

## MINUTES

**STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS  
DECEMBER 4, 2006**

The Henderson County Board of Commissioners met for a regularly scheduled meeting at 5:30 p.m. in the Commissioners' Conference Room of the Henderson County Office Building. This was the annual organizational meeting.

Those present were: Commissioners Bill Moyer, Charlie Messer, Larry Young, Chuck McGrady, and Commissioner Elect Mark Williams. Also present were: County Manager Steve Wyatt, Assistant County Manager Selena Coffey, County Attorney Russell Burrell, and Clerk to the Board Elizabeth W. Corn.

Also present were: Planning Director Anthony Starr, Finance Director J. Carey McLelland, Deputy Clerk to the Board Terry Wilson, Research/Grants Coordinator Amy Brantley, Public Information Officer Chris S. Coulson, County Engineer Gary Tweed, Planner Matthew Cable, and Paralegal Connie Rayfield.

### CALL TO ORDER/WELCOME

Elizabeth Corn called the meeting to order and welcomed all in attendance.

### PLEDGE OF ALLEGIANCE

Ms. Corn led the Pledge of Allegiance to the American Flag.

### INVOCATION

Mark Williams gave the invocation.

### SWEARING-IN

Kim Gasperson-Justice, Clerk of Superior Court, administered the oaths of office individually for the following and in this order:

Commissioner William L. Moyer  
Commissioner Larry Young  
Commissioner Elect Mark Williams

Family members were in attendance and some held the Bible as their family member took the oath of office. Congratulations were offered.

### ELECTION OF CHAIRMAN

Elizabeth Corn explained that the first item on the agenda was the election of the Chairman of the Board for the coming year. She opened the floor for nominations.

Commissioner Young nominated William Moyer for Chairman. There were no other nominations. *Commissioner McGrady moved that nominations cease and that Commissioner Moyer be elected as Chairman of the Board for the coming year. All voted in favor and the motion carried.*

Congratulations followed. Ms. Corn turned the meeting over to Chairman Moyer.

### ELECTION OF VICE-CHAIRMAN

Chairman Moyer opened the floor for nominations for the Vice-Chairman of the Board for the coming year. Chairman Moyer nominated Commissioner Messer. Commissioner McGrady nominated Commissioner Young.

A vote was taken and results follow:

DATE APPROVED \_\_\_\_\_

	C. Messer	L. Young
Commissioner McGrady		√
Commissioner Williams	√	
Chairman Moyer	√	
Commissioner Messer	√	
Commissioner Young		√

Commissioner Messer was elected as Vice-Chairman of the Board for the coming year. Congratulations followed.

**REVIEW OF PUBLIC OFFICIAL’S BONDS**

Chairman Moyer stated that the next item on the agenda was the review of Public Official’s Bonds. He called on Russell Burrell to address the item.

Russ explained that pursuant to NCGS 58-72-20 and the Board’s Rules of Procedure, the next item of business at this organizational meeting was the annual review and approval of the bonds for county public officials. The following are the county officials required to be bonded and the current bond amounts:

Public Official	Bond Amount	Bond Company
Richard W. Davis, Sheriff	\$25,000	The Ohio Casualty Insurance Company
Nedra Whitlock Moles, Register of Deeds	\$50,000	The Ohio Casualty Insurance Company
Terry F. Lyda, Tax Collector	\$1,000,000	The Ohio Casualty Insurance Company
Lee King, Deputy Tax Collector	\$250,000	The Ohio Casualty Insurance Company
J. Carey McLelland, Finance Director	\$200,000	The Ohio Casualty Insurance Company

The respective bonds and related endorsements and riders were included in the agenda packet for Board review. Mr. Burrell had reviewed the bonds and reported to the Board that they appear to be valid and in order.

*Commissioner Young made the motion to approve the public officials’ bonds in the amounts shown in this agenda item. All voted in favor and the motion carried.*

**INFORMAL PUBLIC COMMENTS**

There was none.

**DISCUSSION/ADJUSTMENT OF AGENDA**

Chairman Moyer asked that Discussion item E-2 be moved up to A-2 – Edneyville PARTF Grant Update. There were no other adjustments. *Commissioner McGrady made the motion to approve the revised agenda. All voted in favor and the motion carried.*

**CONSENT AGENDA**

*Commissioner McGrady made the motion to approve the Consent Agenda, items A through M. All voted in favor and the motion carried.*

*Commissioner McGrady made the motion to approve item “N – Approval of Order from Quasi-Judicial Hearing “Vistas at Champion Hills” and moved to recuse Commissioner Williams from voting on this item*

*since he was not yet a Commissioner when this item was discussed. All voted in favor and the motion carried.*

**Item N – Approval of Order from quasi-judicial hearing “Vistas at Champion Hills”**

The draft order was in the agenda book from the November 6, 2006 quasi-judicial hearing. By this Board’s rules, the Board has 45 days from November 6, 2006 to enter an order.

The Other Consent Agenda Items – A-M are as follows:

**Minutes**

Draft minutes were presented for the Board’s review and approval of the following meetings:

November 9, 2006, special called meeting

November 14, 2006, special called meeting

**Tax Collector’s Report**

Terry F. Lyda, County Tax Collector, had provided the Tax Collector’s Report dated November 21 for the Board’s review and consent approval.

**Tax Refunds**

A list of 10 tax refund requests was presented for the Board’s review and consent approval.

**Tax Releases**

A list of 57 tax release requests was presented for the Board’s review and consent approval.

**County Financial Report/Cash Balance Report – October 2006**

These two reports were presented for the Board’s review and consent approval.

The high percentage of budget used in Elections is due to the payment of invoices for the new voting equipment in the current fiscal year. This budget will be increased by a budget amendment approved by the Board of Commissioners in November which will appropriate fund balance for the \$560,000 in financing proceeds received in the previous fiscal year.

The current YTD deficit in the Emergency 911 Communications Fund is due to the purchase of new technology and equipment during the first quarter that was budgeted in the current fiscal year.

The YTD deficit in the CDBG-Scattered Site Housing Project, the Crisis Housing Assistance Program, the Mills River Watershed Protection Project and the Lewis Creek Restoration Project is temporary due to timing differences in the expenditure of funds and the subsequent requisition of Federal and State grant funds to reimburse project expenditures. Reimbursement requests are normally done on a quarterly basis.

The YTD deficit in the new Etowah Branch Library Project will be covered by funds to be received from the Friends of the Library and the Community Foundation, \$300,000 total, until bank financing is in place for this project.

The YTD deficit in the Mills River Elementary School Project includes architectural fees that have been paid on the project to date that will be reimbursed from the issuance of general obligation bonds in the future.

The YTD deficit in the Solid Waste Landfill Fund is due to construction expenditures incurred on the new transfer station project. The total cost of this project is being paid out of retained earnings in the Fund.

**Henderson County Public Schools Financial Report – October 2006**

This October report was presented for the Board’s review and consent approval.

**EMS Accounts Receivable Report**

This report was provided for the Board's review and consent approval.

**Renewal of Lease with McCallister (Sheriff's Investigation Division building)**

This document would renew the existing lease on the property located at 201 North King Street for a period of six months, through the end of 2007. The monthly rate increased from \$2,600.00 to \$2,700.00 under this draft, which has been requested by the landlord.

If the Board is so inclined, the following motion was suggested:

*I move that the Board approve the lease with McCallister for the parcel located at 201 North King Street as attached to the Board's agenda items for this matter.*

**Extension Request for the River Stone Improvement Guarantee**

On October 2, 2006 the Board of Commissioners approved an application for an improvement guarantee for the River Stone subdivision. The improvement guarantee was for Sections 3A and 4B of River Stone. The improvement guarantee covered the construction of the road including paving, a valley gutter system for the above mentioned sections in River Stone. As required by the performance guarantee agreement for the improvement guarantee, the developer posted with Henderson County an irrevocable letter of credit in the amount of \$122,125.00. The original agreement required that the improvements be completed by November 30, 2006.

On November 16, 2006 the Planning Department received a letter from Mr. Drew Norwood, agent for owner, requesting to extend the completion date 90 days to February 28, 2007. Section 170-39 of the Subdivision Ordinance allows the Board of Commissioners to grant extensions to completion dates for a maximum of one additional year, provided that the time between initiation and completion of the improvements does not exceed two years. If the Board of Commissioners agrees to grant the requested extension, staff has attached for the Board's consideration, a draft performance guarantee agreement. This agreement reflects a new completion date of February 28, 2007 and requires submittal of an amendment to the original irrevocable letter of credit showing an expiration date not earlier than 60 days after the new improvements completion date.

Action is needed by the Board of Commissioners to either grant or deny the request to extend the completion date to February 28, 2007. Staff recommended that the Board approve the request to extend the completion date of the performance agreement for River Stone, Sections 3A and 4B, to February 28, 2007.

If the Board is so inclined, the following motion was suggested:

*I move that the Board of Commissioners find and conclude that the extension, if granted, would not cause the developer to exceed the two-year maximum time period for completion of the required improvements and therefore approve the requested extension.*

**Extension Request for the River Stone Improvement Guarantee**

On June 5, 2006 the Board of Commissioners approved an application for an improvement guarantee for the River Stone subdivision. The improvement guarantee was for Sections 4A, 5A, and 6A (approximately 60 lots) of River Stone. The improvement guarantee covered the onsite water and sewer distribution systems and construction of the roads which included paving, a valley gutter system and drainage for the above mentioned sections in River Stone. As required by the performance guarantee agreement for the improvement guarantee, the developer posted with Henderson County an irrevocable letter of credit in the amount of \$1,159,512.50. The original agreement required that the improvements be completed by December 15, 2006.

On November 16, 2006 the Planning Department received a letter from Mr. Drew Norwood, agent for owner, requesting to extend the completion date 90 days to March 15, 2007. Section 170-39 of the Subdivision Ordinance allows the Board of Commissioners to grant extensions to completion dates for a maximum of one additional year, provided that the time between initiation and completion of the improvements does not exceed two years. If the Board of Commissioners agrees to grant the requested extension, staff has attached for the Board's consideration, a draft performance guarantee agreement. This agreement reflects a new completion date of March 15, 2007 and requires submittal of an amendment to the original irrevocable letter of credit showing an expiration date not earlier than 60 days after the new improvements completion date.

Action is needed by the Board of Commissioners to either grant or deny the request to extend the completion date to March 15, 2007. I recommend that the Board approve the request to extend the completion date of the performance agreement for River Stone, Sections 4A, 5A and 6A, to March 15, 2007.

If the Board is so inclined, the following motion was suggested:

*I move that the Board of Commissioners find and conclude that the extension, if granted, would not cause the developer to exceed the two-year maximum time period for completion of the required improvements and therefore approve the requested extension.*

#### **Improvement Guarantee for Jeter Mountain Subdivision**

Jeter Mountain, L.L.C., owner of the project, submitted an application for an improvement guarantee for the Jeter Mountain Subdivision. Jeter Mountain Subdivision is a 37-lot major subdivision off of Jeter Mountain Road. The Planning Board approved the Combined Master Plan and Development Plan on March 21, 2006. The improvement guarantee is proposed to cover the cost of fine grading and paving for all roads in the subdivision.

According to Sections 170-38 and 170-39 of the Henderson County Subdivision Ordinance, where the required improvements have not been completed or in lieu of completing all of the required improvement in order to submit a Final Plat and prior to Final Plat approval, the developer may post a performance guarantee for the improvements. Section 170-38 of the Henderson County Subdivision Ordinances states that the installation of the improvements must be completed within two years of the date of approval of the original improvement guarantee application. The developers intend to deposit with the County an irrevocable letter of credit in the amount of at least \$134,425.00 to cover the cost of the improvements (\$26,885.00). The proposed completion date for the improvements is January 31, 2007.

A draft Performance Guarantee Agreement is attached for the Board's consideration. If the application is approved, the developers must submit an irrevocable letter of credit in accordance with the terms of the Agreement. Once the County receives a letter of credit in proper form, the relevant parties must execute the Agreement.

Action by the Board of Commissioners is needed to either grant or deny the application for an improvement guarantee. Staff recommended that the Board approve the improvement guarantee application pursuant to Sections 170-38 and 170-39 of the Henderson County Subdivision Ordinance.

If the Board is so inclined, the following motion was suggested:

*I move that the Board of Commissioners find and conclude that the request for an improvement guarantee complies with the provisions of the Subdivision Ordinance and be approved.*

#### **Extension Request for the Blacksmith Run Improvement Guarantee**

On May 19, 2006 the Board of Commissioners approved an application for an improvement guarantee for the Blacksmith Run subdivision. As required by the performance guarantee agreement for the improvement guarantee, the developer posted with Henderson County an irrevocable letter of credit in the amount of

\$386,063.00. The improvement guarantee covered the cost of the installation of the wastewater treatment plant. The original agreement required that the improvements be completed by December 30, 2006.

On November 16, 2006 the Planning Department received a letter from Mr. Norman Divers requesting to extend the completion date to April 1, 2007. Section 170-39 of the Subdivision Ordinance allows the Board of Commissioners to grant extensions to completion dates for a maximum of one additional year, provided that the time between initiation and completion of the improvements does not exceed two years. If the Board of Commissioners agrees to grant the requested extension, staff has attached for the Board's consideration a draft performance guarantee agreement. This agreement reflects a new completion date of April 1, 2007 and requires submittal of an amendment to the original irrevocable letter of credit showing an expiration date not earlier than 60 days after the new improvements completion date.

Action is needed by the Board of Commissioners to either grant or deny the request to extend the completion date to April 1, 2007. Staff recommended that the Board approve the request to extend the completion date of the performance agreement for Blacksmith Run to April 1, 2007.

If the Board is so inclined, the following motion was suggested:

*I move that the Board of Commissioners find and conclude that the extension, if granted, would not cause the developer to exceed the two-year maximum time period for completion of the required improvements and therefore be approved.*

#### **Resolution in Support of Federal Hospital Funding**

The North Carolina Hospital Association (NCHA) is opposing an effort by the Centers for Medicare and Medicaid Services (CMS) to reduce federal Medicaid Expenditures by changing the administrative rules for qualifying hospitals to receive supplemental funding through the Disproportionate Share Hospital appropriations program. This program provides supplemental funds to hospitals that have a large share of Medicaid eligible and uninsured patients. As stated by the North Carolina Association of County Commissioners, "Elimination or reduction in this funding could cause a lot of North Carolina's smaller hospitals to go under." NCHA is asking individual counties to adopt a resolution similar to the one approved by the Association.

A draft resolution was attached for the Board's review and adoption and staff recommended adoption of that resolution.

If the Board is so inclined, the following motion was suggested:

*I move adoption of the attached resolution and direction to staff to forward the executed resolution to the Office of the President of the United States and the Centers for Medicare and Medicaid Services.*

#### **NOMINATIONS**

##### **Notification of Vacancies**

The Board was notified of the following vacancies which will appear for nominations on the next agenda:

1. Henderson County Zoning Board of Adjustment – 1 vac.

Commissioner McGrady notified the Board of two more vacancies:

1 – Commissioner Williams has resigned from his position on the Planning Board.

2 – One vacancy on the Community Child Protection Team. Their Chair will make a recommendation for filling that position at a later time.

Chairman Moyer explained that both items will be listed for nominations on the next Board agenda.

### **Nominations**

Chairman Moyer reminded the Board of the following vacancies and opened the floor to nominations:

**1. Apple Country Greenway Commission – 1 vac.**

There were no nominations at this time so this item was rolled to the next meeting.

**2. Child Fatality Prevention Team – 6 vac.**

There were no nominations at this time so this item was rolled to the next meeting.

**3. Criminal Justice Partnership Program – 1 vac.**

Chairman Moyer nominated Dinette Butler. Dinette Butler has taken the employment position of J. Diane Satterfield. She has also been attending the CJPT meetings. An application is on file and she is willing to serve in this position.

There were no other nominations. *Chairman Moyer made the motion to accept Ms. Butler by acclamation. All voted in favor and the motion carried.*

**4. Henderson County Zoning Board of Adjustment – 2 vac.**

Commissioner McGrady nominated Dean Bonessi for position #3. There were no other nominations. *Chairman Moyer made the motion to accept Mr. Bonessi by acclamation. All voted in favor and the motion carried.*

**5. Hendersonville City Zoning Board of Adjustment – 1 vac.**

There were no nominations at this time so this item was rolled to the next meeting.

**6. Juvenile Crime Prevention Council – 4 vac.**

There were no nominations at this time so this item was rolled to the next meeting.

**7. Library Board of Trustees – 1 vac.**

There were no nominations at this time so this item was rolled to the next meeting.

**8. Planning Board for Older Adults Block Grant Advisory Committee – 5 vac.**

Commissioner McGrady nominated Joe Connolly to position #6 and Linda Lauzon to position #12. There were no other nominations. *Chairman Moyer made the motion to accept both nominees by acclamation. All voted in favor and the motion carried.*

**9. Travel & Tourism Committee – 1 vac.**

Commissioner Young nominated Dale Bartlett. There were no other nominations. *Chairman Moyer made the motion to accept Mr. Bartlett by acclamation. All voted in favor and the motion carried.*

### **REAPPRAISAL REPORT**

Chairman Moyer explained that at the last Board meeting there was lengthy discussion regarding a software issue in the Assessor's office and how it would affect the next reappraisal. The Board asked Stan Duncan to come back to this meeting to explain what would be needed to move forward with a 2007 reappraisal.

Stan Duncan distributed copies of the reappraisal report and explained that as directed by the Board of Commissioners at their November 15, 2006 meeting, he would present a Plan for Completing the General Reappraisal to be effective January 1, 2007. This Plan will include an itemization of what will be required and the associated costs for each item. This plan is geared in two phases: short-term to get the reappraisal effective and long-term as what will benefit the county most as we go about yearly maintenance and future reappraisals. The report recognizes the shortcomings in the existing software. The 2007 reappraisal would rely heavily on county staff expertise, IT staff and the staff of the reappraisal office.

Mr. Duncan explained that they are awaiting final deployment and development from Wake County, due March – April 2007. He believes the product will be as valuable to us (when finished) as the billing and collection product developed by Wake County and IIS.

Stan Duncan touched briefly on the issue of the Schedule for Present-Use Value and explained that there were several people in the audience that could discuss this part of the process: Theron Maybin, Carey Pace, and Fred Pittillo, all three who are involved in agriculture in our county and are members of the Agriculture Advisory Board.

Furthermore, in compliance with the Board directive, representatives from the software developer, IIS, were in attendance, David Smith and Jeff McDonald.

A representative from the NCACC (North Carolina Association of County Commissioners) was also in attendance, David F. Thompson, Executive Director of NCACC. NCACC is the owner of the software product in question.

Mr. Duncan distributed a “Calendar for the Presentation and Adoption of the 2007 Schedules of Values, Standards, and Rules” and discussed the same at length, explaining the pros and cons for each scenario. He explained that a decision will need to be made regarding the general reappraisal; reschedule to become effective January 1, 2009, or move forward to completion and become effective January 1, 2007.

Mr. Duncan also distributed a Report – Prepared at the Direction of the Henderson County Board of Commissioners regarding the General Reappraisal. He set forth a detailed plan of action and associated costs that if enacted, would greatly aid the Assessor’s Office toward completing the 2007 General Reappraisal as originally scheduled.

The plan is not geared to simply produce new appraisal values. Rather it considers what is essential in the short term to facilitate the going forward of the reappraisal to be effective as of January 1, 2007, as well as for the long term by considering what will most benefit the county in yearly maintenance of new construction and future reappraisals. The plan recognizes the shortcomings that exist in the current software and in order to overcome such shortcomings (as previously identified in the Report submitted at the November 15 meeting), relies heavily on the professional expertise and past reappraisal experience of the current real property appraisal staff. The goal remains unchanged – to produce valuations synonymous with the highest assessment standards. While the charge to complete the 2007 General Reappraisal is not without its challenges, should the Board of Commissioners so desire, the best option available to is adhere to the plan as presented herein.

The real property staff is comprised of one assistant assessor, one real property supervisor, six real property appraisers, one sales analyst, and one data entry project employee. Presently, they combine for a total of 39 years of fee appraisal experience and 65 years of real property, ad valorem appraisal experience. In addition, three are North Carolina State Certified Residential Appraisers. All real property appraisers are either certified by the North Carolina Department of Revenue’s Property Tax Division as Real Property Appraisers or are in process of attaining such recognition in a timely manner. The importance and value of such staff cannot be overstated.

**Recap:**

The software code for the North Carolina Property Tax System’s Computer Assisted Mass Appraisal Module (hereinafter NCPTS CAMA), remains in development and is not expected to be fully completed, tested, and signed off by Wake County until March/April 2007. Consequently, it is not possible to fully utilize the software as originally intended for Henderson County’s 2007 general reappraisal.



As originally presented in late 2003, the LR/CAMA product was projected to be completed by the fourth quarter 2004. Mr. Duncan and members of his staff were excited at the prospect of what was being developed jointly by Wake County and the software provider, IIS, on behalf of the NCACC and its member counties. Notwithstanding the obvious delay in the timely completion of the code development, Mr. Duncan remains committed to the NCPTS product. As stated at the meeting on November 15, the Billing & Collections module of NCPTS has already demonstrated its worth. Mr. Duncan stated that he believed subsequent Henderson County reappraisals will prove likewise for the LR/CAMA software.

It was for the above reason that, at the November 15 meeting, he recommended the County reschedule the 2007 reappraisal to be effective January 1, 2009. No action was taken on that recommendation and instead, the Board moved to request this report detailing a plan of action and the associated costs that might be incurred by keeping to the original 2007 reappraisal schedule.

### **Advantages of a 2007 Reappraisal**

1. There would be **no reduction** in the assessed valuation of property certified by The North Carolina Department of Revenue for Public Service Companies. Whereas rescheduling the reappraisal until 2009 would definitely result in a loss of tax base for two years, possibly in excess of \$325,000 per year, by reappraising effective for January 1, 2007 that loss is avoided.
2. There would be **improved equity** in the level of assessment of real property when compared to that for personal property. Any reappraisal year creates the most equitable distribution of the property tax burden between owners of real property and owners of personal property. Were the reappraisal rescheduled until 2009, Mr. Duncan would estimate the level of assessment for real property as of January 1, 2007 to be approximately 74% of its market value – a difference of 26 percentage points. Meanwhile, all personal property would continue to be assessed at 100% of its market value. By reappraising effective as of January 1, 2007, the distribution of the property tax burden will be at its most equitable.
3. The **“sticker shock” would be less** than if rescheduled to 2009. While there will still be a significant increase to the real property component of the tax base, should the market continue at or near a similar pace as has been evidenced over the past three years, the “sticker shock” associated with the appreciation in the real estate market from January 1, 2003 to January 1, 2007 will be much less than which would be reasonably expected by rescheduling to January 1, 2009.
4. The Schedules of Values, Standards, and Rules for both market value and present-use value, effective as of January 1, 2007, have been formulated and are ready for presentation. While the study of the local real state market remains an on-going process, staff has worked diligently to overcome the barriers posed by the lack of software development and has prepared schedules appropriate for the procedures to be employed in completing a 2007 general reappraisal.

### **Challenges posed by a 2007 Reappraisal**

1. There will be significant costs associated with completing the reappraisal; costs that were not funded as part of the current budget for the 2006-07 fiscal year. The costs are identified as part of the plan to complete the reappraisal and divided between costs attributable to expanded County efforts versus contracted assistance.
2. Tax base projections for the 2007-08 budget year will be delayed until after the reappraisal notices are mailed to property owners. This will be especially problematic for municipalities and fire districts which have traditionally relied on estimates provided by the Assessor’s Office much earlier in the year. As stated in the November 15 Report, Fire Districts, in particular, have requested projections as early as late December 2006 for their upcoming

2007-08 budget preparations. Were the reappraisal rescheduled to 2009, this request could be possible. However, a 2007 reappraisal, under the present set of facts, negates this request. This will simply not be possible. Again, the earliest possible date for communicating the initial tax base estimates will coincide with the mailing of reappraisal notices. Subsequent updates to the tax base will take into consideration allowances for value lost from the investigation of appeals.

3. There will likely be a significant increase in the number of appeals. This will be attributable to two major factors: the increase in assessed values and the public attention focused on this particular reappraisal. While the volume of appeals will require a pronounced response from the real property staff to process the appeals in as expeditious a manner as possible, there are other considerations resulting from appeals that will impact the tax base for the upcoming fiscal year.
  - In a “worst case scenario”, once the window for filing appeals to the Board of Equalization & Review has closed, the amount of valuation under challenge will be determined and an estimate made and subtracted from the unchallenged tax base.
  - G.S. 105-321(d) requires that any appeal pending before the North Carolina Property Tax Commission be withheld from the charge given the Tax Collector by the Board of Commissioners, until such appeal has been finally adjudicated.
4. The most significant impact of mailing reappraisal notices in mid-March is how it affects the appeal process and budget process. Though separate functions, they are forever linked as the demands of budget are applied against the amount of tax base available in order to determine a tax rate. The appeal process is tightly structured by stature. Of the utmost importance is that the budget process be given appropriate time for the proper determination of the tax rate.

Mr. Duncan explained the Plan (5 pages) in full. He stated that if the Board decides to go ahead with the 2007 reappraisal, the schedules would be presented. He had those schedules prepared and ready for distribution at this meeting. Mr. Duncan explained that an integral part of moving forward would be having individuals from IIS on-site. He has requested that two individuals be on-site December 15 through February 2 and one individual present from February 2 through to the end of June. Mr. Duncan stated that it was most important that those individuals be seasoned, knowledgeable individuals.

Due to the plan, there are additional adjustments to the current FY budget:

- |    |  |          |
|----|--|----------|
| 1. | Consider permanent reassignment of Database Administrator, Ed Parker, from the County’s IT Department to the Assessor’s Office and provide adequate funding for overtime hours. The details of this personnel change will need to be worked out through the County Manager’s Office and IT Department to insure there is no interruption in the delivery of IT services to other county departments. | \$27,850 |
| 2. | With the approval of Henderson County Tax Collector, Terry Lyda, consider an arrangement whereby Delinquent Tax Collector, Lee King, can be assigned, or otherwise allocated, hours necessary to Assist the Assessor’s Office in the listing, appraisal, and assessment of parcels approved for Present-Use Value.   | \$10,000 |
| 3. | Approve overtime request for real property appraisal staff.  | \$92,000 |
| 4. | Purchase five copies of Adobe Acrobat Pro software for use in the Assessor’s Office.   | \$ 1,075 |

<b>5. Possible Additional Tasks Contingent upon Program Functionality:</b>	<b>\$94,502</b>
DBA Server Support:	7,500
Data Fixes;	8,500
Project Management & Consulting;	33,750
Expenses – upper limit on actual expenses;	25,022
*** Contingency on certain tasks set out above;	19,730
(The above items are estimates based on a worst-case scenario. Every attempt will be made to reduce dependency on these items.)	
<b>Funds attributed to IIS for services and enhancements rendered:</b>	<b>324,752</b>
<b>Funds attributed to increase in County personnel hours and product (Adobe Acrobat, Farragut IPM, etc.):</b>	<b>239,755</b>
<b>TOTAL FUNDING REQUESTED:</b>	<b>\$564,507</b>
<b>CRITICAL PORTION OF THE TOTAL:</b>	<b>\$378,205</b>
<b>NON-CRITICAL PORTION OF TOTAL:</b>	<b>\$186,302</b>

Mr. Duncan reviewed the most critical areas of the plan and the monies associated with those:

* DB Synch-up (new version to be installed)	\$ 17,800
* On-site presence by IIS	105,000
* Issue #1088 – Mass Valuation to re-calculate everything (This is part of the basic software code – no charge)	
* Remove all (rate) overrides on land, outbuildings, and additions (part of the BD Synch-up process)	
* Issue #1761 – Ability to hard key entry of square footage for commercial/industrial sketches	3,600
* Issue #1016 – An enhancement specified by Henderson County to allow three decimal places for acreage	
* Re-migration of commercial mezzanines	
* Load new PUB Schedules in CAMA	1,800
* Issue #1309 – VCS Mass Valuation not working on some neighborhoods (This is a part of the basic software code – no charge)	
* Issue #1114 – VCS Mass Valuation Response Time Improvement (this is a part of the basic software code – no charge)	
* Issue #1729 – Synching building information to printed PRC's (This is a part of the basic software code – no charge)	
* Issue #503 – Improvements to the processing of deed splits (This is a part of the basic software code – no charge)	
* Web-site enhancements (\$11,900 of this was critical)	30,600
* Develop Appeals Module (This is an absolute requirement)	17,000
* Issue #1734 – Enhanced Calculation & Printing Options	34,500
* Develop & install link between P & I and LR/CAMA	4,500
* Develop Manufactured Housing module	15,450
* DBA Server Support	7,500
* Data Fixes	8,500
* Contingency on certain tasks set out above	19,730

Overtime hours for the Real Property Appraisal Staff is a large part of the budget as well as new Acrobat software.

Steve Wyatt explained that if the Board approves this, staff will come back with a budget amendment to cover the costs.

Jeff McDonald from IIS stated that there are nine repair issues that must be completed but he feels they can do so by the end of the month. He stated there are seven additional service issues to be addressed. When asked if the software company has capacity to meet our current needs, Mr. McDonald answered yes.

David F. Thompson stated that he wanted to hear the commitments IIS made to our Board for himself. Mr. Thompson is the Executive Director of NCACC (North Carolina Association of County Commissioners). The Association (NCACC) entered into the venture with IIS and Wake County so that all 100 counties could benefit. This product involves the Associations' good name. Mr. Thompson plans to follow up with IIS.

Chairman Moyer asked the Board if they wanted to move ahead with a 2007 reappraising, knowing the costs as outlined at this meeting. Discussion followed with Chairman Moyer recommending going ahead with the 2007 reappraisal explaining that Stan Duncan and his staff are committed to get this done.

*Commissioner McGrady made the motion to direct the next general reappraisal of real property become effective as of January 1, 2007. All voted in favor and the motion carried.*

Stan Duncan explained that the projected date to send notices would be March 15, 2007.

Chairman Moyer stated now that we have a motion to move forward, let's move forward with the schedules.

### **Presentation of Schedules**

Stan Duncan was prepared to present the two following Schedules:

- 2007 Schedule of Rules, Standards and Values for Market Value
- 2007 Schedule of Rules, Standards and Values for Present-Use Value

Mr. Duncan outlined what will follow this presentation:

- December 4, 2006 – Presentation of Schedules
- December 8, 2006 – Publication of Notice (Stan distributed a copy of the ad.)
- December 18, 2006 – Board needs to schedule a public hearing for this date on schedules
- Some time after Christmas, December 27 or 28 – Meeting to adopt the Schedules
- December 29, 2006 – Advertise the first notice of the adoption order and  
Follow up with one notice a week for four weeks.

He proposed that the notices go in the main body of the paper, not in the legal section.

Chairman Moyer explained that the Board would deal with these dates during the Important Dates part of the meeting.

Mr. Duncan physically distributed the Schedules. While he distributed the two schedules to those in attendance, Theron Maybin came forward. Mr. Maybin explained that during the last reappraisal we had problems with the Present-Use Schedule as it relates to agriculture uses. He explained that Mr. Duncan had spent considerable time with the Agriculture Advisory Committee discussing farmland and other agriculture uses. Mr. Maybin stated that the Agriculture Advisory Board accepted the Plan 100%.

### **EDNEYVILLE PARTF GRANT UPDATE**

Carey McLelland addressed the \$500,000 PARTF Grant for the Edneyville Park. It requires a dollar for dollar local match in the amount of \$500,000 for a total project of \$1,000,000. We will have to come up with a budget amendment to cover the matching funds for this fiscal year because it has not yet been appropriated.

One possibility for coming up with that match money for this project could be Medicaid savings that are in the current year budget since we were capped for one year.

Staff recommended the Board consider approving the PARTF Grant Contract for this project and directing staff to prepare a budget amendment to appropriate the required matching funds.

Chairman Moyer recognized Margaret Davidson to come forward and address the Board. She has worked hard as part of the Edneyville community to raise money and get this project going.

Margaret Davidson thanked the Board for allowing them to apply for this PARTF Grant. They were thrilled when it came through. She also thanked the Board for striving to get the matching funds required. She explained that the community is behind this project 100%. They have just finished paying \$50,000 additional dollars for four more lots, purchased from the Habitat for Humanity, where they feel the building should be placed. They will continue to work in the community to raise funds. Mrs. Davidson recognized Fred Pittillo, who is their site Chairman. She asked to be notified if there was anything that she needed to do.

Fred Pittillo stated that in a couple of years their community has been able to raise in the neighborhood of \$200,000 and purchase 15.5 acres with a little money left over. The community as a whole has worked hard to get this done. Mr. Pittillo explained that most people have parental guidance, people who are there to nurture them and bring them along until they are able to get out on their own. Everyone does not have that opportunity. One of those areas that sometimes do not have that nurturing is a group of people in our county that are being helped by the Habitat for Humanity. Right next door to where this building will be built is a Habitat for Humanity project. That will also give the community the chance to do something for people who may be less fortunate than some of us but who have shown that they are willing to work and pay for their homes as they are able. He feels that is an exciting opportunity. He stated that there is some growing room for the future. He said that they are concerned for the young people in the community. They want the park project to be used by both the young and the old in the community.

Margaret Davidson stated that they need to get this project underway. Now that they have the money (grant), they want to get things going.

Several of the Commissioners commented on the community and how well the members of the community had worked together on this project and thanked them for all their hard work.

*Commissioner Messer made the motion that the NC Parks & Recreation Trust Fund Grant for the Edneyville Community Center Project be approved, granted the authority to the Chairman to execute an agreement and directing staff to prepare a budget amendment that requires matching funds for this grant and this park project. Commissioner Messer amended his motion, authorizing the County Manager to come up with a financing schedule for this project and budget amendment, as necessary. All voted in favor and the motion carried.*

The County Manager agreed to come back to the Board with the financing schedule and budget amendment at the next scheduled Board meeting.

### **Recess**

Chairman Moyer called a 5 minutes recess, to change videotapes.

### **PUBLIC HEARING (QUASI-JUDICIAL) Special Use Permit Amendment Application SP-04-01-A1 for the Planned Unit Development known as Leoni's Mountain Lake Homes**

*Commissioner McGrady made the motion for the Board to go into public hearing. All voted in favor and the motion carried.*

Chairman Moyer explained that a quasi-judicial proceeding is somewhat like a court proceeding and that anyone who wished to speak should come forward to explain how this project would affect them. The following were named as parties to the proceeding:

Brenda Coates  
Don & Pat Garland, Lot.# 13 Devonwood – 159 Stone House Road  
Todd Leoni  
Matthew Card  
Matthew Cable  
Anthony Starr

Those individuals came forward and were sworn in by the Clerk to the Board.

Matthew Cable informed the Board that Mr. Todd Leoni, agent and owner of Camp Riley, Inc., property owner and applicant, has submitted an application to amend the special use permit SP-04-01 for the planned unit development (PUD) known as Leoni's Mountain Lake Homes. The PUD is located in an R-20 (Low-Density Residential) zoning district along South Lakeside Drive, with the intersection of South Lakeside Drive and Old South Carolina Avenue to the north (See Attachments 2 and 3, Site/Current Zoning Map and Aerial Photo Map). The PUD, as proposed, is to contain 12.01 acres of land, 26 single-family detached dwellings on individual lots, and approximately 4.65 acres of open space (See Attachment 1, Special Use Permit Order SP-04-01). The amendment request would not change the acreage, density, or open space proposed for the PUD, but would change group septic systems to public sewer service. Pursuant to Section 200-33.A of the Henderson County Code, before the Board of Commissioners may act on such a request, this matter requires "the advice and recommendation" of the Henderson County Planning Board. On September 20, 2006, the Henderson County Board of Commissioners accepted and referred the Special Use Permit Amendment Application (SP-04-01-A1) to the Planning Board for its review and recommendation. During the October 17, 2006 Planning Board meeting, amendment applications SP-04-01-A1 was reviewed and the Planning Board offered a recommendation to the Board of Commissioners.

In accordance with Sections 200-56D and 200-70A(6) of the Zoning Ordinance (See Attachment 5, Required Findings of Fact), the Board of Commissioners must make findings of fact regarding compliance with the ordinance in order to grant a Special Use Permit Amendment and may impose conditions on the permit to assure that a proposed use will meet the requirements of the Zoning Ordinance. Section 200-56D lists the general site standards that apply to all special uses. If a general site standard cannot be met and, based on evidence provided during the hearing, the Board finds that imposing conditions (such as increasing minimum specific site standards), will allow such general site standards to be met, then the Board may impose the conditions. However, the applicant does not bear the burden of demonstrating that all of the general site standards have been met. Section 200-70A(6) requires that the Board of Commissioners also make findings to demonstrate that the proposed use complies with any specific requirements for the use and that provisions have been made for the following, if applicable: ingress/egress; parking and loading; utilities; buffering; playgrounds; open spaces; yards; access ways and pedestrian ways and building and structure location, size and use.

In accordance with the Henderson County Zoning Ordinance, notices of the hearing on the Special Use Permit Amendment Application (SP-04-01-A1) were published in the Times-News on Wednesday, November 15, 2006 and on Wednesday, November 22, 2006 (See Attachment 6, Notice of Public Hearing). On November 15, 2006 the Planning Department posted notices at the project site to advertise the hearing. On November 15, 2006 the Planning Department sent notices of the public hearing via certified mail to the applicant and adjacent property owners.

Since the matter requires a quasi-judicial public hearing, the Board of Commissioners must consider the evidence presented at the hearing and make findings of fact based on that evidence in order to take action on

the Special Use Permit Amendment Application. The Board must issue a written decision within 45 days of the conclusion of the hearing.

Matthew Cable – “The applicant is proposing a sewer extension to run from the Mud Creek Outfall just north of the intersection of Kanuga and Erkwood Drive and would follow Shepherd Street all the way to Lakeside Drive and then would follow Lakeside Drive to the development itself. The proposed line is shown there in the brown on the slide. The green is what’s existing with the city and that’s information that the city has provided. The applicant has indicated that he is attempting to acquire the easements and letters to this effect have been provided in Exhibit C, attachment 4. That’s the letter showing the effort between the applicant and the city to get those easements. The City of Hendersonville has also indicated that sewer is available and that the applicant would be eligible for the city sewer service. The applicant has provided a sanitary sewer system improvement site plan and that shows the general location of the sewer lines on site, again they are in the dark brown on the slide. And the light brown is what was previously proposed as a group septic treatment area. All that was within the open space.

If the Board would refer to Exhibit D, which I’m going to get Matt to pass out for me.”

Chairman Moyer – “Did you move Exhibit C into evidence. I’m not sure I heard you.”

Matthew Cable – “Yes.”

Matthew Card distributed copies of Exhibit D.

Matthew Cable – “Exhibit D, it includes Planning Board and Staff recommendations regarding the application. On October 17, 2006 the Planning Board reviewed the amendment application and voted seven to zero (7 to 0) to send a favorable recommendation to the Board of Commissioners based on the conditions recommended by staff. Should the Board of Commissioners approve the application, the Planning Board recommends that such approval be subject to the following conditions in addition to any other conditions that are discussed during the hearing and any conditions that the Board of Commissioners may impose. The Planning Board’s recommendations are as follows. They are related to plans and documentation for sewer systems and the Planning Board recommends that:

1. Group septic continue to be permitted for the development. That is not to change it, just to public sewer but that it continue to be permitted.
2. That public sewer should be permitted within the PUD, should that become available, that is if the applicant is able to acquire the easements.
3. And in the event that sewer is available and installed, that the group septic option no longer be available to them. So that is to say that if they are able to acquire the easements and have the public sewer, the group septic option would no longer exist for them.

Staff has an additional recommended condition, and this was based on those requirements in the Subdivision Ordinance and it also relates to the plans and documentation for sewer systems. Staff is recommending that the applicant – that should the applicant provide public sewer, that the infrastructure to serve the development should be bonded in accordance with the Henderson County Subdivision Ordinance, prior to construction. That is to ensure that those systems are put in place on an off-site.

I would also like to enter Exhibit E, which includes (if Matt would pass that out for you). This includes additional staff comments which did not result in any additional proposed conditions because this was a fairly straight forward change. It didn’t affect many of the other original findings. And I would be happy to answer any questions that you might have of me.”

Chairman Moyer – “Any questions at this time? Alright, thank you. Mr. Leoni, do you wish to make some comments at this time?”

Todd Leoni – “Yes sir. The only comment I have here is it’s really important to me that I’m dealing with five different people, I think it’s five, maybe four different people as to easement issues. And if I can’t get through those easements, I certainly don’t want to have to go through- you know – getting my drainfields approved again. I’ve spent, you know – thousands of dollars doing that and I don’t want to lose that designation. If you guys approve the sewer, it’s gonna cost me a lot of money to do the sewer as well but – you know – people that – you know – there are some trust issues I think with some of the properties and I don’t know that I’m gonna be able to get through the ease – get easements through so we’re still working on them. I do have a meeting with – you know – the City sewer tomorrow, with the department and we’re gonna try and work everything out but – you know – a lot of this stuff takes time and I really don’t – I don’t want to stop anyone from building. I have served several lots and – you know – at this point it is my intention to bring sewer to this area which I think is greatly needed but um I have to say – you know – that if – if I cannot get this. If I cannot get the approval without the other – you know – I would rather just hold off until I have all the easements to bring the sewer in. That’s all I have to say.”

Commissioner McGrady – “If I can ask a question. I’m just wanting to know what then are you asking us for? Are you asking us for conditional approval of this thing to either allow you to continue under the present plan or proceed to this?”

Todd Leoni – “I’m asking you”

Commissioner McGrady – “Or are you asking us to delay a decision on this until such time as you work out your easement issue?”

Todd Leoni – “Um, well I would like to have both, if I can – you know – if – if its – you know I’d like to be able to provide both you know and why should I lose the other. It’s not gonna hurt anyone – I mean the other part is already”

Commissioner McGrady – “Well that’s sorta the other point – I mean the – as I understand it, the Planning Board recommendation here was to allow you to continue to provide, in some cases, the septic system if you’re not able to get sewer to everybody. If that’s what I understand the Planning recommended.”

Chairman Moyer – “That’s what I understand.”

Commissioner McGrady – “And so I guess that’s why I’m trying to figure out what exactly you’re asking. Are you then saying you’re right – the Planning Board is right, give me this approval but allow me to, if I can’t work out the easements on every lot, have a mixture of sewer”

Todd Leoni – “It’s not easements within my development, it’s easements outside of my development so it’s not like just one or two people are gonna get it. It’s either everyone is gonna get it or no one is gonna get it and that’s because we’re – you know where the dam is on the other side of the lake is where the issues are so if I can’t get them through over there because – you know – some property owner doesn’t want sewer going down – you know their path and I can’t it through then that’s where my problem is and I certainly don’t want to lose my – my drainfield designation. So I – I’m asking you – what I’m asking you is if you can give me both that would be great. If I can’t have both, then you know with-hold your you know your decision”

Commissioner McGrady – “Until sometime later.”

Todd Leoni – “Right”

Chairman Moyer – “I think the Planning Department recommendation gives them the ability.”



Commissioner McGrady – “Yeah, I was trying to – that’s what I was trying to figure out, Bill, was what the Planning Board recommendation did. I sorta misinterpreted it I guess. Is that the issue the Planning Board is trying to address or some?”

Anthony Starr – “Mr. Chairman, I believe the Planning Board and Staff recommendation addresses Mr. Leoni’s concerns.”

Chairman Moyer – “I think so too.”

Todd Leoni – “So I – then I’m certain covered, right, I mean if – if that’s what”

Commissioner McGrady – “That’s what I was trying to find out.”

Todd Leoni – “OK, well no because you know what – I wasn’t here at the last meeting. I had someone come and I – and they told – they did tell me that I would but I wanted to be clear that I am covered and that – you know I won’t have a problem.”

Chairman Moyer – “Well the condition as read by the staff clearly is group septic continue to be permitted”

Todd Leoni – “But it doesn’t read that further down. In number three it says in the event public sewer is available and installed the group septic option would no longer be available so the way that reads to me is that if you guys approve it, you know no more”

Chairman Moyer – “No no, if you get the easements and the ability to install it – see in the event public sewer is available, not whether we approve it, if its available at your site then you’ve got to use the – the public sewer rather than the group is what this says.”

Todd Leoni – “OK”

Commissioner Young – “I mean we’re not going to allow him to mix.”

Chairman Moyer – “Yeah, we’re not going to let you mix once you get public sewer there.”

Todd Leoni – “Right and that’s – that’s certainly fine but if I get it I’m good.”

Chairman Moyer – “Yeah. Now there’s an additional condition by staff – you understand the additional condition that staff read?”

Todd Leoni – “For the bonding? What was that?”

Chairman Moyer – “Plans and accompanying documentation to ensure that the water and sewer system proposed for the planned unit development had been designed by a professional engineer, had been approved by the appropriate local and state agencies, shall be submitted as part of the application and should the applicant provide sewer service, infrastructure to serve should be bonded in accordance with requirements of the Henderson County Subdivision Ordinance.”

Todd Leoni – “Yeah, yes.”

Chairman Moyer – “OK, not a problem with that?”

Todd Leoni – “No.”

Chairman Moyer – “Alright. Any questions for Mr. Leoni? Now do any of the – the people that were recognized as potential parties, have a question, not a statement but a question at this time? Ms. Coates, do you have any questions with respect to what you’ve heard so far?”

Brenda Coates – “I think for clarification that when the septic line is put in that all property owners will obviously if they make arrangements with the City be permitted to – to tap on to it?”

Chairman Moyer – “When the public sewer line.”

Brenda Coates – “Correct, correct..”

Chairman Moyer – “OK. Are there any other questions. Steve.”

Steve Wyatt – “Anthony, is this a gravity line?”

Anthony Starr – “Yes sir, it is.”

Chairman Moyer – “Are there any other questions for – from anybody here, not – no – those people recognized as parties, that were sworn, etc., do any of you have questions for either staff or Mr. Leoni with respect to the sewer issue? Alright.”

Commissioner Young – “The question that she asked about the citizens being able to tap on to it. That would be strictly up to the Hendersonville Water and Sewer Department, wouldn’t it over what they’re gonna allow”

Two or three people were talking at the same time and I couldn’t make out what they were saying.

Commissioner Young – “I’m sure they would let em probably if they pay the tap fee or whatever.”

Chairman Moyer – “Alright, now we’ll start with you Ms. Coates. Do any of the people that are parties wish to make – ask any other questions at this time?”

? Someone – “I haven’t been sworn in but I just wanted to ask – does this.”

Chairman Moyer – “You’re not a party mam, I – you’ll have to ask Ms. Coates to ask your question cause she’s a party or somebody else that’s a party. Do you have a question? No.”

Brenda Coates – “If I can just make a statement that you know I think – I have spoken with several of the adjoining property owners and we all obviously are quite in favor of this project.”

Chairman Moyer – “Great”

Brenda Coates – “It to us is much more favorable, obviously environmentally and many other ways to have the septic tank – I mean the sewer line as opposed to septic tanks so I don’t think that’s an issue and I think Todd is to be commended for taking this extra effort to bring this, if he possibly can so I think we’re very pleased with that.”

Chairman Moyer – “Alright. Mr. Leoni.”

Todd Leoni – “And I just want to make one more statement. I – I think everyone in the path will be able to tap in is the way I understand it, they’ll have to pay a tap fee and anyone and I don’t even know about the people in Devonwood, if they can find their way down I think that”

Chairman Moyer – “You don’t want to go there”

Todd Leoni – “Right, OK. I was telling you know I want to ease everyone’s mind that’s here so. Alright”

Chairman Moyer – “Do – does staff wish to make any closing comments?”

Matthew Cable – “We would just like to point out to the Board that a suggested motion is provided in Exhibit D. We weren’t able to provide that previously because of the quasi-judicial hearing.”

Chairman Moyer – “It’s the last paragraph on Exhibit D.”

Matthew Cable – “Yes sir.”

Chairman Moyer – “Does the applicant, Mr. Leoni, wish to make any further statements? Do any of the other parties – parties now, wish to make any further statements? Sir, you didn’t have a chance. Do you have anything you need to get clarified before we close this hearing?”

Don Garland – “I would simply like to endorse the proposal as being a good idea, something that should be done.”

Chairman Moyer – “Thank you, appreciate it very much. Alright we’ve heard all the evidence. We’ve had closing remarks by all the parties involved. Now that the evidence has been presented, the closing remarks and everything concluded, it’s appropriate for the Board of Commissioners to discuss the issues presented. We can either vote today directing staff to bring back findings of fact and conclusions consistent with the decision to a future meeting of the Board for review or we can continue our discussion and decision until a later date, which I don’t think would be a good idea. I remind the however that the Board must issue a written decision within 45 days of the conclusion of this hearing.”

Commissioner McGrady – “Mr. Chairman I – we don’t get no-brainers often but this one to me is a no-brainer. I think we ought to support the application and the recommendations and if everybody is in agreement I’ll move the motion as drafted “*(I move that the Board approve the special use permit amendment request subject to the conditions suggested by Staff and the Planning Board and any additional conditions that have been discussed during the hearing which the Board wishes to impose). All voted in favor and the motion carried.*

*Commissioner Messer made the motion for the Board to go out of public hearing. All voted in favor and the motion carried.*

### **MEETING SCHEDULE FOR LAND DEVELOPMENT CODE WORKSHOPS AND PUBLIC HEARINGS**

Anthony Starr explained that the Board of Commissioners referred the draft Land Development Code to the Planning Board for further review and consideration. The Planning Board has met numerous times since July to re-draft the Land Development Code. On Monday, November 15, 2006, the Planning Board with a 9-0 vote unanimously recommended a new draft. The Planning Staff and consultant are currently incorporating the latest changes requested by the Planning Board. He anticipates that the maps will be available very soon and Planning Staff proposes that the Board of Commissioners schedule a workshop and hearings to discuss the coming draft. The new draft will be delivered to the Commissioners as soon as the recent changes are completed.

Steve Wyatt stated that what staff would like to try to do is to formally deliver the product to the Commissioners. It appears that the best case scenario would be December 11. Based on conversation and action the Board has taken earlier and the need to look at a meeting with the reappraisal situation, he suggested that perhaps a meeting on December 18 dealing with clean-up items identified today and then have a brief workshop to get the Board started in its study of the proposed Land Development Code with staff and

Planning Board here to point out what the major issues are and get the Board started before the holidays. He suggested that the Board give itself adequate time to become familiar with the recommendations and get the Board's questions answered in however many meetings are needed.

Chairman Moyer mentioned the need for a public hearing on the Schedules, budget amendments, and the Land Development Code workshop.

Commissioner McGrady expressed concern over calling the next meeting on the Land Development Code a workshop. What he suggested was having the document delivered to the Board, have a staff presentation of the document as well as overview from staff. He felt the workshops should be delayed until after the first of the year.

*Chairman Moyer made the motion to set a special called meeting for Monday, December 18, 2006 at 5:00 p.m. for three purposes: to receive this document and get a brief over-view of it, have the public hearing on the Schedules, and look at the budget amendments. All voted in favor and the motion carried.*

### **BLUE RIBBON COMMITTEE ON ILLEGAL IMMIGRATION**

Steve Wyatt discussed the proposed charter for a Blue Ribbon Committee on Illegal Immigration. The purpose of this Committee will be to assess, determine and recommend the proper role and specific steps that the Henderson County Board of Commissioners should take regarding the issue of illegal immigration. The Charge to the committee would be to analyze the impact of this issue on Henderson County, qualify Henderson County government's legal standing in regards to effecting this impact, and report responses appropriate for Henderson County government. The Committee would report to the Board of Commissioners and obviously in a public forum to the community. Due to the legal landmines, pitfalls, and restrictions, Mr. Wyatt volunteered the County Attorney be staff to this Committee. The Committee will work within the framework of existing state, local, and federal law. Suggested updates from the Committee would be monthly. Community stakeholders, folks that were familiar with the issue, perhaps familiar with the impact of the issue as well as members of the Board of Social Services, Public Health, Public Education and perhaps the Blue Ridge Community College Board of Trustees, certainly local law enforcement, Pisgah Legal Services, members of the Faith community, business community, agriculture, a Latino or Hispanic advocate or Advocacy network, hospital, Senator Dole's office, the Red Cross, Rescue Mission, Salvation Army, municipalities, Chamber of Commerce, citizens at large could all be appointed to serve on the committee. The duration of the Committee will be through July 1, 2007.

Chairman Moyer had one caller who said that if you look at the make-up of the committee, it is overwhelmingly composed of people who have a vested interest in preserving it rather than dealing with the issue and stated that we should have more balance on the committee between taxpayers who have to pay this additional freight and those that shorthand have a vested interest in it. Chairman Moyer felt that the caller made sense.

*Chairman Moyer made the motion to adopt the Charter and direct the County Manager to come up with the make-up of the committee that is balanced so that the recommendations of the committee will have some support and be received in the community. All voted in favor and the motion carried.*

### **CAPITAL IMPROVEMENT PLAN (CIP) AND STRATEGIC PLAN PRESENTATION**

#### **Capital Improvement Plan (CIP)**

Carey McLelland distributed the CIP Plan and stated that as part of the County Managers' 2006-07 budget message, the need to expand the county's strategic planning horizon included the development of a Comprehensive Capital Plan, one that is long-term and identifies funding sources as well as projects that should be a priority for county government. The Manager's recommendation is for development of a 12-year capital project plan divided into three phases of four years each mirroring the four-year revaluation cycles by the county. To get this process started, the County Manager put together a team of department heads including Carey McLelland, Anthony Starr, and Gary Tweed to collect and review all the capital requests

from county departments and outside agencies we fund. They developed a questionnaire for this process to have uniformity and for providing all these capital requests and met with everyone to train them and answer question they might have in providing this information to the team. They established four different types of capital which included capital improvements, new facilities or major additions or enhancements, recurring and non-recurring equipment and motor vehicles. They also established priority levels for the outside agencies and departments to rank the importance of their capital that was requested with mandated being the highest, important and planned in that order. They also asked for any new projected operating costs associated with their capital so they could include that and factor it in the process as we fund these things in the future.

Carey McLelland stated that initially they started out with about \$400,000,000 in requests from all departments and agencies. The adjusted total was down to \$339,000,000 after the Team reviewed and gave it back to the outside departments and agencies to look at. \$175,000,000 of that or 52% was schools. \$66,000,000 or 20% was the college and \$98,000,000 or 28% was for county government which is our county departments.

Carey McLelland explained that to the best of his knowledge this list is all-inclusive, based on what the Team was presented. It is what the departments and agencies think is most important at this time. It is a planning tool and the starting point for the Board to review and prioritize capital needs for the county. It is the most comprehensive review that we've had to date in county government and it would change almost immediately as new information comes about. It will be reviewed and up-dated annually. This document will be placed on the county's website, hopefully tomorrow, for the public to review. Staff looks forward to reviewing and providing additional information to help the Board in making decisions during this process to meet the needs and to mesh with the Strategic Plan.

### **Strategic Plan**

Selena Coffey distributed two documents: one is a workbook, Strategic Plan workbook for fiscal years 2007-2011. The second document is a copy of the Strategic Plan where the issues have been inserted but have not been sorted nor have they been prioritized.

She also distributed a strategic planning process timeline and spoke from it. She started by giving the Board some background. In August of this year in responding to the County Manager's Budget Message and his thoughts about developing the strategic plan, staff had four input sessions, community input sessions. There were about 150 people in attendance of those sessions, 70 plus spoke during those sessions. They were all televised and were highly publicized on WHKP as well as the *Times-News*. WLOS also carried a story about the plans. Simultaneous to the August input sessions, was an on-line survey that was available for input from county citizens. Over 300 folks responded to the survey. In September staff gave the Board a document that narrowed down those comments based on what was heard during the input sessions as well as the surveys.

Ms. Coffey stated that now staff is presenting:

The Workbook – as you go through it pages 1 through 69 will give you individual worksheets which list the issues as heard from the input sessions and the surveys. Staff asks the Board to answer some questions about those issues. The final goal is the last four pages, answering the final survey of what are the important issues that the Board members feel we need to address in this strategic plan. Staff also asked the Board members to prioritize those issues. The Board was asked to number priorities one through ten with one being high priority and ten being low priority.

She explained that the next step in the process is to hold a two-day retreat at which time the Board will hear detailed presentations on the capital improvements plan and the strategic plan, have some discussion, and hopefully make some decisions directing staff to move forward on specific issues. Then from February to April staff would start developing some final strategies which would go into the small document (the Strategic Plan) and develop some narrative information and strategies and also some action plans. Part of

this would be to calendar those action plans, determine when we need to achieve those goals, when we need to undertake those action plans and also determine what the costs would be.

Ms. Coffey explained that from May to June the Board will, during its budget process, discuss those previously discussed strategies and action plans and determine how that fits into the budget. In July the actual implementation would begin of the strategic plan, based on the earlier discussions.

Steve Wyatt stated that this has been a comprehensive planning process and reminds him of something that Abraham Lincoln said – if he was given six days to cut down a forest, he'd spend the first four sharpening his ax. What he was saying here was "preparation is the key, proper preparation." Staff has developed and implemented a good framework of preparation and now it's time to hand that off. Staff is handing that ball off to the Commissioners. Staff will need guidance from the Board in January. The Board will need to tell staff what issues, objectives, what things the Board thinks are the most important. Mr. Wyatt stated that we have limited capacity, that is finite. We cannot be all things to all people. We need to focus our efforts on the things that the Board decides are most important for the county to focus our resources on in these periods of time. He also asked the Board to take an expanded look, a four-year strategic timeframe. The twelve-year capital plan is a very fluid document. Staff would hope to have a firm four-year plan and then the years beyond that would be a work in progress. Mr. Wyatt stated that it is obvious to him that we need to have major projects such as the next high-school someplace on our radar screen, knowing that it may move forward or it may move backward as time goes along but it would be out there on the screen for everybody to see.

There was some discussion regarding the dates for the 2-day retreat. Staff suggested holding the retreat at the Justice Academy in Edneyville. The Board directed the County Manager to try to schedule it for Wednesday, January 31, and Thursday, February 1, two full days, maybe 9:00 a.m. to whatever time the Board wants to go, it could be 3:30 or it could be 6:00.

Selena Coffey made a request of the Board, stating that she needed each of them to complete the last four pages of the workbook and get them back to her by the week of January 3 or the following week at the latest so that staff could begin to prepare for the retreat and to rank the issues.

### **UPDATE ON PENDING ISSUES**

#### **Mental Health Update**

Steve Wyatt addressed the challenges that we are encountering in what is determined as emergency services. The Board has awarded just short of \$400,000 in maintenance of effort funding. The issue of the emergency services, triage, after-hours, walk-in type services continue to be an issue that is a substantial challenge. He stated that the reimbursements just don't flow for those type services.

Mr. Wyatt stated that we have a request from Parkway Behavioral, the folks that are providing that service here, for some maintenance of effort money. The Board has a current balance of \$137,342. What the Board has done up to this point is to award "start-up" or "seed" money. Based upon that Parkway Behavioral has originally made a proposal for \$4500 per month. Mr. Wyatt talked with them about getting that amount down to a number that still provides the Board's ability to begin maximizing its investment. He talked with Parkway Behavioral about looking at an investment for seven months of \$3,000/month to help them with start-up issues for a total of \$21,000 (through the end of the fiscal year).

Two representatives were present from Parkway Behavioral who came forward and answered questions from the Board.

#### **Challenges of Maintaining Adequate Medicaid/IRPS Reimbursement for Emergency Services** **Unpredictable Consumer Flow and Flexible Service Schedule**

Emergency Service (ES) for mental health is like any community emergency service...the service must be staffed to respond immediately to the crisis situation regardless of when the crisis occurs or even if any crisis occurs...like the fire department. However, given the economic realities of community mental health funding, having trained and experienced staff merely 'on-standby' for a possible emergency is not feasible; ES staff must help generate revenue by maintaining a caseload of active clients for providing reimbursable activities. Due to the unpredictability of urgent and emergency occurrences, ES staff cannot maintain a fully productive schedule with their assigned clients and simultaneously provide timely ES service. The national standard for staff reimbursable activity in community mental health is 25 hours per week. To adequately respond to crisis events, the expected scheduled activity for an ES worker would be about 12.5 hours per week...leaving 12.5 hours for emergency service, of which an estimated 50% (or 6.25 hrs) may be billable. The net result is approximately 18.75 billable hours compared to 25 billable hours in a non-emergency setting. Even by building in daily ES time, additional time for each ES event is often necessary as many crisis consume an inordinate amount of time for satisfactory resolution; for example, an involuntary commitment may take up to 6 hours for placement. With new (and lower) Medicaid and IPRS definitions and rates, one FTE (full time equivalent) position can generate approximately \$97,500 in annual charges. Just considering the above figures, one ES FTE position would generate only \$73,125 in annual charges...a decrease, or loss, of \$24,375 due to ES activity, and this assumes no additional ES time is needed beyond the allotted percent. Obviously, additional ES time required for adequately resolving emergency situations would further diminish the capacity of the ES worker to provide reimbursable services.

#### Psychiatric Services

A salient component of any ES system is adequate psychiatric coverage and consultation on a 24/7 basis. It has been well chronicled over the past few years that the Medicaid/IPRS rates for physician services are inadequate to fully cover physician services, and especially when including 24/7 on-call coverage. Larger service entities offering primarily Community Support activities can utilize excess CS funds to assist with paying for physician services; smaller service units that now exist in Henderson County will have less ability to leverage CS dollars. Excellence in emergency services requires timely response to crisis situations, and to ensure high quality and responsive emergency services, Parkway Behavioral Health employs a fulltime psychiatrist. Annual cost of a physician employee, to include wages, on-call fees, benefits and indirect costs, averages \$320,000; annual average earnings of a psychiatrist working with the public-funded clientele is approximately \$235,000...resulting in a shortfall of \$85,000. With ES demands, allotting 15% of physician time to non-reimbursable ES activity equates to an additional subtraction from earnings of around \$35,000...resulting in a total shortfall of approximately \$120,000. Henderson County's share of this revenue shortfall relative to psychiatric services is approximately \$18,000, or 15% of the total (Buncombe = 50%; Transylvania = 15%; Henderson = 15%; Polk = 5%; Rutherford = 15%).

#### Limited PRPS Funds

State/IPRS funds historically have been depleted prior to the end of the fiscal year. During funding shortfalls, non-emergency services can be reduced or eliminated. However, reducing emergency services would pose potential substantial negative consequences both for Parkway Behavioral Health and Henderson County. The ES payer mix includes a higher percentage of IPRS consumers than typically found in public-funded general outpatient agencies due to more options for the Medicaid consumer. Limited IPRS funds pose considerable risk of having those emergency services that are billable to be fully reimbursed, further exacerbating a fragile reimbursement system for emergency services.

#### Non-Target Pop Residents

Individuals who do not meet the criteria for receiving Medicaid or State-funded mental health/substance abuse services must be offered services by Parkway if they present in a condition of crisis or emergency. For other agencies offering public-funded, non-emergency outpatient services, this is not the case. Projecting at least three ES events per week in Henderson County, and conservatively estimating 15% of ES consumers will lack a funding source, then about 23 Henderson County consumers will be served by Parkway Behavioral Health without any reimbursement. Again, conservatively estimating 3 hours of service per crisis

consumer and with 50% of ES activity generally reimbursed, then serving the consumers without a funding source will equate to an annual loss of 37.5 billable hours or \$5,175.

#### Costs of No or Inadequate ES system

Perhaps the most relevant costs of having no emergency services or inadequate emergency services will be the costs experienced by the residents and community service entities of Henderson County. Common sense, and research literature, point to the increase demand upon a community's safety net' infrastructure (DSS, Health Dept., law enforcement, hospitals, etc) as structured mental health crisis interventions decrease. Without the benefit of a system for stabilizing the mentally ill consumer in crisis, the consumer will continue to escalate, eventually leading to a host of actions involving other community resources, such as refuge in the local hospital ER, family intervention by DSS, crisis intervention by local law enforcement, criminal behavior resulting in jail and commitment process requiring law enforcement transportation to Broughton Hospital. The costs associated with these 'community interventions' is beyond simple dollars as the increased instability of the consumer extracts an emotional price from the family, friends and the County's 'helping infrastructure'.

#### Summary

Like other community emergency services, mental health crisis services require available and responsive qualified staff regardless of the time or frequency of crisis events. Due to the required staffing model and to the low Medicaid/IPRS reimbursement rate for physician services, financial self-sufficiency of emergency mental health services is not achievable. Without a viable mental health ES system in the community, the consequential financial and emotional costs are shared by the community's infrastructure and residents.

Steve Wyatt stated that based on the substantial challenge that we face here, he was requesting \$21,000, which seems to be a very reasonable request and recommendation. It is substantially less than what had been mentioned earlier.

Following discussion, *Chairman Moyer made the motion to support the County Manager's recommendation and approve \$21,000 or \$3,000 a month x 7 months. All voted in favor and the motion carried.*

### **STAFF REPORTS**

#### **County Attorney's Report**

Russ Burrell informed the Commissioners that he had placed at their seats a memorandum having to do with bond referenda. At the last meeting the Board asked for some information about General Obligation Bonds and a Referendum and a Timeline. The second page contained a graphical representation of a timeline. Ultimately the first step is for this Board to informally select a proposed referendum date. It would not be binding on anyone. It would be nothing more than a target date at this point. The first official step then is for the Board of Education to adopt a Resolution Petitioning the Board of Commissioners to issue General Obligation Bonds. This would be done by the Bond Council who also would be the County's bond council in the bond referendum, in the bond order. After that the process goes forward as described in the memorandum. The realistic best case for going to bond referendum would be 137 days until a referendum. If that is the process the Board chooses, it would be pushing to get it done in time for the May Primary. A municipal primary is scheduled for September. No one seemed to want to move forward until both Boards have had a chance to get together, the Board of Public Education and the Board of County Commissioners. School size (capacity) is one of the items for discussion, school construction costs, etc. Communication needs some work between the two Boards. It was suggested that the Board of Commissioners visit a school or two for comparison purposes. School Board members could also attend the school visits.

### **IMPORTANT DATES**

Steve Wyatt reminded the Board that they had canceled the regular meeting scheduled for December 20 but the Board had set a meeting for December 18 at 9:00 a.m.



Chairman Moyer explained that the Clerk to the Board had prepared a draft schedule of meeting dates for 2007, following the same pattern of the first Monday at 5:30 and the third Wednesday at 9:00 a.m. Unless the Board wishes to raise that issue, we will continue that pattern. Chairman Moyer explained that every year in March (March 5, 2007) and in July (July 8, 2007) there are conflicts with the Legislative Conference in Washington and the NACo Conference. Chairman Moyer suggested adopting the prepared schedule and then directing the County Manager to propose alternative dates for those two meetings.

Chairman Moyer asked Steve Wyatt to address the Christmas Luncheon. Mr. Wyatt explained that the Employee Christmas Luncheons are scheduled for December 6 and 7 at Highland Lake, starting at 11:00 a.m. He invited the Commissioners to come to either or both of those dates. Santa Claus will be in attendance.

Chairman Moyer reminded the Board of the Legislative Goals Conference on January 11 and 12. Several Commissioners have already signed up to attend. As part of the process, the Board has to appoint a voting delegate.

*Commissioner McGrady made the motion to appoint the Chairman as the voting delegate, alternatively the Vice-Chair and alternatively any other Commissioner that might be there. All voted in favor and the motion carried.*

**CANE CREEK WATER & SEWER DISTRICT – no business**

**CLOSED SESSION – none**

*Commissioner McGrady made the motion that the Board go into closed session as allowed pursuant to NCGS 143-318.11 for the following reasons:*

- 1.(a)(5.1) To Discuss and give instruction on the county's negotiating position concerning the purchase of real estate.*
- 2.(a)(5.2) To Discuss and give instruction on the county's negotiating posture concerning an employment contract.*
- 3.(a)(6) To discuss issues concerning personnel.*

*All voted in favor and the motion carried.*

Attest:

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Elizabeth W. Corn, Clerk to the Board

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William L. Moyer, Chairman