

MINUTES

STATE OF NORTH CAROLINA COUNTY OF HENDERSON

**BOARD OF COMMISSIONERS
MONDAY, MARCH 2, 2015**

The Henderson County Board of Commissioners met for a regularly scheduled meeting at 1:00 p.m. in the Commissioners' Meeting Room of the Historic Courthouse on Main Street, Hendersonville.

Those present were: Chairman Tommy Thompson, Vice-Chairman Charlie Messer, Commissioner Grady Hawkins, Commissioner Mike Edney, Commissioner William Lapsley, County Manager Steve Wyatt, Assistant County Manager Amy Brantley, Attorney Russ Burrell and Clerk to the Board Teresa Wilson.

Also present were: Senior Planner Autumn Radcliff, Engineer Marcus Jones, Management Assistant Megan Powell, HR Director Jan Prichard, Director of Business and County Development John Mitchell, Assessor/Tax Collector Stan Duncan, Finance Director Carey McLelland, Internal Auditor Darlene Burgess, Soil & Water Conservation District Director Jonathan Wallin, Chief Deputy Jerry Rice, IT Director Becky Snyder, Code Enforcement Director Toby Linville, Environmental Health Supervisor Seth Swift, Registrar of Deeds Lee King, Assistant Registrar of Deeds Willa Blair, Library Director Trina Rushing, Captain Steve Carter, Chief Deputy Frank Stout, EMS Director Mike Barnett, Fire Marshal Rocky Hyder, Public Health Director Steve Smith, 911 Communications Director Lesha Stanley, T&T Director Beth Carden, DSS Director Eric Bush, Environmental Programs Coordinator Rachel Hodge and PIO Kathryn Finotti – videotaping, and Corporal Jeff Banks as security.

CALL TO ORDER/WELCOME

Chairman Thompson called the meeting to order and welcomed all in attendance. He informed the public that this meeting was held earlier due to the large agenda, and had been noticed as such. The last scheduled meeting of February 18th had been cancelled because of weather related road conditions.

INVOCATION

County Manager Steve Wyatt provided the invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by Commissioner Hawkins.

DISCUSSION/ADJUSTMENT OF CONSENT AGENDA

Commissioner Messer made the motion to adopt the Consent Agenda as presented. All voted in favor and the motion carried.

CONSENT AGENDA consisted of the following:

Minutes

Draft minutes were presented for board review and approval of the following meeting(s):

February 2, 2015 - regularly scheduled meeting

Tax Collector's Report

Collections Specialist Luke Small had presented the Tax Collector's Report to the Commissioners dated February 19, 2015 for information only. No action was required.

Renewal of lease (Carland Farms, Inc.)

The County has had a long-standing leases for the use of County property with Carland Farms, Inc., for farm property located along the French Broad River. The parcel is completely surrounded by property controlled by Carland Farms, Inc., and the French Broad River. The value of this lease was calculated for previous years by

DATE APPROVED: March 18, 2015

the Tax Assessor's Office, based on the average rental value for farm property. This proposed lease is at that same rent.

This item would renew the Carland Farms, Inc., lease on identical terms.

Motion:

I move that the Board approves the draft lease renewal.

Register of Deeds – Request to Use ROD Restricted Funds for Automation, Enhancement and Document Preservation

N.C.G.S. 161-11.3 regulates the retention of 10% of the fees collected by the Register of Deeds office. These funds are to be set aside annually in a non-reverting Automation Enhancement and Preservation Fund and are to be used for computer and imaging technology, and document preservation. The Register of Deeds is requesting that \$28,900 be released from the Automation Enhancement and Preservation Fund to pay for the following expenses:

\$27,600 for Contracted Services for annual software maintenance renewal.

\$1,300 for Departmental Supplies – Non Expendable for an electric embosser to certify documents

A Budget Amendment was provided for the Board's consideration to use the Register of Deeds Restricted General Fund Balance to pay for software maintenance.

Motion:

I move the Board of Commissioners approves the budget amendment to use \$28,900 in Register of Deeds Restricted General Fund Balance.

Public Records Disposal Request

The Assessor's Office Staff is requesting approval from the Board of Commissioners to destroy the records listed on the Public Disposal Request and Destruction Logs provided, (nine (9) included) in accordance with the County's Record Retention Policy and the provisions of the North Carolina Department of Cultural Resources Records Retention and Disposition Schedule, a copy of said pages were provided, as the period of these records have expired, or they have been scanned and retained in said format.

Motion:

I move the Board approves the Public Records Disposal Request and Destruction Log as presented.

Energy Management Update

A report was provided to the Board with information about the County's energy management use across all County facilities in the areas of electricity, natural gas, fuel and water. It compared the current FY second quarter with previous years to show historical trends in commodity consumption. Supplementary cost analyses represent the total annual cost percentages (YTD) and the monthly cost profile comparing 2013 and 2014 YTD for the highest-cost commodity at each facility.

Smoky Mountain Center – Quarterly Fiscal Monitoring Report (FMR) for the quarter ended December 31, 2014

N.C.G.S. 122C-117(c) requires the staff of the local area mental health authority to provide the County Finance Officer with the quarterly Fiscal Monitoring Report (FMR) within 30 days of the end of the quarter. The County Finance Officer is then required to provide the FMR to the Board of Commissioners at the next regularly scheduled meeting of the board. The FMR for the Smoky Mountain Center was received by the County Finance Officer on January 30, 2015.

Motion:

I move that the Board of Commissioners approves the Smoky Mountain Center Fiscal Monitoring Report for the quarter ended December 31, 2014.

County Financial Report-Cash Balance Report - January 2015

The January 2015 County Financial Report and Cash Balance Report were provided for Board review and approval.

The following are explanations for departments/programs with higher budget to actual percentages for the month of January:

- Non-Profit Contributions – 3rd quarter approved non-profit contribution payments
- Administrative Services – operational expenditures running slightly higher than budget
- Register of Deeds – operational expenditures running slightly higher than budget
- Detention Center – purchase orders encumbered for a new transport van and department supplies
- Emergency Management – purchase orders encumbered for mass casualty incident (MCI) trailers
- Fire Services – payment of volunteer fire department's annual worker's compensation premium
- EMS – purchase of a new ambulance approved in the FY2015 budget
- Rescue Squad – 3rd quarter approved non-profit contribution payment
- Economic Development – annual economic development incentive payments in December
- Agri-Business – operational costs to be covered/reimbursed from Agri-business membership fees
- Mental Health – 3rd quarter Maintenance of Effort (MOE) payment to the Smoky Mountain Center

The YTD deficit in the Revaluation Reserve Fund is due to postage expense incurred for the mailing of reappraisal notices.

The YTD deficit in the CDBG – Scattered Site Housing Project Fund and the CDBG - Dodd Meadows Project Fund is due to the timing difference between the payment of project expenditures and subsequent reimbursement of grant funds from the state.

The YTD deficit in the 911 Emergency Communications Relocation Project and the Westfeldt Park Project is due to the payment of project expenditures and the subsequent reimbursement of grant funds from the NC 911 Board and the NCDENR – Recreational Trails Grant Program respectively.

The YTD deficit in the Health Sciences Center Project budget is due to the payment of architectural fees on the project that will be reimbursed from the proceeds of a future financing for the project in FY2015.

The YTD deficit in the Solid Waste Landfill Fund is due to operational expenditures being ahead of revenues including the one-time purchase of capital outlay-equipment and a loan annual debt service payment made in January.

Motion:

I move that the Board of Commissioners approves the January 2015 County Financial Report and Cash Balance Report as presented.

Public Schools Financial Report – January 2015

The Henderson County Public Schools January 2015 Local Current Expense Fund / Other Restricted Funds Financial Report was provided for the Board's information.

Motion:

I move that the Board of Commissioners approves the Henderson County Public Schools January 2015 Financial Report as presented

Public Records Disposal Request – EMS

Emergency Medical Services wishes to dispose of Ambulance Call Reports originating in years 1998 through 2003. The eleven year period for retention required by the North Carolina Department of Cultural Resources has expired. Ambulance Call Reports which included minors and/or disabled patients will not be destroyed.

Upon approval it is requested that the Board authorize the Clerk to the Board of Commissioners to sign the Public Records Disposal Request and Destruction Log.

Motion:

I move the Board approves the disposal of the 1998 through 2003 Ambulance Call Reports.

Quilt Square at Main Branch of the Public Library

The Henderson County Quilt Block Trail Committee requests permission to place a wooden quilt block (4'x4') on the outside wall of the Main Library as part of the newly developing HC Quilt Block Trail. A donor is paying for the block. The quilt pattern depicted will be representative of the library's mission.

The Quilt Block Committee has received verbal approval by the new Library Director that the block would be welcomed.

Assistance from HC Central Services will be required to install the block on the outside wall of the library when ready.

Motion:

I move the Board approves placing of a wooden quilt block on the outside wall of the Main Library.

Pending Refunds and Releases

The pending releases and refunds have been reviewed by the County Assessor and as a result of that review, it is the opinion of the Assessor that these findings are in order. Supporting documentation is on file in the County Assessor's Office.

These pending release and refund requests are submitted for the approval by the Henderson County Board of Commissioners.

Total Taxes Released from the Charge	\$ 7,075.79
Total Refunds as a Result of the Above Releases	\$ 140.77

Motion:

I move the Board approves the Combined Release/Refund Report as presented.

Official Zoning and Water Supply Watershed Map Update

The official zoning and water supply watershed maps are updated digitally to reflect all map changes approved by the Board of Commissioners and any annexations approved by surrounding municipalities. The County keeps a notarized paper copy of the official zoning and water supply watershed maps as well, but these maps are not adjusted each time a rezoning or annexation occurs. It is good practice to periodically update the official zoning and water supply watershed maps in paper form. Henderson County's paper form of the official zoning map was last updated on September 21, 2011 when the Board adopted the Land Development Code and associated zoning map amendments. The official water supply watershed map was last updated on, May

22, 2012 when the State approved the City of Hendersonville's new intake.

The maps provided are the official zoning and water supply watershed maps and includes zoning map amendments approved since 2011, including the recent community plan rezoning and the WS-III boundary adjustments in Mills River. No public hearing is required to adopt the official zoning and water supply watershed map updates.

Motion:

I move the Board adopts the official zoning and water supply watershed map updates as submitted by staff.

Notification of Vacancies

Chairman Thompson noted the following vacancies and opened the floor to nominations.

1. EMS Peer Review Committee – 1 vac.
2. Equalization and Review, Henderson County Board of – 2 vac.
3. Governmental Financing Corporation – 1 vac.
4. Hendersonville Business Advisory Committee – 1 vac.
5. Industrial Facilities and Pollution Control Financing Authority – 1 vac.
6. Nursing/Adult Care Home Community Advisory Committee – 3 vac.

Nominations

1. Agriculture Advisory Board – 3 vac.

Commissioner Messer nominated for reappointment William Barnwell for position #3 and Fred Pittillo for position #5. Commissioner Hawkins nominated Theron Maybin for position #4. *Chairman Thompson made the motion to accept the reappointments of William Barnwell to position #3, Theron Maybin to position #4, and Fred Pittillo to position #5 by acclamation. All voted in favor and the motion carried.*

2. Animal Services Committee – 4 vac.

Commissioner Hawkins nominated Dr. Jonathan Pernell for reappointment to position #1. Commissioner Messer nominated James Varble for position #4. *Chairman Thompson made the motion to accept the reappointment of Dr. Jonathan Pernell to position #1, and the appointment of James Varble to position #4 by acclamation. All voted in favor and the motion carried.*

3. East Flat Rock Community Plan Advisory Committee – 12 vac.

Commissioner Hawkins nominated Chip Gould for position #2, and Nancy Westall for position #3. Commissioner Lapsley nominated Larry Ray for position #4. Commissioner Messer nominated Keith Kennedy for position #12. *Commissioner Messer made the motion to accept the appointment of Chip Gould to position #2, Nancy Westall to position #3, Larry Ray to position #4, and Keith Kennedy to position # 12 by acclamation. All voted in favor and the motion carried.*

4. EMS Peer Review Committee – 2 vac.

Chairman Thompson nominated Dr. Steven Motarjeme for position #6. *Chairman Thompson made the motion to accept the appointment of Dr. Steven Motarjeme to position #6 by acclamation. All voted in favor and the motion carried.*

5. Henderson County Historic Courthouse Corporation dba/Heritage Museum – 1 vac.

Commissioner Messer nominated Carolyn Justus for reappointment as Chair of the Henderson County Historic Courthouse Corporation dba/Heritage Museum. *Chairman Thompson made the motion to accept the reappointment of Carolyn Justus as Chair of the Henderson County Historic Courthouse Corporation dba/Heritage Museum by acclamation. All voted in favor and the motion carried.*

6. Home and Community Care Block Grant Advisory Committee – 1 vac.
There were no nominations at this time and this item was rolled to the next meeting.

7. Hospital Corporation Board of Directors/UNCH – 1 vac.
There were no nominations at this time and this item was rolled to the next meeting.

8. Juvenile Crime Prevention Council – 4 vac.
There were no nominations at this time and this item was rolled to the next meeting.

9. Mountain Area Workforce Development Board – 3 vac.
There were no nominations at this time and this item was rolled to the next meeting.

10. Mountain Valleys Resource Conservation and Development Program – 1 vac.
There were no nominations at this time and this item was rolled to the next meeting.

11. Nursing/Adult Care Home Community Advisory Committee – 4 vac.
There were no nominations at this time and this item was rolled to the next meeting.

12. Recreation Advisory Board – 3 vac.
Commissioner Messer nominated for reappointment Sue Myers for position #2, Hunter Marks for position #8, and Virgle McClure for position #9. *Chairman Thompson made the motion to accept the reappointments of Sue Myers to position #2, Hunter Marks to position #8, and Virgle McClure to position #9 by acclamation. All voted in favor and the motion carried.*

13. Senior Volunteer Services Advisory Council – 3 vac.
There were no nominations at this time and this item was rolled to the next meeting.

DISCUSSION/ADJUSTMENT OF AGENDA

Commissioner Edney requested that the Budget be moved to the last item for discussion. Chairman Thompson requested that Discussion Item “Emergency Communications System Modernization and Upgrade Project” be removed from the agenda, and requested the addition of Closed Sessions.

Commissioner Thompson made the motion to adopt the Agenda as modified above. All voted in favor and the motion carried.

EMERGENCY COMMUNICATIONS SYSTEM MODERNIZATION AND UPGRADE PROJECT

At the request of Chairman Thompson, this item was removed from the agenda.

2015 REAPPRAISAL UPDATE

County Assessor Stan Duncan provided an update on the results of the 2015 general, county-wide, reappraisal of real property.

The Determining Authority...In re AMP, Inc.,
“The North Carolina General Assembly, and no one else, determines how property in this State should be valued for purposes of ad valorem taxation.” 287 N.C. 547, 215 S.E. 2d 752 (1975)

Uniform Appraisal Standard

All property, real and personal, shall as far as practicable be appraised or valued at its true value in money. When used in this Subchapter, the words “true value” shall be interpreted as meaning market value, that is, the price estimated in terms of money at which the property would change hands between a willing and financially able buyer and a willing seller, neither being under any compulsion to buy or to sell and both having

reasonable knowledge of all the uses to which the property is adapted and for which it is capable of being used.”
N.C.G.S 105-283

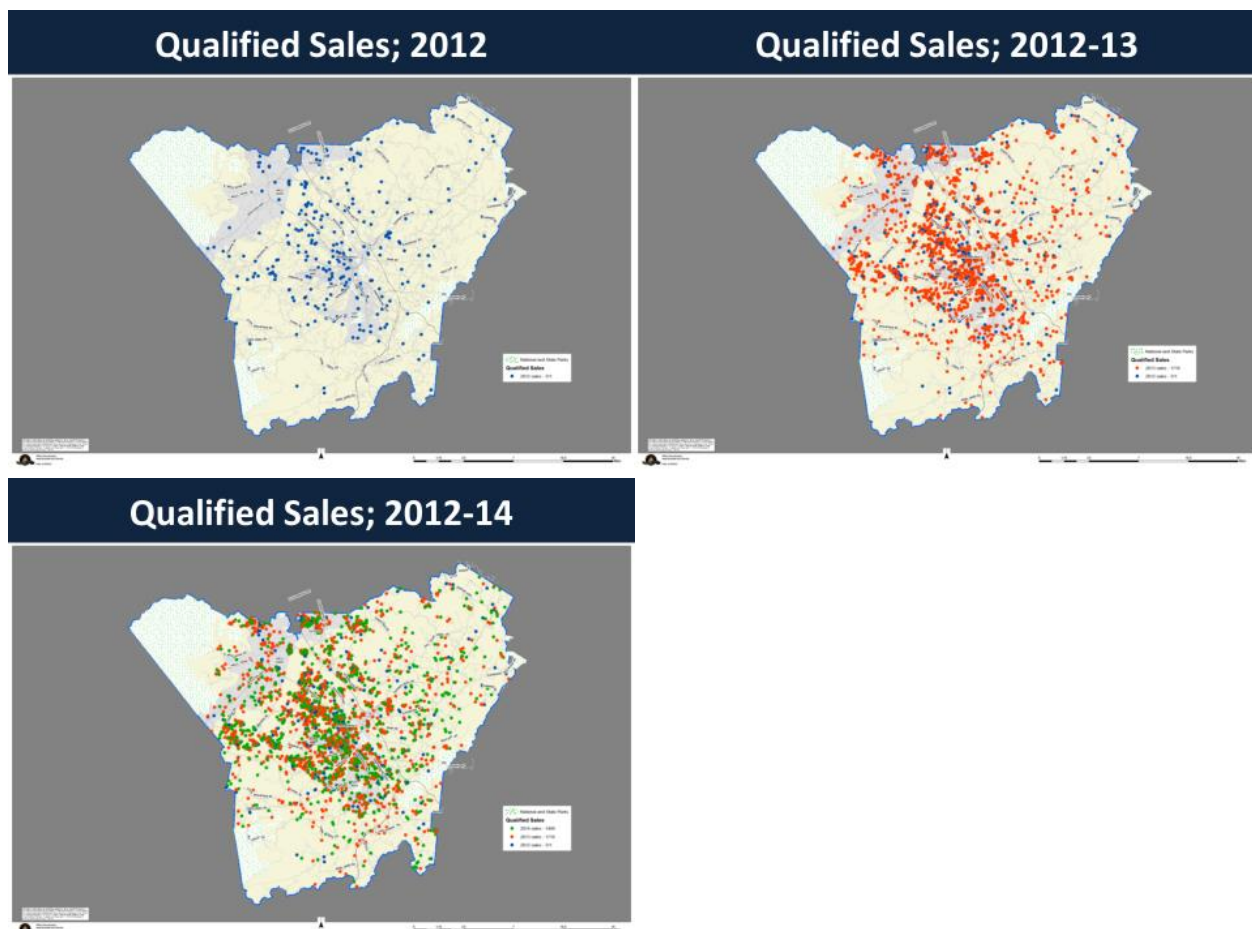
Essentially, an “arms-length” transaction require:

- Willing buyer and a willing seller
- Informed buyer
- Open market
- No undue compulsion

Not every sale is an “arm’s-length transaction”

Market Value is...

- “*Value in Exchange*”...
- NOT necessarily the most recent price paid in what might otherwise appear to be an “arms-length” transaction WHEN competent evidence of a different value is presented, and
- NOT the highest or lowest value, BUT the most probable value meeting the requirements of the Uniform Appraisal Standard, and
- Definitely, NOT a “foreclosure” or “short sale”.



Important Case Law

King; “The purpose of the statutory requirement that all property be appraised at its true value in money is to

assure, as far as practicable, a distribution of the burden of taxation in proportion to the true values of the respective taxpayer's property holdings, whether they be rural or urban." 1 N.C. 533, 189S.E.2d 158 (1972)

Allred; "Sales after January 1 of the reappraisal year not to be considered for the reappraisal year, but for the next reappraisal." 351 N.C. 402, 192 S.E.2d 811 (1999)

Greensboro Office Partnership: Actual sales price based on actual income stream not to be considered when economic rent indicates a different value.

Neither the Uniform Appraisal Standard nor G.S. 105-317(a) requires the commission to value property according to its sales price in a recent arm's length transaction when competent evidence of a different value is presented. 72 N.C. App. 635, 325 S.E.2d 24 cert. denied, 313 N.C. 602, 330 S.E.2d 610 (1985)

Pine Raleigh: But the income referred to is not necessarily actual income. The language is sufficient to include the income which could be obtained by the proper and efficient use of the property. To hold otherwise would be to penalize the competent and diligent and to reward the incompetent or indolent. 258 N.C. 398, 128 S.E.2d 855 (1963)

Reaffirmed in Valuation of Property Located at 411-417 W. Fourth Street 282 N.C. 71, 191 S.E.2d 692 (1972)

Reaffirmed in Greensboro Office Partnership 72 N.C. App. 635, 325 S.E.2d, 24 cert. denied, 313 N.C. 602, 330 S.E.2d, 610 (1985)

Economic Principles Involved

1. Highest & Best Use:
 - Legally Permitted (Zoning)
 - Physically Possible
 - Financially Feasible
 - Generates the Greatest Net Return (NOT gross income)
2. Anticipation of Future Benefits
3. Balance
4. Change
5. Consistent Use; land & improvements
6. Contribution
7. Substitution
8. Supply & Demand, AND
9. Adherence to USPAP Standard 6 (for mass appraisal)

Reappraisal Timeline...

17 February 2015 – Reappraisal Notices Mailed to Property Owners
 18 February 2015 – Informal Appeal Period Began
 13 April 2015 – Board of E & R Convenes
 8 May 2015 – Board of E & R Adjourns from the taking of requests

The Task . . .

Reappraise all real property at Market Value - Effective as of 1 January 2015:

66,495	Total Parcels of Real Property
1,620	Parcels in Present-Use Value (Agriculture, Horticulture, Forestland)
1,456	Parcels w/ Tax Relief (Elderly/Disabled, and Veterans)

Present-Use Value Tax Benefits

Policy of the NC General Assembly:

Horticultural land (Orchards): 77.4 – 99.7% DEFERRAL

Agricultural land (pasture): 88.0 – 99.7% DEFERRAL

Woodland: 97.4 – 99.7% DEFERRAL

Recoup current and 3 prior years upon ineligibility

Elderly / Disabled / Veterans

Elderly / Disabled EXCLUSION

The greater of \$25K or 50% of the homesite and residence, and related residential improvements.

Disabled Veterans EXCLUSION

The first \$45K of the homesite and residence, and related residential improvements.

Resources to Meet the Task

- Access to MLS & Local Realtor Expertise; review sales, listing, and other relevant market data (days on market, list-to-sale ratios, etc.)
- Sales Verification Letters; over 65% return of letters with information regarding the sale.
- Register of Deeds
- County Permitting & Planning Office

In-House Appraisal Staff

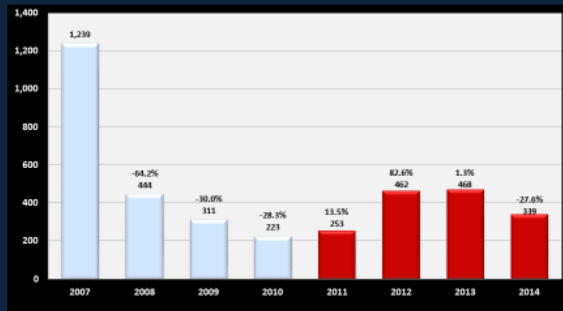
- 9 NC DOR-certified, Real Property Appraisers
 - 8 are market value, real property appraisers
 - 1 is responsible for all tax relief on real property
 - 3 are State-certified Appraisers by NC Appraisal Board
 - 3 hold a NC Brokers License
 - 4 additional employees provide staff support
- 102 years of experience in current jobs
- 110+ years in fee appraisal/real estate sales
- 250+ total years in current and job-related experience

Experience + Professionalism = Equity & Fairness

Challenges & Obstacles

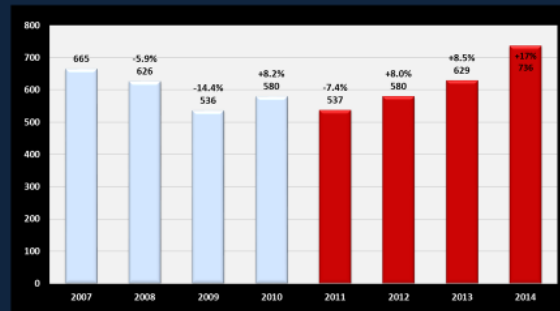
- Reliance on National Data over Local Realtors
- Zillow & Trulia Merger: good or bad?
- HGTV: cost and value are not necessarily equal
- Historical Myths: market value vs tax value

All Residential Permits; Annual – 2007 Thru 2014



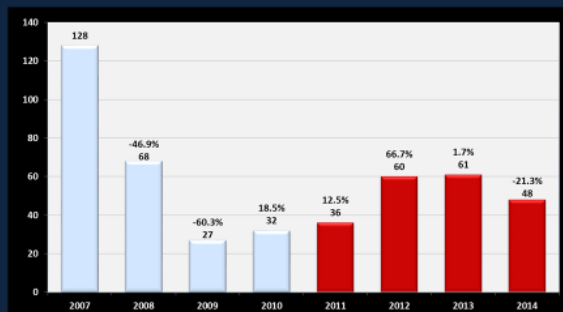
Source: data provided by Denise Lauffer, Coordinator with Henderson County Permit Center

Residential Remodeling Permits; Annual – 2007 Thru 2014



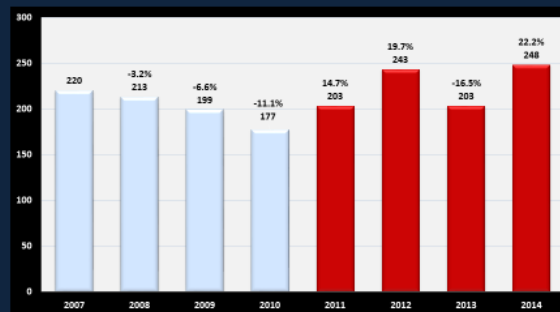
Source: data provided by Denise Lauffer, Coordinator with Henderson County Permit Center

Commercial Permits; Annual – 2007 Thru 2014



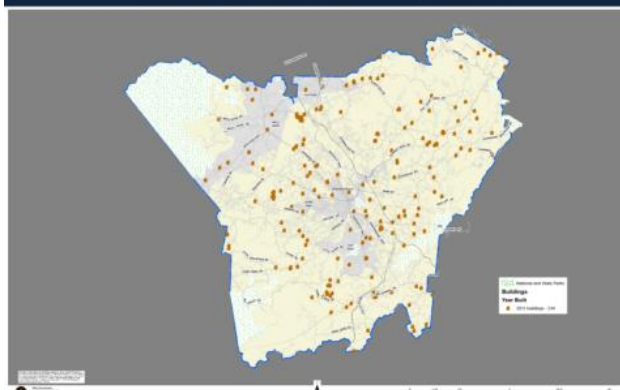
Source: data provided by Denise Lauffer, Coordinator with Henderson County Permit Center

Commercial Remodeling Permits; Annual – 2007 Thru 2014

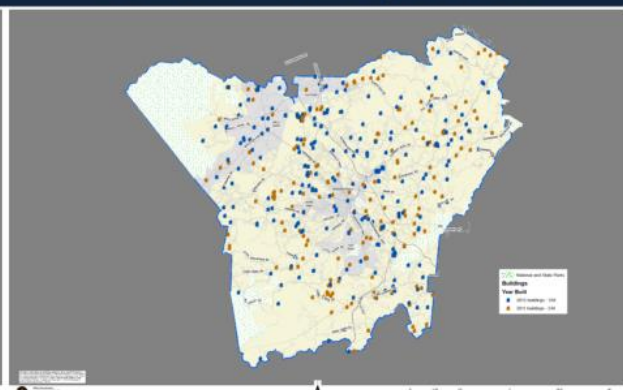


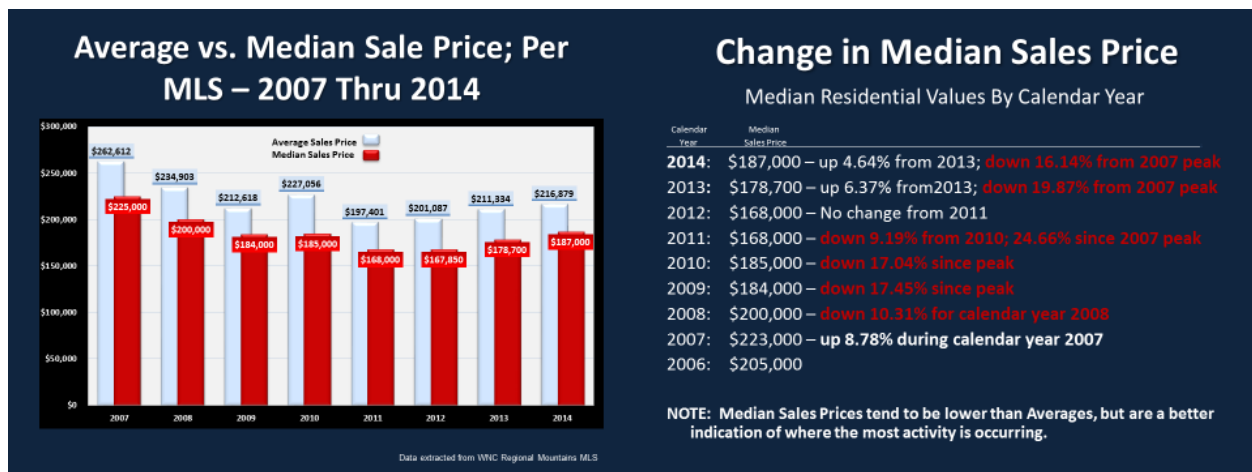
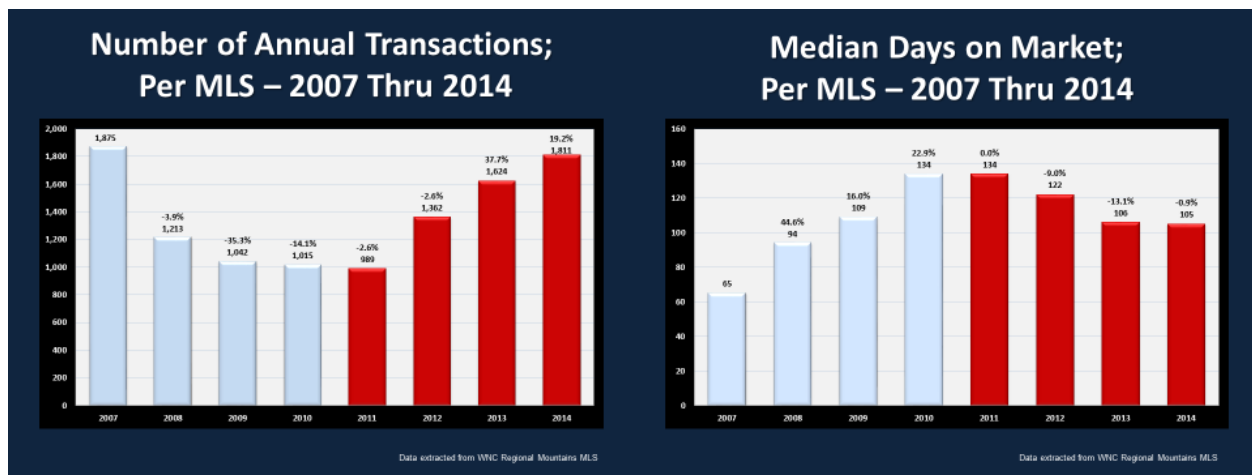
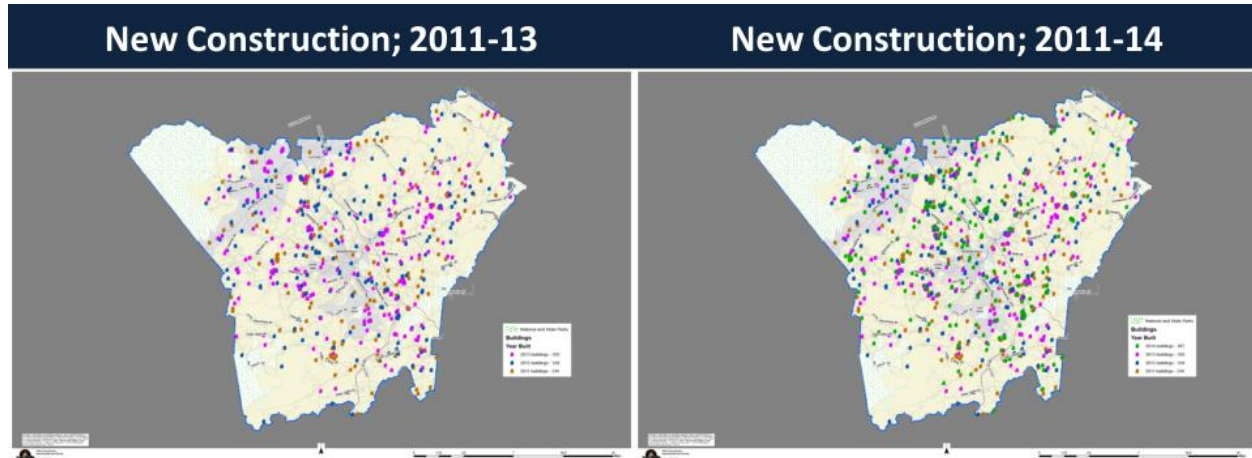
Source: data provided by Denise Lauffer, Coordinator with Henderson County Permit Center

New Construction; 2011



New Construction; 2011-12





Reappraisals recognize the “Market Change” in real property:

However, the change in markets is rarely uniform across any county. Rather, markets tend to vary by identifiable influences such as location, property type, changes in consumer desires & preferences, age or condition.

Sample Neighborhoods		
NEIGHBORHOOD	Parcel Ct.	% Change fr 2014
Blue Ridge Villas;	78	4.40 %
Champion Hills;	426	4.86 %
Claremont;	91	1.68 %
Cobblestone Village;	55	33.05 %
Grand Highlands;	94	25.38 %
Haywood Knolls;	353	4.56 %
Kenmure;	2,128	4.48 %
Livingston Farms;	259	2.07 %
Old Orchard;	74	(38.13)
Riverstone;	412	21.63
Seven Falls;	207	(39.85)
Southchase;	319	6.72
The Oaks;	202	3.58

Early Tax Base Projection

2014		2015
\$10,450,000,000	Real	\$11,000,000,000
840,000,000	Personal	900,000,000
215,000,000	Pub S.	225,000,000
850,000,000	RMV's	890,000,000
\$12,355,000,000	Total	\$13,015,000,000

Reappraisals create an equitable distribution of tax obligation.

- Personal Property (motor vehicles, business machinery & equipment, aircraft & watercraft), is appraised and assessed at Market Value each and every year.
- Real Property is appraised and assessed at Market Value only in the year of, and as of, the general reappraisal.

2015 Reappraisal Counties		
COUNTY	Previous Reappraisal	Expected 2015 Result
Alexander		
Alleghany		
Ashe		
Bladen		
Brunswick	2011	Down 10% +/-
Camden; Contracted		
Carteret; IN-HOUSE	2011	Down 6% +/-
Catawba; IN-HOUSE	2011	Down 5%
Davidson;		
Gaston; IN		
Graham; IN-HOUSE	2010	
Halifax		
HENDERSON; IN-HOUSE	2011	Up 5.5% +/-
Iredell	2011	Flat
Lincoln		
Macon; IN-HOUSE	2007	Down 15% +/-
Moore		
Northampton		
Rowan		
Union		

Going forward – 2015 Reappraisal

Real Property Values continue to “change” yearly; some up, some down, some very little, some significantly from the 2011 valuations.

Two opportunities for appeal are Informal Appeal; review by staff appraisers, and Formal Appeal; Board of

Equalization & Review.

An encouraging market – a return to confidence and optimism.

HENDERSON COUNTY TDA UPDATE

Chairman Shannon Clarke provided an update to the Board of Commissioners on the current status of tourism in Henderson County. He also shared information about several major TDA projects that will strengthen Henderson County's economy through tourism.

Wayfinding Initiative

- Initiative to move visitors and residents around the county more effectively.
- HCYDA will take the lead on vehicular wayfinding signage, and will partner with municipalities to develop pedestrian signage.
- Wayfinding program is tied to the new tourism brand for the County.

Branding Initiative

- HCTDA is currently developing a new and fresh brand and messaging to be used in marketing & promotions by HCTDA and its tourism partners.
- The new brand will reflect the essence of what Hendersonville offers visitors and as a highly ranked tourism destination. The brand logo & color scheme will be key to wayfinding.

Communications

- HCTDA operates as an in-house advertising agency, creating all advertising, branding, literature, brochures, magazines, and response collateral for nation-wide distribution.
- HistoricHendersonville.org website
- Multiple social media platforms
- Weekly calendar of events, distributed via print & email
- Online calendar of events through Everwonder network of interactive calendars
- "Tourism Tidbits" bi-weekly newsletter to tourism industry
- Hendersonville Times-News, monthly column
- Press release distribution service to state, regional, and national news media.
- Weekly radio shows on local AM stations, WHKP & WTZQ

FLAT ROCK PLAYHOUSE

Commissioner Edney had requested discussion of funding for Flat Rock Playhouse be included on the meeting agenda.

He recognized Lisa Bryant who was appointed as the Artistic Director in October. The facilities committee is looking at what need to be done both short term and long term. Mold has been found and FRP is looking at how to correct the problem. FRP requested that Henderson County appropriate \$50,000.00 to assist in the mitigation and restoration of structures on the FRP grounds. The City of Hendersonville, Flat Rock Village, and the Tourism Development Authority have stepped forward agreeing to help.

The cost of abatement and fixes has been determined for \$185,000.00.

- City of Hendersonville has agreed to contribute \$50,000.00.
- Village of Flat Rock has agreed to contribute \$50,000.00
- Henderson County has been requested to contribute \$50,000.00

The Tourism Development Authority is considering contribution of the remaining balance of \$35,000.00.

Commissioner Edney made the motion that the Board appropriate fund balance in FY15 in the amount of

\$50,000 to the Flat Rock Playhouse, specifically for mold abatement, and approve the necessary budget amendment for such. The motion passed 3-2 with Commissioners Hawkins and Lapsley voting nay.

FY 15-16 BUDGET DISCUSSIONS/RETREAT FOLLOW-UP

At the January 21, 2015 Board of Commissioners' Budget Retreat, following a full day of discussion, the Board gave Staff direction to research and bring back some additional information on a number of topics. The Board is requested to discuss those budget-related issues at this meeting, and direct Staff accordingly regarding preparation for FY2015-2016 budget.

Strategic Financial Planning for the Future of Henderson County Government FY 2016-2019

- What are the priorities and primary objectives of Henderson County Government over the next four years?
- What is the proper role of county government in the lives of county citizens?
- What services and governmental functions should the county provide, and at what service levels?

Priorities

The Board of Commissioners is charged with making investment decisions on behalf of the citizens. How do you maximize the return on their investment?

The tax rate will be set, based on decisions made today.

FY 2015-2016 Ad Valorem Scenarios

Assessed Property Valuation (As of March 2, 2015)	Tax Rate of:	
	0.51	0.5136
Ad Valorem Taxes – Current Year	\$63,602,363	\$64,056,847

- Ad Valorem Taxes based on 97% collection rate, and Reappraisal Reserve at FY15 levels.
- 1 cent TRE (Tax Rate Equivalent) = \$1,262,455

On January 21, 2015 the Board held its annual budget retreat. Information was presented on the financial status of the county and some of the major requests/needs of departments in the upcoming fiscal year.

The Board gave Staff direction to research and bring back some additional information on a number of topics relating to the Budget.

Chairman Thompson made the motion that the Board directs staff to consider the budget deliberation from a four year perspective. All voted in favor and the motion carried.

Sheriff's Department FY15-16

- Personnel
 - 4 Call Takers for Communications - \$161,072
 - 1 Safety Compliance Officer for Detention - \$68,318
 - 1 Courthouse Security Officer - \$63,271
 - 1 Staff Attorney - \$95,267
- 5% Salary increase for first line supervisor and below
 - Sheriff Request - \$353,750
 - All Sheriff employees - \$543,502
 - All County employees - \$4,828,667
- Security
 - Courthouse - \$825,000
 - Detention - \$145,050 & \$193,000

Commissioner Hawkins made the motion that the Board approves immediate hire of two (2) call takers for the

911 Communications Center, and make budget amendments as necessary for such. All voted in favor and the motion carried.

Commissioner Lapsley made the motion that the Board authorize staff to rebid 1995 Courthouse Renovations with regard to security issues. The motion passed 4-1 with Commissioner Messer voting nay.

Commissioner Lapsley suggested that the bids be acquired in a way that would enable the Board to fund the project in stages.

Further discussions will be held in regard to relocation of departments.

County Manager Steve Wyatt suggest a Facility Needs Assessment, similar to the one just completed for EMS/Rescue Squad, for the Tax Offices and Register of Deeds Office.

Commissioner Hawkins made the motion that the Board directs staff to have a Facility Needs Assessment completed for the Tax Offices and Register of Deeds Office, and bring it back before the Board in 15-60 days. All voted in favor and the motion carried.

Commissioner Edney made the motion that the Board authorize the transfer of one Attorney position from Legal to Sheriff effective 07/01/2015. All voted in favor and the motion carried.

Security – Detention

- \$145,050 – Replacement/upgrade of the Detention Center door controls. Current system is nearing end of usable life, and experiencing limited parts availability.
- \$193,100 – Replacement/upgrade of existing analog cameras and video system. Eight-five (85) cameras total, including existing and new locations.

Four year cumulative costs for additional Sheriff Salaries:

Year 1 = \$387,928 Year 4 = \$1,561,712

It was the consensus of the Board to direct staff to obtain bids for both Detention Center camera's and door controls, and bring back to the Board for consideration in either the FY15 or FY16 budget.

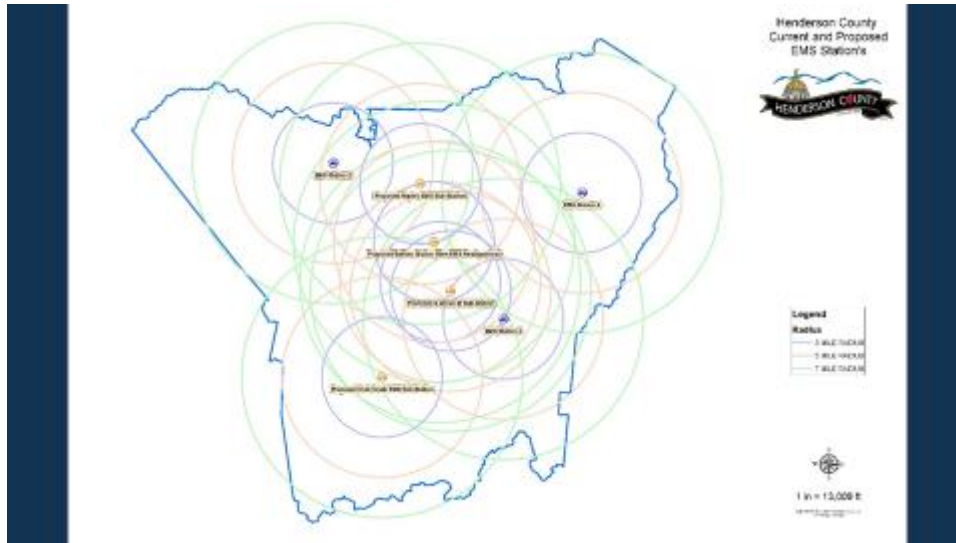
Emergency Medical Services

- One new full-time crew (in the Fletcher/Naples area)
 - Ambulance and Equipment/IT Equipment and Software
 - Ambulance Financed Cost
 - Equipment Cost - \$29,800
 - Annual Debt Payment - \$46,645 (beginning in FY17)
 - Ambulance Cash Cost - \$212,800
 - Eight staff for Full Time Crew (4 starting in August, 2015, 4 additional starting January, 2016) - \$285,768
 - Four Staff for Part Time Crew - \$183,708
- Potential Base Locations
 - Phase out EMS Station #1 (Pardee location)
 - Add a net of 3 new locations

Four year cumulative costs for EMS Upgrades

Year 1 = \$469,476 Year 4 = \$2,467,519

*Costs include 1 Ambulance with Equipment



Restructure EMS Station locations to cover the populated areas of the county with strategic overlaps in major population density areas.

Commissioner Lapsley made the motion that the Board approve four (4) EMS Staff to come on-line early FY16, along with the associated ambulance costs. All voted in favor and the motion carried.

Commissioner Edney made the motion that the Board identifies Valley Hill #2 as a suitable site to locate a future EMS Station, and authorizes Staff to begin steps necessary to acquire the site. All voted in favor and the motion carried.

Commissioner Messer made the motion that the Board gives the County Manager authority necessary to continue the process which shall result in site selection and the construction of a new EMS Base in possible partnership with BRCC and HCPS, and further to continue the study of potential sites for new EMS substation(s). All voted in favor and the motion carried.

Building Services

- Personnel
 - 1 Full Time Building inspector
 - \$53,223 + \$30,000 for vehicle
 - 1 Full Time Permit Specialist (moving PT to FT)
 - \$20,376
- Fees
 - Review of Inspection revenues vs expenditures

Four year cumulative costs for Building Services Upgrade

Year 1 = \$103,590 Year 4 = \$337,873

*Year 1 includes the cost of a vehicle in addition to personnel costs

Expenditures V. Revenues for Building Services

	Actual Expenditures (As of 2/25/2015)	Actual Revenues (As of 2/25/2015)
FY 2015	\$536,167.90	\$483,818.54

Average Caseload per Inspector

Average daily # of inspections per inspector	2009	2010	2011	2012	2013	2014	2015 Est.	Target
	14	9.5	9.6	13.8	15.7	16.4	15.5	10

Re-evaluate the fee schedule as part of the budget process

Commissioner Messer made the motion that the Board approve one (1) new Building Inspector and moving of one (1) part-time Permit Specialist to full-time position. All voted in favor and the motion carried.

Department of Social Services

- Personnel (County Costs)
 - 4 Medicaid - \$51,860
 - 1 Food and Nutrition Services - \$23,430
 - 1 community Social Services Assistant - \$17,744
- New NCFASST reimbursement rate of 75% will not increase county costs
- Technology - \$113,000 (\$56,500 County cost)
- 2 Vehicles – Est. \$40,000

Four year cumulative costs for DSS Salaries

Year 1 = \$269,788 Year 4 = \$1,180,942

*Total increase noted above, Increases in the DSS Budget for approved personnel, technology and other equipment will be covered by the increased reimbursement for NCFASST related activities. Reimbursement rate will be 75%, increased from 50%.

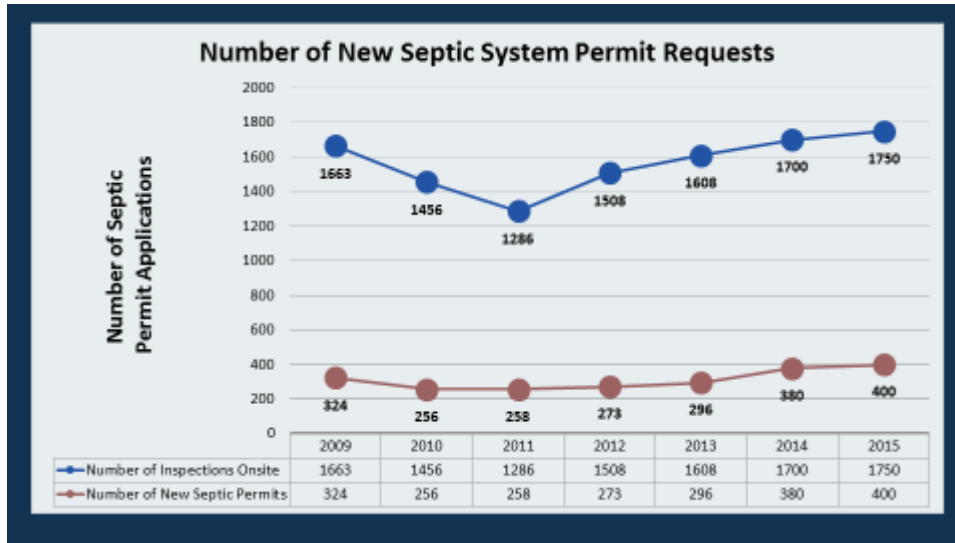
Chairman Thompson made the motion that the Board adopts the Social Services action plan, with the caveat that additional State funding not increase County cost. All voted in favor and the motion carried.

Health Department

- Personnel
 - 1 School Health Nurse - \$51,062
 - 9 would be needed for the recommended 1:750 ratio (\$459,558 for 9)
 - 1 Communicable Disease Nurse Coordinator - \$59,112
 - 1 Office Assistant - \$37,329
 - 1 Environmental Health Specialist - \$51,960
- 2 Vehicles – Est. \$40,000

Four year cumulative costs for Health Services

Year 1 = \$199,463 Year 4 = \$834,479



Commissioner Lapsley made the motion that the Board adopts the Health Department action plan including four (4) new personnel. The motion passed 4-1 with Chairman Thompson voting nay.

Four new personnel: 1 School Health Nurse, 1 Communicable Disease Nurse Coordinator, 1 Office Assistant, and 1 Environmental Health Specialist.

Elections

- State Mandated Voting Machines
 - Current Estimate = \$3,000,000
- Presidential Preference Election in February/March of 2016

It was the consensus of the Board that staff pursue options within the budget for Elections equipment, and confirm implementation.

Information Technology

- IT Equipment Depreciation
 - Staff recommendation to transfer \$200,000 annually to an IT Depreciation Fund Project within the Capital Project Fund for the purchase of Capital IT assets.

It was the consensus of the Board to create an IT Depreciation Project in the Capital Project Fund, and include \$200,000 annually.

Recruitment & Retention Levels

- Over the past 30 days, Human Resources Staff has conducted an analysis of turnover, by Department, for calendar year 2014.
- Total turnover during that period was 11.69%
- Turnover excluding retiring employees was 8.27%
- Continue to monitor quarterly
- Identify hard to recruit/hard to retain positions
- Management has the authority to adjust specific positions as necessary

Staff will continue to monitor and identify hard to recruit positions.

Agri-Business

- Determine County funding level beginning in FY16
 - FY 2015 Funding = \$120,000
- Contract for what level, for how many years?

It was the consensus of the Board to fund Agri-Business at \$120,000 for a four year period.

Cooperative Extension

- North Carolina Cooperative Extension, as part of their Strategic Vision, has implemented a new Strategic Plan for the Extension Service.
- In FY 15 Henderson County provided \$316,000 to Cooperative Extension.
- The request from Cooperative Extension for FY 16 funding includes an increase to Henderson County of \$64,000.
- This plan involves a 20% increase over current costs being shifted from the State to the County.

Staff will continue with the same plan and see how it works out.

Land-of-Sky Membership

- Cost of membership \$38,426
 - MPO Match additional \$20,000
- Services received for Membership
 - Planning
 - CDBG Grants
 - Fair Housing Plan
 - MPO
 - Solid Waste
 - Home and Community Care Block Grant
 - Alternative Fuels
 - Clean Air Coalition
 - Past CNG Grants
 - Aging Services
 - Senior Volunteer Services Advisory Council
 - Workforce Development

It was consensus of the Board to have Staff evaluate the impact of withdrawing from Land-of-Sky.

Action would require a 60 day written notice to Land-of-Sky.

Staff will request from Land-of-Sky the Travel Study partially funded by Henderson County.

PLEDGE OF ALLEGIANCE

The Dana 4-H Club arrived with anticipation of providing the Pledge of Allegiance, not realizing that the meeting started at an earlier time. The Chairman requested, and the Board allowed them to do so since they had made the trip to the Historic Courthouse. Chairman Thompson recognized the value of the 4-H Club.

Commissioner Lapsley

Action Item: Request information from the Henderson County Public Schools

- Provide a report on the general condition of buildings
- Prepare a long term CIP to preserve assets
- Establish a priority needs list over the next 5-10 years

Timeframe: Request HCPS begin the process as soon as possible, and report back at its conclusion.

Action Item: Comprehensive Community Economic Assessment

- Accept Proposal for assessment from Syneva (\$25,000)
- Seek other Proposals

Timeframe: Immediately

Commissioner Hawkins made the motion that the Board approves proceeding with the Comprehensive Community Economic Assessment utilizing Syneva. All voted in favor and the motion carried.

Commissioner Hawkins

Action Item: Board to conduct a public policy discussion to determine:

- How to utilize fund balance over the 12% policy for the next four years
- Evaluate Increased service levels
- Eliminate or reduce fees
- Debt
- Tax rate

Timeframe: As part of the budget deliberations

Action Item: Capital Projects

- Develop a capital priority list

Timeframe: As part of the budget deliberations

Commissioner Edney

Action Item: Ecusta Trail

- Partner with the community on the Ecusta Trail – industry should take the lead
- Set aside \$25,000 in the Capital Reserve Fund

Timeframe: As part of the budget deliberations

Commissioner Edney made the motion that the Board endorses the concept of the Ecusta Trail, subject to it becoming an actual possibility in the future. All voted in favor and the motion carried.

Commissioner Hawkins described a local trail map of approximately 10-12 miles. This information would be shared at the March 18, 2015 Board Meeting.

Action Item: Register of Deeds Technology

- Current bid for services = \$300,000
 - Review current bid for services to determine exactly what it entails
 - How would we fund? AEPF anticipated to contain approximately \$200,000 at end of FY15

Timeframe: As part of the budget deliberations

It was consensus of the Board to authorize the Register of Deeds to proceed with digitizing documents back to 1979 using AEPF Funds.

Staff will keep the Board of Commissioners apprised of final necessary costs and project progress.

Action Item: Courthouse Security

- Cost of project \$825,000
 - Prioritized plan for Courthouse security within the budget

Timeframe: As part of the budget deliberations

Action Item: Youth Homelessness

- Board to assess the issue
- Determine the role that Henderson County Government has in dealing with youth homelessness

Timeframe: As part of the budget deliberations

It was consensus of the Board to direct DSS personnel to remain in contact with local non-profits pursuing youth homes.

Vice-Chairman Messer

Action Item: Irrigation system for Jackson Park Fields

- \$52,000 cost estimate
- \$17,500 annual operating costs

Timeframe: FY 15-16

It was consensus of the Board to add the irrigation system at Jackson Park without the tarp systems for FY16.

Action Item: Tuxedo Park Restrooms

- Set a budget for the restrooms
- Bid project according to the budget

Timeframe: FY 15-16

Commissioner Messer made the motion that the Board authorizes Staff to proceed with design and go to bid process for restrooms at the Tuxedo Park with options including “good, better, best” scenarios. All voted in favor and the motion carried.

Action Item: Review Fee Schedule for Tournaments

- Request Review by Recreation Advisory Committee with report back to Board in May
- Board of Commissioners to evaluate finds

Timeframe: Immediately, with possible implementation in FY 15-16

Chairman Thompson

Action Item: Courthouse Renovations

- Determine priorities and objectives with the resources that the Board is willing to allocate
- Determine a plan that brings the priorities and objectives together

Timeframe: Based on Board discussion – to be determined

Action Item: County Government Services and Facilities within Municipalities

- Board to engage in public policy discussion to determine the level of county services and facilities within municipalities
 - What is the proper role?
 - Who should pay?
- What is the responsibility of county government within municipal boundaries?

Timeframe: Based on Board discussions – to be determined

Chairman Thompson requested that impacted departments prepare information regarding the service levels provided within municipalities, including levels the County does not have to provide as a result of the municipality providing their own services. Impacted departments include, but are not limited to: Law Enforcement, Planning and Code Enforcement.

The Board requested information on all emergency calls with all municipalities (Fire, EMS, Rescue Squad, Sheriff and/or Police).

The Board requested tax information (property and sales) received by each municipality. Staff will research a four year period.

Services & Functions Authorized for Counties Only

- Agricultural Extension
- Community Colleges
- County Homes
- Court System Support
- Drainage of Land
- Forest Protection
- Juvenile Detention Homes
- Medical examiner/Coroner
- Public Health
- Public Schools
- Register of Deeds
- Social Services
- Soil and Water Conservation

Services & Functions Authorized for Cities Only

- Cable Television and Communication
- Cemeteries
- Electric Systems
- Gas Systems
- Sidewalks
- Street Lights
- Streets
- Traffic Engineering

Services & Functions Authorized for both Cities and Counties

- Aging Programs
- Air Pollution Control
- Airports
- Alcoholic rehabilitation
- Ambulance Services
- Animal Shelters
- Armories
- Art Galleries and museums
- Auditoriums and coliseums
- Beach erosion and hurricane protection
- Bus Lines and Public Transportation
- Civil defense and emergency management
- Community Action
- Community Appearance
- Community Development
- Drug abuse programs
- Economic Development
- Fire Protection
- Historic Preservation
- Hospitals

- Human relations
- Industrial promotion
- Inspections
- Jails
- Law Enforcement
- Libraries
- Manpower
- Mental Health
- National Guard
- Off-Street Parking
- Open space
- Parks
- Planning
- Ports and Harbors
- Public Housing
- Railroad revitalization
- Recreation
- Rescue Squads
- Senior Citizen's Programs
- Sewage Collection and disposal
- Storm Drainage
- Urban Development
- Veterans' services
- Water
- Watershed improvement

COUNTY MANAGERS REPORT

County Manager Steve Wyatt informed the Board of an upcoming Ground Breaking ceremony for the Health Sciences Building to be held at 11:00 a.m. on March 19, 2015.

Mr. Wyatt informed the Board there have been numerous inquisitions on the Bent Creek Property.

IMPORTANT DATES

Set Public Hearing Regarding Close Out for the Sierra Nevada CDBG-Economic Development Public Infrastructure Grant

Henderson County secured Community Development Block Grant (CDBG) funding to support the construction of public infrastructure extending an estimated 6,500 linear feet of waterlines and 950 linear feet of sewer lines to the Ferncliff Industrial Park. This public infrastructure supported the development of the Sierra Nevada Brewing facility. The total amount of CDBG-Economic Development funds equaled \$373,203.67.

The NC Department of Commerce requires public hearings as part of its CDBG programs. To complete the grant program, Henderson County is required to hold a closeout public hearing to receive public comments concerning the grant prior to completion.

Chairman Thompson made the motion that the Board schedules a public hearing for the close out of the Sierra Nevada CDBG-Economic Development Public Infrastructure grant for Wednesday, March 18, 2015 at 9:00 A.M. All voted in favor and the motion carried.

CANE CREEK WATER AND SEWER DISTRICT

Commissioner Hawkins made the motion for the Board to convene as Cane Creek Water & Sewer District Board. All voted in favor and the motion carried.

Please see separate minutes for Cane Creek Water and Sewer District.

Commissioner Edney made the motion to adjourn as the Cane Creek Water & Sewer District Board and reconvene as the Henderson County Board of Commissioners. All voted in favor and the motion carried.

CLOSED SESSION

The Board is requested to go into closed session pursuant to N.C. Gen. Stat. §143-318.11(a), for the following reason(s):

Pursuant to N.C. Gen. Stat. §143-318.11(a)(3), to consult with an attorney employed or retained by the Board to preserve attorney-client privilege.

Pursuant to N.C. Gen. Stat. §143-318.11(a)(4), to discuss matters relating to the location or expansion of industries or other businesses in Henderson County, including agreement on a tentative list of economic development incentives that may be offered by the Board in negotiations.

Pursuant to N.C. Gen. Stat. §143-318.11(a)(6), to consider matters of personnel involving the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee, or to hear or investigate a complaint, charge or grievance against an individual public officer or employee.

Commissioner Edney made the motion that the Board go into closed session pursuant to N.C. Gen. Stat. §143-318.11(a)(3), (a)(4) and (a)(6), for the reasons set out in the Request for Board Action in the Board's agenda packet.

ADJOURN

Commissioner Hawkins made the motion to go out of closed session and adjourn at 7:50 p.m. All voted in favor and the motion carried.

Attest:

Teresa L. Wilson, Clerk to the Board

Thomas H. Thompson, Chairman