

MINUTES

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

BOARD OF COMMISSIONERS
APRIL 18, 2007

The Henderson County Board of Commissioners met for a regularly scheduled meeting at 9:00 a.m. in the Commissioners' Conference Room of the Henderson County Office Building.

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

Also present were: Fire Marshall Rocky Hyder, Fire Marshal's Administrative Assistant Cathy Justice, Director of Elections Beverly Cunningham, Tax Assessor Stan Duncan, HR Director Jan Prichard, Health Director Tom Bridges, Director of Building Services Sam Laughter, Engineer Gary Tweed, Sheriff Rick Davis, Research/Grants Coordinator Amy Brantley, Extension Services Director Denise Baker, HR Analyst Mary Alice Jackson, Finance Director J. Carey McLelland, and Associate County Attorney Sarah Zambon.

County Staff sang happy birthday to County Manager Steve Wyatt lead by the Director of Building Services Sam Laughter.

CALL TO ORDER/WELCOME

Chairman Moyer called the meeting to order and welcomed all in attendance.

PLEDGE OF ALLEGIANCE

Commissioner Messer led the Pledge of Allegiance to the American Flag.

INVOCATION

Steve Wyatt gave the invocation.

Storm Conditions Update

Fire Marshall Rocky Hyder stated that the wind storm began Sunday afternoon and lasted until Tuesday morning. This was an unusual event for Henderson County this time of year. Winds were sustained between 35-40 miles per hour. Gusts were recorded at over 72 miles per hour which is almost hurricane strength. At peak there were 45,000 persons in the County without power. At this time there are 14,000 remaining without power. A shelter was established with the Department of Social Services, Public Health, Salvation Army, and the Red Cross. This was the first time that the Salvation Army and Red Cross have joined together in a sheltering operation. At peak there were 17 persons who took advantage of the emergency shelter operation and 3 special needs individuals located in an adult care facility within the County. The Salvation Army will continue to be set up as long as needed on an on-call basis.

INFORMAL PUBLIC COMMENTS

Chairman Moyer asked each person who had signed up for informal public comments to please limit their time to about 3 minutes.

1. **Clint Pace** - Mr. Pace was representing the Appalachian Houndsman Association which is a group of approximately 1200 sporting dog enthusiasts from around the area. They understood that the dog barking ordinance and leash laws could possibly be coming back up for review. They requested that the dog bark ordinances remain complaint driven and that there be an exemption put in for their dogs when they are in the field. Most of their dogs use their voices in the field.
2. **Jane Ferguson** – Ms. Ferguson is the CEO of Appalachian Counseling. She stated that on July 2, 2007, Appalachian Counseling will be celebrating its 5th Birthday. In the prior weeks she had not been certain that they would survive until then. There was a rate reduction instituted by the State to begin on April 5,

2007 for community support services without any prior notice. The State reduced their rate from \$61 per hour for community support to \$40 per hour. When Mountain Laurel closed their doors on October 31, 2006, Appalachian Counseling helped Henderson County to the best of their ability. At that time they had 4 community support professionals working in the County. They earned 22 more over the following 6 months. Community Support is now 1/3 of their budget. The States reduction overnight eliminated 1/9 of their budget for a monetary total equaling \$500,000 per year. Because of their success with Community Support and because of profits acquired they had just applied for an endorsement for intensive in-home and mobile crisis, and they had just hired 2 full-time psychiatrists bringing their staff to 6 full-time psychiatrists to serve Henderson County and Transylvania County. The States reduction on April 5 put all of the plans in jeopardy. They had considered closing in the prior weeks in order to avoid bankruptcy. Appalachian currently serves over 5000 open cases in both counties with the majority being in Henderson County. The public/private insurance mix is about 50/50. Appalachian Counseling impacts other sectors of Henderson County greatly. Ms. Ferguson personally went to Raleigh to lobby Legislatures for help the prior week. They were very helpful and angry over the States decision. Representative Charles Thomas was able to schedule a special session for an open public hearing on this issue. Legislatures were able to pressure DHHS into re-examining the rate reduction and publish another revised rate later this week. The best case scenario was that they will be left with a 10% rate reduction. This will remove their entire profit margin in community support and companies will have to do the service for no profit or discontinue the service. Appalachian Counseling was requesting any Maintenance of Efforts monies that Henderson County may have left in budget for this year and for the coming year to aid them in getting through the situation.

3. **Dennis Justice** – Mr. Justice discussed the Capital Improvement Plan (CIP) in regards to recreation. He feels that there is a growing need for soccer fields in Henderson County. However, he feels that the High School fields need to be upgraded first with artificial turf and the need for soccer fields could be implemented on those fields.

DISCUSSION/ADJUSTMENT OF AGENDA

Chairman Moyer suggested that Discussion Item D, Etowah Sewer Company – Remission of Tax penalties for discovered property, be pulled. He suggested relocating Update on Pending Issues Item 1, Mental Health Update, to Discussion Item B. Chairman Moyer also suggested adding Sales Tax Distribution to Discussion Items as Item I. He noted that the County Manager would update the Board on collection of debris from the storm under the County Manager's Report and under Important Dates the Board would discuss setting a date for the LDC workshop.

Commissioner McGrady made the motion to approve the agenda as indicated above. All voted in favor and the motion carried.

CONSENT AGENDA

Commissioner Williams made the motion to adopt the Consent Agenda. All voted in favor and the motion carried.

Minutes

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

- February 5, 2007 – Regular Meeting
- February 21, 2007 – Regular Meeting
- April 2, 2007 – Regular Meeting

Tax Collector's Report

Terry F. Lyda, Henderson County Tax Collector, had provided the Tax Collector's Report dated April 12, 2007 for the Board's review and consent approval. Collection information through April 11 for the 2006 bills mailed on August 18, 2006 as well as vehicle bills was included as follows:

Annual Bills G01 only:

2006 Total Charge: \$49,390,710.20

April 18, 2007

Payments & Releases:	49,947,575.65
Unpaid Taxes:	2,443,134.55
Percentage collected:	95.05%

Motor Vehicle Bills G01 only:

2006 Total Charge:	\$4,533,598.16
Payments & Releases:	3,366,281.52
Unpaid Taxes:	1,167,316.64
Percentage collected:	74.25%

Fire Districts All Bills

2006 Total Charge	\$5,232,547.02
Payments & Releases:	4,845,579.68
Unpaid Taxes:	386,967.34
Percentage collected:	92.77%

Tax Refunds

A list of 6 tax refund requests was presented for the Board's review and consent approval.

Tax Releases

A list of 8 release requests was presented for the Board's review and consent approval.

2006 Strategic Plan and Capital Projects Update

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

Cane Creek Water and Sewer District Advisory Committee Charter

The charter for the Cane Creek Water and Sewer District Advisory Committee has been revised accordingly:

- Refer to paragraph 4: Who will be staff to the Committee?
 - Removed the name of the Henderson County Engineer and inserted title only to accommodate future changes in staff.

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

I make a motion that the Board of Commissioners approves the revision to the charter of the Cane Creek Water and Sewer District Advisory Committee as presented.

Audit Services Request for Proposal

On March 16, 2007, Staff mailed out a Request for Proposal (RFP) for audit services to certified public accounting firms that have conducted local government audits in the western part of the State. Three firms responded to the County's request for proposal to conduct the annual financial and compliance audit for a three-year term. The proposal results from the three firms (Exhibit A) were attached to the agenda for the Boards review.

The certified public accounting firm, Martin, Starnes & Associates, CPAs, P.A., with offices in Taylorsville and Hickory had been determined by Staff to be the most qualified and best proposal received to conduct the County's annual financial and compliance audit for the fiscal years ending June 30, 2007, 2008 and 2009. They proposed a fee of \$49,500 to conduct the County's current fiscal year audit. The annual fee increases to \$51,000 and \$52,500 for the second and third years. This firm currently performs the annual financial audit for 20 counties across the State and a number of municipalities, governmental districts and public authorities. Staff had contacted references about this firm and all comments were positive.

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

I move the Board accept the audit services proposal from Martin, Starnes & Associates, CPAs, P.A. to conduct the County's annual financial and compliance audit for fiscal years 2007, 2008 and 2009 subject to annual approval of the audit contract by the Board.

NOMINATIONS

A. NOMINATIONS

1. Adequate Public Facilities Task Force Charter – 1 vac.

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

2. Blue Ribbon Committee on Illegal Immigration – 1 vac.

There were no nominations at this time so this item was rolled to the next meeting. Commissioner McGrady made the suggestion that if no applications were received from the Faith Community that a different category be implemented.

3. Child Fatality Prevention Team – 1 vac.

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

4. Hendersonville City Board of Adjustment – 1 vac.

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

5. Juvenile Crime Prevention Council – 5 vac.

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

6. Nursing/Adult Care Home Community Advisory Committee – 4 vac.

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

7. Senior Volunteer Services Advisory Council – 1 vac.

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

8. Solid Waste Advisory Committee – 1 vac.

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

DISCUSSION ITEMS

Crop Loss Update

Extension Services Director Denise Baker provided information packets to the Board detailing the devastation of the Easter Freeze. The total loss for Henderson County is estimated at \$19,652,000. USDA figures were not received as of this date but were expected within two weeks. A report from the Farm Bureau included the following information:

Character of the freeze

- Prolonged period of cold temperatures. Daytime temperatures remained low as well. Nights dipped into teens and remained there. This was not a typical spring freeze event. It froze four nights back-to-back. Freeze was widespread across the Eastern US.
- Temperatures so low it was impossible to fully protect plants unless they were in an artificially heated environment. Low temperatures extended into daylight hours, when normally temperatures rise after sunrise.
- High winds, up to 30 mph exacerbated damage and caused desiccation (leaf burn and death).
- Many different freeze risks occurred in most locations within the same 24-hour period: For example, wind freezes followed by still freeze, followed by more wind, followed by snow. Patterns typical of a winter storm not a spring freeze.

Occurred following a blast of 80°F temperatures

- Plants had broken their winter dormancy and did so much more rapidly than normal due to high temperatures
- Sap was freely flowing as plants were actively growing
- Many crops were fully leafed out
- Most fruit trees and bushes were in full flower

Flowering fruit trees and shrubs most affected

- Damage will likely affect yields for years, the extent of the damage will not be apparent for weeks and/or months
- Stressed plants will be more susceptible to insects and diseases

The Henderson County Cooperative Extension is coordinating their efforts under Operation Freeze Recovery 2007. The Farm Service Agency does the assessment that becomes part of the official report with USDA. Cooperative Extension brings education based organization that partners with County Government and provides the information needed by the growers. A Training Session was scheduled on April 19, 2007 to discuss freeze damage, tree health, and grower recommendations with the following speakers:

- Dr. Turner Sutton, NCSU Plant Pathology Department
- Mr. Wayne Mitchem, NCSU Horticulture Science Department
- Dr. Jim Walgenbach, NCSU Entomology Department
- Dr. Steve McCartney, NCSU Horticulture Science Department
- Dr. Mike Parker, NCSU Horticulture Science Department
- Mr. Dennis Chapman, Rain and Hail L.L.C. Claims QC Manager

A workshop was scheduled the following week with the small fruits and vegetables agent to reach the needs of some of the growers that need cash crops to get them through the year. Specialists will be available to address the needs. A report of the Apple Crop as of April 11, 2007 was provided by Marvin Owings, Agriculture Agent as follows:

Henderson County produces over 85% of N.C. annual apple crop. In 2006, we produced 3,326,425 bushels on over 5,000 acres. The gross return in 2006 was \$22,819,276 with a gross unit price of \$6.86 per bushel. This included all fruit sold, from juice to fresh pack.

Henderson County apple growers received some of the coldest spring temperatures since 1955 when the entire apple crop was lost. The Henderson County, N.C. Cooperative Extensive Service Center has three orchard weather stations located in the Dana and Edneyville area. These stations record weather information that is passed along to growers on the DU-EX weather information system to help inform growers about the potential of insect, disease and weather forecast. Over the Easter weekend (Friday, Saturday, Sunday and Monday nights) temperatures were recorded as low as 16°F. Most weather station locations averaged in the upper teens to lower twenties over extended periods of time.

Because of the abnormally warm weather leading up to the Easter weekend all apple varieties were about two weeks ahead of normal full bloom.

Factors that affect the extent of cold damage are:

1. Stages of bloom development
2. Temperature
3. Length of time at a particular temperature
4. How cold the temperature has been immediately before a freeze

Most varieties were in full bloom over the Easter weekend. The critical temperature at full bloom is 25°. On average you can expect 90% bloom kill over a 30 minute period. Because of the extended, very low temperatures, Henderson County is hoping for 5% of a crop.

Some of the packers are making plans to purchase fruit from outside the County to help keep their customers supplied this season. The same is true for the direct markets. One of the Blue Ridge Farm Direct Market growers, David Butler with Sky Top Orchards, said "I will be purchasing fruit outside the county this season to off-set our shorter crop. This will ensure our faithful customers who are looking for Agriculture Entertainment / School Education Programs will continue to get high quality fruit this season."

Bob Williford, President of the Henderson County Chamber of Commerce had stated that the economic impact of a \$22 million crop loss would amount to \$7.5 million direct and \$3.5 million indirect losses, which would equal to an additional \$11 million loss to Henderson County's economy.

The N.C. Cooperation Extension Service along with researchers from the Mountain Horticulture Crops Extension Center, Fletcher, N.C. had provided growers information related to disease, insect and cultural practices on how best to deal with the apple disaster now and in the future.

Commissioner Williams commented that most farmers are already stretched to their limit. He had suggested to Mr. Shuler, in terms of assistance the possibility of low interest rate loans that may provide some help but grants are really needed. If and when the funds become available every measure should be taken to ensure that it happen within this calendar year.

Chairman Moyer stated that one of the most serious issues that the county had wrestled with for years was how to preserve the agriculture/horticulture industry. The only way he feels this can be done is to remain profitable. More farms will be on the market without our support and help. This is a critical part of Henderson County's Industry.

Mental Health Update

Arthur Carder, Executive Director of Western Highlands began with pharmacy issues. He had contacted Qol-Meds, a national company which sets up specialty pharmacies and mental health clinics. They must have a certain volume of business in order to provide services.

Western Highlands has agreed to expand the units of community support that they authorize for state funding consumers through the LME to various providers. If you authorize more units you must deliver them and at a reduced rate. Community support is authorized with a certain number of units (15 minutes of service).

Western Highlands would like to make \$500,000 of LME funds available for loans or grants to get them through the short-term crisis. Their goal is to keep everyone in business until some resolution can be made. Western Highlands is authorizing additional therapy services.

A letter was sent to the Governor requesting the resignation of Secretary Hooker Odom which was supported by County Manager Steve Wyatt. Response was received that she would not be terminated.

In the midst of the crisis a four year audit was conducted which required repayment of over \$200,000 and took monies away from mental health.

Commissioner Young made the motion that the Board of Commissioners authorize the Chairman to write a letter to the Governor stating the need to revamp the mental health staff and terminate Ms. Odom. Commissioner Young also motioned to copy the letter to other North Carolina Counties and the North Carolina Association of County Commissioners asking them to join Henderson County. All voted in favor and the motion carried.

Barking Dogs

Sheriff Rick Davis stated that the current draft is unobtainable. The new revised draft had been submitted to County Attorney Russ Burrell for his review. The District Attorney's office will also receive a copy to confirm if the verbiage is enforceable. Decibel readings must be removed. Calibrated instruments would be required for all officers and are about \$3,000 each and must be yearly calibrated at \$500 each. The County currently owns four. Each officer should be able to issue a citation, if warranted; therefore decibel calibration had been removed from

the draft. Animal control in the new draft can enforce the ordinance also. Once the District Attorney reviews the Draft Noise Ordinance it will be brought before the Board again for recommendations. In the current revision there are no exemptions, however the Board can make changes at their discretion.

Blue Ridge Community College FY 2008 Budget Request

David Whitson stated that the Henderson County Staff had been very accommodating and professional in their approach with BRCC. Mr. Whitson had tried on all accounts to accommodate their requests in asking for information and he felt he had met all their expectations and deadlines. At request of the staff he presented a ten minute discussion on the budget. The County had received a packet of information two months prior to this meeting which included their budget request in very detailed outline of current operating expenditures. There is another packet which includes the capital outlay request which is available to the Board. Mr. Whitson offered to make copies later for the Board. Mr. Whitson presented the budget in two parts. BRCC started their budget process for County funds in the fall of 2006. There are two principles of budgeting. The first principle is participation of staff and involvement. The budget is not developed by one person or two but does involve several staff in the college; in this particular case it is the department heads for those departments that receive County funds. The second principle is zero based budgeting. It is a very similar approach to what the new County Manager has implemented for the County. Mr. Whitson appreciates this and condones Mr. Wyatt for what he has done. The budget, once developed, is presented to the Board of Trustees for review and approval. This was done in January and received full Board support. The budget request was presented to the County Manager in advance of this meeting. The request was presented in two parts; Current Operating Costs and Capital Outlay.

1. Current Operating Costs

BRCC current operating budget requests were only \$158,601.00 or 8.35% more than what it was this year. The largest portion of this increase, if funded, will go for salary increases, new positions, and an increase in medical insurance costs. This increase is approximately \$75,000.00 of the \$158,601.00 increase they are requesting. BRCC currently employs 14.5 employees for their three departments that maintain the campus and grounds. The proposed budget calls for an additional 2.5 positions that would bring their total employees (County paid) to 17. The additional positions and some restructuring of their staff would bring the college closer to industry standards. Mr. Whitson advised that this information is elaborated in the packet. BRCC campus has suffered over the last several years when it comes to cleanliness and maintenance. Help from Henderson County in this area would be very much appreciated. BRCC has projected an average salary increase of 5% for County paid employees. The college tries to match what the State gives to the employees paid with State funds. They feel that it is only fair and the right thing to do and not penalize the County employees with something less than what they give their State paid employees. The next category receiving the most increase would be the area of supplies and materials to maintain the building and grounds. This amounts to a little over \$49,000.00. This area consists of waste removal, custodial supplies, maintenance supplies, equipment repair, ground supply, vehicle repair and maintenance, and building repairs that usually fall below \$5,000.00. It is projected that their utility costs will increase by 3% and they were asking for an increase of a little more than \$16,000.00 in that area. The proposed budget does not call for an increase in the President's salary supplement or allowances. They will continue at the same level. The college has over three hundred and seven square feet to maintain and clean. There are approximately one hundred fifteen acres of land to mow and landscape. They have sixteen acres of parking lot and roadways to maintain. The budget request for BRCC for current operating costs of \$2,058,821.00 is only a small investment in the economic vitality of Henderson County. He feels that it is a very important one. The support of Henderson County is very much appreciated.

2. Capital Outlay

The college is implementing what is called Facility Condition Assessment Program. Mr. Whitson explained this is a very important program that he feels will pay benefits to the college and to the County many years down the road. The Facility Condition Assessment Program (FCAP) for Blue Ridge Community College is a comprehensive survey of the present condition of the college owned buildings, facilities, equipment, and a plan of how to address these deficiencies based on accepted standards and college requirements. Items addressed in the study include facility maintenance needs, educational programs, health and safety, ADA, new construction, renovation – based on college

growth, energy savings, community service needs, environmental requirements, and cost of deferred maintenance. As a matter of structural evaluation, the assessment was broken down into five different categories. A comprehensive analysis was done on all five categories, with each category receiving a rating. This way the college could objectively place a priority on facility improvements. The five categories assessed in every building were as follows:

- Primary structure; foundation systems, columns, exterior walls, floors, roof systems.
- Secondary structure of every building; the ceilings, interior walls, windows, and doors.
- Service systems; cooling, heating, plumbing, electrical, and door systems.
- Safety; ADA compliance, and OSHA requirements.
- Functional standards; assignable space, adaptability, and suitability to their current educational needs.

The FCAP process includes an annual room by room survey of each building, inspection of outdoor facilities and grounds, and an inspection of each major piece of BRCC's equipment. Estimated costs for new construction, repairs, and replacements are assigned. A preliminary report is received by the college management team and priorities are assigned. First year costs are useful for preparing the annual budget for the FCAP will cover a five year period. This was implemented this fall and the assessment was done, costs were assigned, and they developed a five year period. This replaces the old master facility plan used previously but incorporates a lot more of the deficiencies they currently have in the build of the deferred maintenance. BRCC has over 307,000 square feet of buildings at the replacement value of over \$51,000,000.00. This is a sizable investment by Henderson County and the State of North Carolina. Forty percent of their buildings are over 30 years old and another forty-seven percent are from 10-30 years old. Sixty-seven percent of their buildings require some renovation or remodeling of some sort to bring them up to safety standards or educational needs. The two areas of greatest needs are the functional standard and safety standards. BRCC has buildings that are outdated when it comes to safety and they do not meet their needs. These two areas represent eighty percent of the cost. In total their capital needs exceed \$48,000,000.00. A comprehensive list has been given and is part of the packet Mr. Whitson shared with the County Manager that outlines in detail every dollar; to fixing a roof in a particular building. BRCC has a manual for each building and Mr. Whitson brought a sample of one of buildings. This had not been shared with the County Manager. The manual includes a survey of each building and outlines each item presented in the budget and is available for review. The capital outlay request to the Board for next year funding is a little over \$4,000,000.00. This funding will begin a five year plan and would bring all of BRCC's facilities up to education standards and safety standards. Mr. Whitson provided the Board with three pages of brief summary.

Chairman Moyer asked Mr. Whitson for information regarding the leak in the lake and what the NCDOT was doing to help (referred to newspaper article).

Mr. Whitson replied that BRCC had spent the last several months trying to rectify the problem. They had been working with an engineer to come up with plans that met NCDENR requirements, which takes considerable time. They had submitted a plan to NCDENR early January that was rejected and had to go back to the drawing board with another type of system. NCDENR had verbally approved this plan and BRCC is awaiting final approval. He had hoped to begin the project by mid-March, but it did not materialize. BRCC met with NCDOT last week and they hope to bring this to a resolution shortly. Hopefully it will not cost the County any money, or very little money to fix the problem.

County Manager Steve Wyatt informed the Board that they would have copies of the complete request in their mailboxes that day. Mr. Whitson had provided this information to his office several weeks before and they were in the process of doing budget analysis. There had been a high level of interest on behalf of the Board of Commissioners as to what was in the budget. Mr. Wyatt had given the request to Darlene Burgess, who would be doing the analysis, and had asked her to trail every dollar in the budget request and also do comparative analysis based on other factors. On May 6th when the budget proposal is received it will include a section that provides the detail analysis that the Board desired.

Commissioner McGrady questioned the \$2 million land purchase included in the budget request.

Mr. Whitson responded that this item was in the original facility master plan and would be to purchase the land adjacent to the college that they believe is available for future growth.

Commissioner McGrady verified with Mr. Whitson that the total capital needs of the college were roughly \$48 million and that the County would be responsible for approximately \$4 million of those needs. He derived that the full plan must have some much bigger numbers after year one to address the total needs, given the fact that the County was only picking up about 10% of the number in the first year.

Mr. Whitson expressed that this was a good point and insightful. There would be additional large projects in the forty-eight million dollars that would require special funding. Mr. Whitson stated that he and the County Manager had discussed that the five year plan would contain major projects in excess of three-hundred thousand dollars and these items would require special financing and funding and not on annual capital basis.

Commissioner McGrady asked County Manager Steve Wyatt how this budget compared to what BRCC had provided at the capital planning retreat in January.

Mr. Wyatt responded that based on the Board's decision at the January meeting none of these items were included in the first phase of CIP 2007-20011. The Board decided at the planning session that the capital plans, as far as the County Board was concerned, were for the existing debt service which included the under-construction technology center. The top issue communicated by President Sink was the physical fitness center and the Board discussed it and said no.

Commissioner Young asked if the \$61 thousand dollars had been refunded to the County.

Chairman Moyer responded that the repayment situation had not been resolved.

Commissioner Williams asked what happened to the funds received for the property sold by BRCC near Allen Road for the Eagle Pointe Subdivision and if these funds were available to purchase the additional land.

Chairman Moyer and Commissioner Young stated this was an option to sell and had not been resolved.

Commissioner Young asked if a search committee had been established to locate a replacement for Dr. Sink.

Mr. Whitson confirmed that a committee had been established and the processing is underway.

RECESS

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

Benefits Plan

Jan Prichard presented a proposal for the employee benefit plan for the upcoming fiscal year. She introduced Mark Browder, Blair Bennett and Jon Manfull, members of the benefits team of Mark III Brokerage and Tom Revels, President of Informed Health. Members of the Employee Benefits Team are Chairperson and Director of Public Health Tom Bridges, Director of Elections Beverly Cunningham, Director of Building Services Sam Laughter, Human Resources Director Jan Prichard and from the Sheriff's Department Major Eddie Watkins. The charge of the team was to identify what is important in a health benefit plan and make recommendations for maintaining competitive, affordable, and sustainable benefits. They had reviewed other benefit plans in our market, conducted employee interest surveys regarding health management initiatives and explored opportunities available in the community, through BCBSNC, and other emerging resources. They also consulted with various agencies and associates, including Mark III Brokerage, Henderson County's benefit consultant and examined other agencies' initiatives regarding cost containment.

The Benefits Team found that Henderson County is overall in the mid-range with its benefits package in comparable markets. The most effective strategy to remain competitive in employee benefits is to first address employee health care costs. Most employees are ready to change their health habits (i.e., eating, exercise).

2007-2011 Strategic Plan

Assistant County Manager Selena Coffey presented the proposed 2007-1022 Strategic Plan which is an attachment to this set of minutes. Staff requested the Board's approval at the May 7, 2007 with any changes they see necessary. The Board will review the proposal and discuss any changes and make direction at the May 7, 2007 meeting.

Capital Improvements Plan

Finance Director J. Carey McLelland presented a proposed Capital Improvements Plan (CIP) which is an attachment to this set of minutes for fiscal years 2008-2011 for the Board's review and possible revision which will become an integral part of the proposed budget for FY 2008. Handouts were distributed to the Board for review.

FY 2008 Expenditures

Mr. McLelland stated that Sugarloaf School will not be completed in 2007. It will be completed FY 2008. The Sugarloaf Road Elementary FF&E monies are in capital. He proposed that the funds be transferred to the school capital projects fund to be available for FF&E as needed. It will be designated project money for the school.

County Manager Steve Wyatt reiterated that in the previous year's budget message and throughout the process of dealing with this issue it had been very clear that this was "one-time" money and that it was not money that was on-going and being added to base.

In regards to the Mills River/Hillandale 2008 COPS the \$2,063,375 is a portion of the total \$2.6 million project. Long term debt financing requires two semi-annual payments. One payment is made in December and the other in June. The payment in December is interest only and the payment in June is principal only. If these schools are financed in the latter part of FY 2007 the interest payment would not be made before the end of the calendar year. There would only be a principal/interest payment in the spring of FY 2008. Next year's debt for Mills River/Hillandale will go up approximately six hundred thousand dollars.

The \$10,000 for Parks and Recreation Needs Assessment is a place setting in case consultation money is needed. It is not a capital item, just money set aside.

Commissioner Williams asked Mr. McLelland if monies were still expected from the 6th Ave. Clubhouse.

Mr. McLelland responded that the County was expecting approximately \$216,000 this year that could be applied toward principal on the loan or paid toward debt service.

FY 2009 Expenditures

The projected debt service for additional classrooms at North Henderson High, Apple Valley, Etowah and Edneyville Elementary School is \$9.9 million.

The Law Enforcement Center – Planning and Design was plugged in at about 8% of a \$9 million cost at \$720,000. The Parks and Recreation Implementation are unknown until the plan is complete.

Chairman Moyer questioned why the budget did not include expansion of the detention center.

Mr. McLelland replied that it was listed in the back of his presentation and it could be changed and moved up to a closer date.

County Manager requested that Mr. McLelland get a line item detail for vehicle expenditures to warrant the decrease in FY 2011 expenditures.

Capital Reserve Fund

	FY 2008	
Sale of Land Development Building (sold)		\$1,340,000
Sale of Health Department Building (appraised value)		1,457,000
FY 2007 Projected General Fund Excess Reserves		<u>1,600,000</u>
	Total	\$4,397,000

Capital Projects List

	FY 2012 – FY 2015	
New School Bus Garage		\$3,500,000
Atkinson Elementary		1,500,000
Glenn Marlowe Elementary		2,800,000
Upward Elementary		2,500,000
Bruce Drysdale Elementary		2,500,000
Hendersonville Elementary		2,750,000
New Middle School		18,000,000
Central Services Garage		3,500,000
Detention Center Expansion		10,500,000
E911 Communication Center equipment		1,900,000
Cane Creek Sewer (Phase II)		2,000,000
Mud Creek (Phase III)		<u>2,300,000</u>
	Total	\$53,750,000

Capital Projects List

	FY 2016- FY 2019	
New High School		\$42,000,000
3 rd Solid Waster Transfer Station		2,000,000
Voting Equipment		<u>2,000,000</u>
	Total	\$46,000,000

RECESS

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

Henderson County Public Schools FY 2008 Budget Request

Chairman of the Henderson County Board of Education Ervin Bazzle presented the Public School's budget request for FY 2007-2011 for review and a copy will be attached to this set of minutes.

Chairman Bazzle stated that the current expense budget for the prior year did not pay for uncontrollable expenses and therefore the supplement which had previously been given to teachers for supplies was cut. This will not come back in until they have the funds available. Approximately four years ago the Board of Education began a phase-in process of providing a supplement to the teachers to buy supplies for their classroom because the teachers were spending money out of their own pockets to buy the supplies. The Board of Education started a small supplement of \$200 in elementary and expanded it to other levels. The total amount being paid out was over \$167,000.00. This has now gone away. This was not a slush fund for the system; it was for payment of items for which they have no control. They have to be funded from somewhere. There are no funds left. If the Board is not funded at that level they will let people go. These are essential personnel. This pertains to approximately 4% of the current budget. The other 3% is all linked to personnel; personnel which directly affects the classroom such as specialty teachers, teachers assistants, technicians and technicians from the technology area. The total amount they are asking in the current expense is \$18,951,648 which is a 7.04% increase from the prior year. No teacher supplement increases were included, however, they would like this to be considered if additional funds become available.

Chairman Moyer stated that the Board of Commissioners needed to move toward the request made. If they tried to figure out which items the County was going to fund it would put a tremendous burden on them. The Board of Commissioners will work toward the \$18,951,648 figure recognizing the uncontrollable and leave it to the School Board to determine how they will handle their needs with the amount received from the County.

Chairman Moyer asked Chairman Bazzle how much of the increased hospitalization and benefit costs were reflected in the uncontrollable.

Chairman Bazzle responded that all of the increased hospitalization and benefits costs were included in the figure.

Etowah Sewer Company – Remission of tax penalties for discovered property

This item was removed from the agenda.

Update on Pending Issues

Airport Authority

Chairman Moyer stated that he and Commissioner McGrady had met with representatives of the Airport Authority, Buncombe County, and the City of Asheville and gained more detail with respect to Governments and how they could move forward and now Henderson County could become involved. There was general agreement on most of the issues with respect to Governments and the importance of Henderson County becoming involved. The issue that was not resolved is that there were some feelings expressed by those in attendance that since the City of Asheville, over the years, put in land and had liabilities and responsibilities and because Buncombe County had floated bonds several years with \$2 million dollars of those outstanding, to get a seat at the table Henderson County should make some kind of payment that would balance out things that Buncombe County and the City of Asheville had done. Several suggestions were put on the table, one being that Henderson County would make a payment to the City of Asheville and Buncombe County in the amount of \$1 million dollars each year for several years. There will be future meetings held in order to resolve this issue. It must be resolved by May 1, 2007 in at least broad general terms. Henderson County Board of Commissioners is trying to merge the issues under the water agreement along with the issue with the Airport Authority to see if they can come to an overall resolution of all issues involved.

DISCUSSION ITEMS - CONTINUED

Sales Tax Distribution

Chairman Moyer stated that a meeting had been held the prior day with all Mayors and that Fletcher had asked to be on the agenda with respect to the agreement and sales tax distribution. Fletcher had sent a letter requesting to opt out of the agreement. The agreement provides a date of March 1 to opt out and obviously they did not meet the deadline. At the meeting Fletcher had made it very clear that they wanted out and did not feel it was fair and appropriate to Fletcher in that as sales tax grew they did not get all the growth. Chairman Moyer felt that what Fletcher would like is to continue as per capita and all the other municipalities would operate in accordance with the agreement and therefore Fletcher would get their growth. This is not an acceptable approach and was not acceptable to the other municipalities either. Chairman Moyer stated they had had the option to opt out and did not, so therefore, the agreement stays in effect and if not honored would have to be dealt with. The ability to switch from per capita to ad valorem is available until April 30 and is not an easy process because all of the other municipalities had already agreed to the allocation of monies. He had informed them at the meeting that if Fletcher decided to opt out the other municipality agreements would be honored with the exception of Fletcher who had elected to opt out of the agreement. If they switched to ad valorem and Fletcher was out of the agreement it would cost Fletcher over \$200,000. All municipalities have to be either per capita or ad valorem. Chairman Moyer suggested that all municipalities choose ad valorem and continue to honor the previous agreement and basically treat everyone else as if they were on per capita. This is an alternative to reminding Fletcher they didn't opt out in time and must honor the agreement.

Commissioner Young made the motion to accept Fletcher's letter for FY 2008 but not allow them to opt out for 2007. All voted in favor and the motion carried.

STAFF REPORTS

County Attorney's Report

There was nothing further at this time.

County Manager's Report

Steve Wyatt stated that collection of debris needed to be discussed and called Gary Tweed to the podium.

County Engineer Gary Tweed reported that on one occasion in the past after an ice storm the Commissioners had waived fees for residential customers only for a period of approximately two weeks. The cost to the County when dealing with wood and brush stems from grinding the material into mulch. If the service is contracted out the cost is approximately \$20 per ton to have the material ground into mulch. Over a two week period he estimated approximately five hundred tons of material at a cost of \$10-20 thousand to the program. Henderson County's program is an enterprise fund and is not supported by the tax base so therefore the tip fees that others are paying would cover this cost. This mulch is available to Henderson County resident's free of charge.

Commissioner Young made the motion that the tipping fee be waived for storm debris for residential customers for a period of 2 weeks; with no stumps or building material being accepted. All voted in favor and the motion carried.

County Manager Steve Wyatt reminded the Board that in regards to the Land Development Code (LDC) discussions would need to be held on how to proceed.

IMPORTANT DATES

Set Public Hearing on 2005 Community Development Block Grant Amendment

Commissioner McGrady made the motion that the Board schedule a public hearing for the CDBG grant amendment for Wednesday, May 16, 2007, at 11:00 A.M. All voted in favor and the motion carried.

Chairman Moyer suggested that in regards to the LDC the Board schedule a workshop for Tuesday, April 24, 2007, at 7:00 P.M. to discuss public input and possible changes prior to the public hearing.

Chairman Moyer made the motion that the Board schedule a workshop at 7:00 P.M. on Tuesday, April 24, 2007 on the Land Development Code. All voted in favor and the motion carried.

CANE CREEK WATER & SEWER DISTRICT - no business

CLOSED SESSION

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

1. (a)(6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions or initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or to investigate a complaint, charge, or grievance by or against an individual public officer or employee.

All voted in favor and the motion carried

Commissioner McGrady made the motion for the Board to go out of closed session. All voted in favor and the motion carried.

ADJOURN

Commissioner McGrady made the motion to adjourn. All voted in favor and the motion carried.

Attest:

Deputy Clerk to the Board Terry Wilson

Chairman William L. Moyer