWANCE	2,278.98
244710 518100 47106 SOCIAL SECURITY CONTRIB	42,721.91
244710 518200 47106 RETIREMENT CONTRIB	40,675.60
244710 518204 47106 CO CONTRIB-401(K) SUPP RET INC	11,312.62
244710 518300 47106 HOSPITALIZATION INS CONTRIB	116,167.85
244710 518500 47106 UNEMPLOYMENT COMP CONTRIB	390.00
244710 518600 47106 WORKERS' COMP CONTRIB	40,768.00
244710 518900 47106 OTHER FRINGE BENEFITS-LIFE INS	463.15
244710 519200 47106 PROF SERV.-LEGAL-FFLF	480.00
244710 519403 47106 PROF SRVS-ENG-GENERAL SERVICES	564,655.98
244710 519900 47106 PROF SERV-FFLF	740,459.33
244710 519913 47106 PROF SERV-LEACHATE-FFLF	26,329.25
244710 521300 47106 UNIFORMS	3,642.59
244710 525000 47106 VEHICLE SUPPLIES & MATERIALS	1,067.44
244710 525001 47106 EQUIPMENT SUPPLIES & MATERIALS	46,030.67
244710 525002 47106 FUEL/GAS/DIESEL	10,005.89
244710 526000 47106 OFFICE SUPPLIES & MATERIALS	3,512.65
244710 526901 47106 NON-EXPENDABLE DEPT. SUPPLIES	7,600.19
244710 529910 47106 MISCELLANEOUS	27.00
244710 531100 47106 TRAVEL	10,536.48
244710 532000 47106 COMMUNICATIONS	15,121.65
244710 532010 47106 COMMUNIC.-EE CELL PHONE	2,360.00
244710 533000 47106 UTILITIES	13,237.65
244710 535100 47106 REPAIRS & MAINT-BLDG & GROUNDS	123,473.00
244710 535200 47106 REPAIRS & MAINT-EQUIP	62,548.20
244710 535300 47106 REPAIRS & MAINT-VEHICLES	8,276.19
244710 539100 47106 LEGAL ADVERTISING	538.96
244710 539500 47106 TRAINING-EMPLOYEE EDUC EXP	15,513.00
244710 543900 47106 RENT OF EQUIPMENT	1,663.25
244710 545100 47106 PROP & GEN LIAB INS	10,000.00
244710 545200 47106 VEHICLE INS	7,009.00
244710 549100 47106 DUES & SUBSCRIPTIONS	2,888.00
244710 549900 47106 MISC. CHRGS-FFLF-OTHER	(4,946.00)
244710 549940 47106 MISC- PERMITS	12,890.00
244710 552000 47106 C/O-DATA PROC EQUIP	4,950.00
244710 554000 47106 C/O-MOTOR VEHICLES	65,336.75
244710 555000 47106 C/O-OTHER EQUIPMENT	196,822.24
244710 555701 47106 C/O LAND IMPROVEMENTS	633,582.70
244710 557000 47106 C/O-LAND- ACCES EASEMENTS	14,000.00
244710 557001 47106 LAND PURCHASES	1,203,503.00
244710 559000 47106 C/O-OTHER STRUCTURES	6,903.25
244710 569900 47106 OTHER CONTRACTS GRANTS ETC	14,159.00

TOTAL SOLID WASTE MANAGEMENT

4,666,452.62

4.666
x 140
1,175
.258
\$ 6.24 M

FROM 1998 period 1 through 2019 period 12

ACCOUNTS FOR:

ACTUALS

Capital Project Fund - Solid Waste Landfill
10GAS - FY10 Gas Collection System - FFLF

434723

434723 519900 10GAS PROF SERVICES-OTHER	107,198.00
434723 535200 10GAS R&M-LAND CLEAR/FENCE	27,130.00
434723 557000 10GAS C/O-EASEMENT ACQUISITION	6,000.00

TOTAL METHANE GAS COLLECTION PHASE 1	140,328.00
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439820

439820 598024 10GAS TRANSFER TO SW S/R FUND	296.00
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TOTAL TRANSFER TO S/R FUND SW	296.00
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TOTAL EXPENSES	140,624.00
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FROM 1998 period 1 through 2019 period 12

ACCOUNTS FOR:

ACTUALS

Capital Project Fund - Solid Waste Landfill
11GAS - FY11 Gas Collection System - FFLF

434724

434724 519400 11GAS PROF SERV-ENGR	156,103.10
434724 549900 11GAS MISCELLANEOUS CHARGES	6,404.00
434724 559000 11GAS GAS COLL/FLARE	831,714.41
434724 559001 11GAS GRAVITY SEWER	6,900.00
434724 559002 11GAS POWER GENERATOR	104,711.44

TOTAL METHANE GAS PHASES 2&3	1,105,832.95
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439820

439820 598024 11GAS TRANSFER TO SW S/R FUND	69,577.05
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TOTAL TRANSFER TO S/R FUND SW	69,577.05
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TOTAL EXPENSES	1,175,410.00
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FROM 1998 period 1 through 2019 period 12

ACCOUNTS FOR:

ACTUALS

Capital Project Fund - Solid Waste Landfill
17CAP - Corrective Action Plan

434727

434727 519400 17CAP PROF SERVS-ENGINEER	105,841.49
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434727 519404 17CAP PROF SRVS-ENG-PROJ ADMINISTRAT	152,660.00
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TOTAL FFLF CORR ACTION PLAN-CAP	258,501.49
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TOTAL EXPENSES	258,501.49
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