

**DRAFT**

**MINUTES**

**STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS  
MAY 15, 2007**

The Henderson County Board of Commissioners met for a special called meeting at 6:00 p.m. in the Commissioners' Conference Room of the Henderson County Office Building.

Those present were: Chairman Bill Moyer, Vice-Chairman Charlie Messer, Commissioner Larry Young, Commissioner Chuck McGrady, 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: Research/Grants Coordinator Amy Brantley; Secretary to the Fire Marshal Cathy Justus, Personnel Director Jan Pritchard, Sheriff Rick Davis, Human Resource Analyst Mary Alice Jackson, Finance Director J. Carey McLelland, Internal Auditor Darlene Burgess, and Tax Assessor Stan Duncan.

**CALL TO ORDER/WELCOME**

Chairman Moyer called the meeting to order and welcomed all in attendance, stating that the purpose of this meeting is budget and budget related issues workshop.

**TAX VALUATION**

Stan Duncan explained that the Tax Base is comprised of:

1. Real Property – land and improvements (structures permanently attached), including some manufactured housing.
2. Motor Vehicles – licensed (tagged) vehicles.
3. Personal Property – business machinery & equipment, aircraft & watercraft, untagged motor vehicles, and manufactured homes not meeting the real property test.
4. Public Service Companies – public utilities and other regulated companies.

He reviewed numbers with the Commissioners, explaining that:

Anticipated Tax Base Gain is \$2,726,946,547, greater than 2006 and  
Anticipated Revenue Gain is \$4,592,248, greater than 2006.

He reviewed a whole Powerpoint presentation with the Board, explaining that he projected a loss in revenues in personal property, both general retail and industrial as well as a projected loss in revenue in public service companies. He also projected a revenue loss of \$367,344 in registered motor vehicles. In summary registered motor vehicles, personal property, and public utilities will contribute less in 2007 than in 2006 to the actual levy billed (revenues). Real property will make up the loss (+\$4,592,248) and because of the total aggregate increase in the real property component from 2006 to 2007, will contribute more in 2007 than in 2006 to the actual levy billed (revenues). Mr. Duncan stated this is the shift that happens every reappraisal year in every county in the State.

Stan Duncan further explained that every reappraisal year is the year of the greatest tax equity within the system. He mentioned numerous pending House Bills and Senate Bills and how they could affect our tax numbers, stating that many of them are impossible for him to measure what the effect would be for us

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

locally.

In summary, Stan Duncan reminded the Board:

- Tax Base Projections will be made on the basis of the best information available.
- The growth in real property will be partially offset by the decline in other property.
- Most owners of personal property will pay less tax in 2007 than in 2006.
- 2007 represents the most equitable tax year.
- Tax Base Projections may be adversely affected by:
  1. Pending appeals of reappraisal valuations.
  2. Additional applications for PUV and Elderly Exclusion – 30 days after a Change in Value Notice (PUV), June 1<sup>st</sup> (Elderly).
  3. Pending legislation.

Current and Final Tax Base Projections will continue to reflect the “reappraisal year shift” common in most reappraisal years.

### **Revenue Neutral Tax Rate**

Darlene Burgess also referred to a Power Point presentation she had prepared (attached as part of these minutes). Her figures again stressed that real property value was increasing while personal property, registered motor vehicles and public service were decreasing in value. Total growth from FY 2006-07 to FY 2007-08 was 3.58%.

Commissioner Williams wanted to be sure to emphasize that in most cases property owners will actually see an increase in the dollar amount taxes that an individual will pay.

### **BENEFITS PLAN**

Jan Pritchard referred to a Power Point presentation entitled “Medical Benefits Plan Design Changes”. Several weeks ago she had addressed the Board and given an overview of what was happening with our benefits plan. Our Benefits Plan is escalating to the point that if we do not do something about it, it will become unaffordable. There are several things that can be done to control those costs, one of which was a recommendation to the Board to put in a Wellness Plan which the Board approved. The other piece of control is benefit plan design. The Power Point was a brief summary of some of the recommended benefit plan changes that staff would like to put into effect in order to achieve the goal of lessening the county cost increase at just 8% rather than the predicted 16%. Ms. Pritchard reviewed the suggested benefit plan changes with the Board. The Power Point presentation is included as part of these minutes. These medical benefits plan design changes represent an estimated savings to the current plan of \$473,633. Staff has put this plan together to prevent having to ask the Board to raise taxes to pay for the benefit plan.

Chairman Moyer stated that the Board approved the Wellness Plan already. *Commissioner Larry Young made the motion that the Board accept the Medical Benefits Plan as presented to go along with the Wellness Program. All voted in favor and the motion carried.*

Selena Coffey explained that Open Enrollment will be happening soon. Staff will begin that Open Enrollment for the Board before the June 4 meeting. Jan Pritchard explained that the benefits have to be ready to be in effect July 1.

### **STRATEGIC PLAN ISSUES**

Selena Coffey reviewed a Power Point presentation with the Board entitled “2007-2011 Strategic Plan”

explaining that the Guiding Principles are:

- To review all County billing procedures and internal controls annually.
- To comply with Debt Issuance Policy established by the Board of Commissioners.
- To comply with Fund Balance Policy by maintaining a 12% undesignated fund balance.
- To continue the implementation of the 2020 County Comprehensive Plan, conducting an annual review to ensure compliance.
- To encourage “green” building and energy efficient construction and promote the use of sustainable and renewable energy sources.
- To budget funds annually for economic development initiatives and support the Lockwood Greene recommendations.

She also reviewed the Goals:

1. To enhance public trust and confidence in County government through sound policy-making and implementation, professional management, and active citizen participation.
2. To responsibly manage growth and its impacts.
3. To enhance the quality of life for all County citizens through improved access to health care, children’s services, human services, public safety, and cultural and recreational resources.
4. To protect and preserve the County’s historic and natural resources.
5. To responsibly plan for the County’s educational facility needs.
6. To help create a business climate that promotes a growing and diversified economy.

Ms. Coffey then reviewed the FY 2008 Strategies & Resources:

Limit budgetary growth	no new \$
Zero-based budgeting	no new \$
Cost recovery policy development	no new \$
Schools and community college funding formula	no new \$
Energy conservation policy development	no new \$
Enhanced civic education programming	\$10,000
CIP Phase I (Tuxedo & Edneyville)	\$700,000
Land Development Code implementation	no new \$
Small area planning	no new \$
Parks master plan development	\$10,000
Minimum Housing Code development	no new \$
EMS service level action planning	no new \$
Spay-Neuter Program implementation	no new \$
Animal Shelter Volunteer Program implementation	no new \$
United Agenda for Children support (revised)	\$25,000
Sedimentation Ordinance enforcement	\$180,000
Stormwater management program	\$10,000
Watershed coordination (net amount)	\$20,000
Inventory of historic sites	\$5,000
Solid waste management plan	\$20,000
Hillandale/Mills River schools construction (debt)	\$2,148,875
Community Services Study (new)	\$500/study
E-911 Reorganization Study (new)	\$15,000

Ms. Coffey directed attention to the items that would require additional county dollars:

Enhanced civic education programming - \$10,000. This will include some programming on HCTV #11 and will generally improve our public education programs.

CIP Phase I - \$700,000. This includes \$400,000 for Tuxedo Park. There has not been any action on that although the Board has worked on this a good deal over the last year or year and a half. There is also \$300,000 PARTF match, started this year with the Edneyville project, which will cover the remaining match for that grant.

Parks Master Plan Development - \$10,000. The Recreation Department has already begun the process of developing an outline for the Master Planning process. That will include some public input, as well as the Recreation Advisory Board having a lot of input into the process.

Ms. Coffey also briefly explained the other areas where additional county funding is necessary:

Sedimentation Ordinance Enforcement	\$180,000
Stormwater Management Program	\$10,000
Inventory of historic sites	\$5,000
Solid Waste Management Plan	\$20,000
Hillandale/Mills River schools construction (debt)	\$2,148,875

Ms. Coffey explained that the following are areas that we've heard about since April 18 but the Board may want to discuss and put on the agenda for discussion regarding the Strategic Plan:

United Agenda for Children support (revised)	\$25,000
Watershed coordination (net amount)	\$20,000
Community Services Study (new)	\$500 per study
E-911 Reorganization Study (new)	\$15,000
Agriculture Project	\$50,000

Selena Coffey stated that this was not all-inclusive. The Commissioners might have issues they'd like to add to the list.

Chairman Moyer felt that two issues needed to be added. One doesn't take any money but still needs to be added to the Strategic Plan – "Enhance the quality of life for all county citizens, to improve access to health care, children's services" – he wanted to add the elderly and aging citizen services to goal 3. As #2 Chairman Moyer said that the Board touched on this in the guiding principals but we need to have something more specific. He felt we need to take a step to implement it – to promote energy efficiency and the use of sustainable and renewable energy sources. He offered the objective – to develop and implement an energy efficient study for all our county facilities. He suggested \$2,000.00 for a complete study. Maybe we could implement it in next year's budget. He suggested that this might be one of the first steps in handling global warming.

The Board felt it was important to discuss and take action on these items at this time.

**Enhanced Civic Education Programming** – *Chairman Moyer made the motion for the Board to approve the \$10,000 for this item. All voted in favor and the motion carried.*

**CIP Phase I (Tuxedo & Edneyville)** – *Commissioner Williams made the motion to approve \$300,000*

*for the PARTF grant for the Edneyville Park project be carried over. All voted in favor and the motion carried. The Board will discuss the Tuxedo park and library at a later date.*

**Parks Master Plan development** – *Commissioner Messer made the motion to approve the \$10,000 for this. All voted in favor and the motion carried.*

**United Agenda for Children** - Chairman Moyer stated that the bulk of this money will be used at the early stages with respect to engaging some experts in the area to help produce a demographically accurate group from the community that will give them a good and accurate representation of what the county feels they need as far as children's services. They will work towards having a children's summit where all these groups come together to try to fill all the needs of children in Henderson County.

Commissioner McGrady stated that they also hope to go to the municipalities and seek their support. The United Agenda for Children has gotten pretty broad participation within the community. The summit will result in a report immediately to the community.

*Commissioner Young made the motion to approve \$25,000 for United Agenda for Children.*

Commissioner McGrady felt that he should abstain from voting on this one since it is a direct grant to an organization which he is heavily involved in. He requested to be recused. The consensus of the Board was to recuse Commissioner McGrady. Following discussion, *Commissioner Young added to the motion that the municipalities support this effort in a like amount. A vote was taken and the motion carried four to zero.*

#### **Sedimentation and Ordinance Enforcement**

Approved by consensus, \$180,000.

#### **Stormwater Management Program**

It was the consensus of the Board to approve the \$10,000 for this program. The Board will further discuss this issue at a meeting tomorrow.

#### **Watershed Coordination**

Following some discussion, *Commissioner McGrady made the motion to approve \$20,000 for this. All voted in favor and the motion carried.*

#### **Inventory of Historic Sites**

The Board approved the \$5,000 for this by consensus.

#### **Solid Waste Management Plan**

Approval by consensus, \$20,000.

#### **Hillandale/Mills River Schools Construction**

Discussion.

#### **Community Services Study**

Chairman Moyer made the motion to approve \$500 for this item in the Strategic Plan. All voted in favor and the motion carried.

#### **E-911 Reorganization Study**

*Commissioner Young made the motion to approve \$15,000 for this study. All voted in favor and the*

*motion carried.*

**Agriculture Project – Farmland Preservation**

*Commissioner Williams made the motion to approve \$50,000 for these agriculture purposes in this year's budget. All voted in favor and the motion carried.*

Chairman Moyer added two items as follows:

**Goal 3 – Children's Services, Elderly, and Aging Citizen Services**

There is no price tag association with this. Chairman Moyer felt this should be part of our Strategic Plan. *Commissioner McGrady made the motion to add the language as suggested to the Strategic Plan. All voted in favor and the motion carried.*

**Promote Energy Efficiency Study**

*Commissioner McGrady made the motion to approve \$2,000 for this study plus the language discussed earlier. All voted in favor and the motion carried.*

By consensus the Board approved other issues on the list that had money tied to them, other than the Tuxedo Park/Library project.

**CAPITAL IMPROVEMENT PLAN ISSUES**

Carey McLelland updated the Board on the Capital Improvement Plan (CIP). On slide one of the Power Point presentation there was a change on the FY2008 Expenditures for Public Schools. Debt service was added for Dana Phase II. The only thing that might change in the General Government category is the \$700,000 for the Tuxedo/Edneyville Parks. The Board approved \$300,000 tonight and will deliberate on the remaining \$400,000.

\$15,732,308 is in the County Manager's proposed budget for next year.

On slide 2 – FY2008 Revenues. There were no changes except the small amount for public schools.

FY2009 Expenditures. Blue Ridge Community College numbers stay the same. The only change on the public schools piece is that previously there was 2009 classroom additions here and the information received from the schools moved those classroom additions out another year, to 2010. The 2000 COPs issue will increase by \$650,000 over the previous year. The total is \$15,660,262. General Government numbers stayed the same.

FY2010 Expenditures. Blue Ridge Community College numbers remain the same. Public Schools – added the classroom additions based on the latest information from the school system, additions for North Henderson High, Apple Valley, Etowah, Edneyville, and Upward Elementary School. On General Government – Vehicle numbers changed. He rolled back in the debt service he had left out for vehicles.

Following discussion, it was suggested that the Board approve the coming fiscal year but then have the planning documents for future years (forecast). In January the Board will plan to do a formal assessment and make any necessary changes in those future year forecasts.

Chairman Moyer asked for a motion to approve the Capital Improvement Plan for 2008, revenues and expenditures. *Commissioner Young made the motion to approve the CIP for 2008, revenues and*

*expenditures, with additional discussion needed on the Tuxedo project. All voted in favor and the motion carried.*

**Recess**

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

**SHERIFF DEPARTMENT ISSUES**

Sheriff Rick Davis updated the Board on the Agency Profile as follows:

- 133 Full-time employees
- 47 Park-time employees
- Provides law enforcement coverage for approximately 374 square miles in Henderson County
- Provides law enforcement coverage for approximately 97,217 people living in Henderson County.
- A fiscal year 2006 – 2007 operating budget of \$10,556,307.

Sheriff Davis stated that he genuinely believes that they can work smarter financially while offering a strong and effective service to the citizens of Henderson County, without asking for continual increases.

Sheriff Davis stated that in the upcoming fiscal year the Sheriff's Office will continue to focus on community interaction, response time, efficiency and an overall effectiveness that will allow them to serve the people of Henderson County, to the best of their abilities. He is proud to present this \$10,806,904 annual budget, which will help them accomplish all of these goals. He is also proud to announce that their proposed budget falls under the 3.5% growth ceiling placed on all county departments and their budgets by the Board of Commissioners.

Sheriff Davis stated that the FY 2007-2008 is a \$10,798,904 budget, which is an increase of 2.30% when compared to the FY 2006-2007 operating budget.

What does this budget accomplish:

- Full support and payment of the proposed County Employee Compensation Plan.
- Full assumption of the one traffic project position provided in the FY 2006-2007 operating budget through a grant from the North Carolina Governor's Highway Safety Program.\
- Complete financial responsibility for D.A.R.E. Camp – an extra summer opportunity to help educate the youth of Henderson County about the positive aspects of staying away from drugs and alcohol.
- An 18.4% increase in the Drug Enforcement Program line item.
- An 18.2% increase to cover the costs of operating the helicopter which provides essential support for drug searches and missing person searches.
- Continuation of the commitment to Henderson County Crime\$toppers.
- Creation of a line item to support the Henderson County Explorers Program.
- Expansion of the E911 Center and the addition of two new consoles, without tapping into the 911 Fund.
- Provide Mobile Data Terminals (MDTs) in every patrol car.
- Provide wireless Internet in each patrol car.
- Provide the software and upgrades to create a "real-time" reporting system to accurately track crime statistics and data throughout Henderson County.

- Provide all necessary tools to allow the implementation of E-Citation.
- Provide 10 marked, new patrol cars.

**Law Enforcement Center:**

Sheriff Davis stated that we definitely need a Law Enforcement Center. He stated that the Sheriff's Office currently occupies six different buildings. He stated it makes sense to build a law enforcement center in Henderson County. In the long run the tax payers will save and it makes "doing business" with the Sheriff's Office faster and more efficient. Sheriff Davis encouraged the Board of Commissioners to thoughtfully consider the construction of a Law Enforcement Center as part of the overall countywide Capital Improvement Plan. He is strongly opposed to any tax increase simply because of the construction costs associated with a Law Enforcement Center. He looks forward to a lively discussion on this issue.

Sheriff Davis stated that the Detention Center is one of the few areas where the Sheriff's Office can generate revenue. He recognized Captain Greg Cochran, who briefed the Board regarding the Detention Center. Agency Profile:

- 47 Full time employees
- 7 Part time employees
- Provides law enforcement coverage for approximately 374 square miles in Henderson County
- Provides law enforcement coverage for approximately 97,217 people living in Henderson County.
- A fiscal year 2006 – 2007 operating budget of \$3,643,456.

Cpt. Cochran stated that it is real important to him to spend the tax payers' dollars wisely as well as concentrating on the Detention Center being safe for all that come in contact with it. He plans to do this while keeping the budget under the 3.5% growth allowed.

The 287(g) Program is a program where our Detention Officers are trained by Immigrations and Customs Enforcement to be Immigrations Agents on the local level. This will allow our deputies to run the name and fingerprints of a suspected illegal alien through a dedicated database. If the alien is deemed illegal, the deportation process can be started in Henderson County. Initially, 8-10 officers within the Detention Center will be trained. They are committed to using existing staff to meet this need at this point. As the need expands they hope to match that need with an increase in personnel in the Detention Center. A rate is negotiated between the Henderson County Sheriff's Office and the United States Marshall's Service. Any funds generated by the 287(g) Program will be placed in an Enterprise Fund, which will allow the Sheriff's Office and Detention Center to pay for any needed personnel additions as well as possible expansion. They are currently completing a field survey, which is part of a feasibility study conducted by the Department of Homeland Security and Immigrations and Customs Enforcement. They hope to complete the training in early fall and have the program running by October 1.

Cpt. Cochran spoke of the need for increased security in the Courthouse. They will use any available funds to add security cameras and recording capabilities within the Courthouse complex. He spoke to the issue of security in the detention center, explaining what they currently have.

**Narcotics Team:**

Sheriff Davis updated the Board with the following:

- 7-member Narcotics Team.
- The Sheriff's Office is a member of the regional Drug Enforcement Administration (DEA) Task Force.



- Between January 1, 2006 and December 31, 2006 the Narcotics Team closed 327 drug related cases in Henderson County.
- In 2006, the Sheriff's Office Narcotics Team seized \$5,875,058.28 in drugs, money and assets related to cases in Henderson County.
- Since 1996; 3,224 cases have been opened; 2,990 arrests have been made and \$25,012,889.28 in drugs, money and assets have been seized.
- A certain percentage of all funds and assets seized return to Henderson County and are placed in the Federal Drug Seizure fund or the State Drug Seizure Fund; these funds are used to combat drug activity throughout Henderson County.

**Gang Activity:**

- Approximately 5 confirmed groups throughout Henderson County.
- Approximately 200 – 235 members within these groups.
- Activities of violence include: assaults with firearms, physical altercations and narcotics trafficking.
- Gang members range in age from 14 to their mid-30s.
- Only recipient west of Statesville to receive a Gang Enforcement Grant from the North Carolina Governor's Highway Safety Program.
- One Gang Enforcement Officer (Sergeant Doug Hill).
- One Latino Outreach Coordinator (TBD, Beginning July 1).
- The Henderson County Sheriff's Office is responsible for all matters related to the Henderson County Gang Prevention Task Force (community members, community leaders and government officials). The first meeting was held in April and the next is scheduled for late May.
- Community presentations, community education and awareness, gathering gang intelligence, as well as graffiti removal are all components of the Gang Prevention plan at the Henderson County Sheriff's Office.

**Fire Tax Districts**

Chairman Moyer had distributed a hand out on this topic for the Board's review and consideration. He stated that the Board needs to decide which of the Fire Departments they want to take a look at. With many of them the Board will have to schedule some additional time and meetings. The hand-out lists the current rates, the requested rates, and the recommendations. He asked the Commissioners to review the hand-out and be ready for discussion at tomorrow's budget meeting.

**ADJOURNMENT**

Chairman Moyer made the motion to adjourn the meeting. 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