

**DRAFT MINUTES**

**STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS  
FEBRUARY 18, 2009**

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

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, Attorney Russ Burrell and Clerk to the Board Elizabeth W. Corn.

Also present were: Deputy Clerk to the Board Teresa L. Wilson, Auxiliary Business Manager Bill Blalock, Sheriff Rick Davis, Captain Greg Cochran, Public Information Officer Pam Brice, Finance Director J. Carey McLelland, Research/Budget Analyst Amy Brantley, and Engineering Director Marcus Jones.

**CALL TO ORDER/WELCOME**

Chairman Moyer called the meeting to order and welcomed all in attendance. The purpose of the meeting is a Capital Planning Workshop in order to cover all aspects of our capital planning; the revenues sources that we will have available, state issues with respect to available funds, discussion of building and properties owned and leased, and the list of capital projects for the County, public schools and the community college. In regards to the stimulus package, we need to be available and ready to move quickly with “shovel ready” projects as soon as we get the word.

County Manager Steve Wyatt stated that this meeting was called in order to have in depth discussion. There is also an action agenda item (refinancing) which is an opportunity that was discussed previously. Mr. Wyatt identified a long list of issues, specific capital items that were either discussed or mentioned as items of interest in the January retreat. Cane Creek Water and Sewer has been added as an addition as it is the Board’s responsibility.

County Finance Director Carey McLelland provided an overview of the following information.

**CAPITAL PLANNING WORKSHOP**

**Debt Service Schedules**

- Debt Service Ratio to Policy
- Outstanding Debt Principal – Education
- Outstanding Debt Principal – County
- Retiring Debt Service – Education
- Retiring Debt Service – County

**Debt Service – Ratio to Policy**

- Actual outstanding debt (\$117,939,042) is 0.91% of total FY 2009 assessed tax value – Board Policy maximum is 3.0%
- Actual debt service payments are 13.38% of FY 2009 General Fund budgeted expenditures – Board Policy maximum is 15%.
- 

**Outstanding Debt Principal – Education**

| HC Public Schools  | <b>6.30.2009</b> | <b>6.30.2010</b> | <b>6.30.2011</b> | <b>6.30.2012</b> | <b>6.30.2013</b> | <b>6.30.2014</b> |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1998 Bonds         | \$879,800        | \$ 0             | \$ 0             | \$ 0             | \$ 0             | \$ 0             |
| 2001 Elem. School  | \$9,770,000      | \$8,955,000      | \$8,140,000      | \$7,325,000      | \$6,510,000      | \$5,695,000      |
| Fletcher Elem      | \$3,712,500      | \$3,375,000      | \$3,037,500      | \$2,700,000      | \$2,362,500      | \$2,025,000      |
| 2002 Middle School | \$4,853,334      | \$4,246,668      | \$3,640,001      | \$3,033,334      | \$2,426,668      | \$1,820,001      |

DATE APPROVED:

|                   |                     |                     |                     |                     |                     |                     |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2002 QZAB's       | \$1,849,457         | \$1,685,094         | \$1,520,730         | \$1,356,367         | \$1,192,004         | \$1,027,641         |
| 2005 Dana         | \$10,987,200        | \$10,298,400        | \$9,609,600         | \$8,923,200         | \$8,236,800         | \$7,550,400         |
| 2006 Sugarloaf    | \$13,564,200        | \$12,920,400        | \$12,111,950        | \$11,303,500        | \$10,495,050        | \$9,686,600         |
| 2008 Elem. School | \$30,171,429        | \$28,342,857        | \$26,514,286        | \$24,685,714        | \$22,857,143        | \$21,028,571        |
| <b>TOTAL HCPS</b> | <b>\$75,787,920</b> | <b>\$69,823,419</b> | <b>\$64,574,067</b> | <b>\$59,327,115</b> | <b>\$54,080,165</b> | <b>\$48,833,213</b> |

|                   |                     |                     |                     |                     |                     |                    |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| <b>BRCC</b>       | <b>6.30.2009</b>    | <b>6.30.2010</b>    | <b>6.30.2011</b>    | <b>6.30.2012</b>    | <b>6.30.2013</b>    | <b>6.30.2014</b>   |
| 1998 Bonds        | \$180,200           | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0               |
| 2006 Tech Bldg    | \$13,930,800        | \$13,269,600        | \$12,439,300        | \$11,609,000        | \$10,778,700        | \$9,948,400        |
| <b>Total BRCC</b> | <b>\$14,111,000</b> | <b>\$13,269,600</b> | <b>\$12,439,300</b> | <b>\$11,609,000</b> | <b>\$10,778,700</b> | <b>\$9,948,400</b> |

Outstanding Debt Principal – Education

|                          |                     |                     |                     |                     |                     |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>HC Public Schools</b> | <b>6.30.2015</b>    | <b>6.30.2016</b>    | <b>6.30.2017</b>    | <b>6.30.2018</b>    | <b>6.30.2019</b>    |
| 1998 Bonds               | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                |
| 2001 Elem. School        | \$4,880,000         | \$4,065,000         | \$3,250,000         | \$2,435,000         | \$1,620,000         |
| Fletcher Elementary      | \$1,687,500         | \$1,350,000         | \$1,012,500         | \$ 675,000          | \$ 337,500          |
| 2002 Middle School       | \$1,213,334         | \$ 606,668          | \$ 0                | \$ 0                | \$ 0                |
| 2002 QZAB's              | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                |
| 2005 Dana                | \$6,864,000         | \$6,177,600         | \$5,491,200         | \$4,804,800         | \$4,118,400         |
| 2006 Sugarloaf           | \$8,878,150         | \$8,069,700         | \$7,261,250         | \$6,452,800         | \$5,646,200         |
| 2008 Elem School         | \$19,200,000        | \$17,371,429        | \$15,542,857        | \$13,714,286        | \$11,885,714        |
| <b>TOTAL HCPS</b>        | <b>\$42,722,984</b> | <b>\$37,640,397</b> | <b>\$32,557,807</b> | <b>\$28,081,886</b> | <b>\$23,607,814</b> |

|                    |                    |                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>BRCC</b>        | <b>6.30.2015</b>   | <b>6.30.2016</b>   | <b>6.30.2017</b>   | <b>6.30.2018</b>   | <b>6.30.2019</b>   |
| 1998 Bonds         | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               |
| 2006 Tech Building | \$9,118,100        | \$8,287,800        | \$7,457,500        | \$6,627,200        | \$5,798,800        |
| <b>Total BRCC</b>  | <b>\$9,118,100</b> | <b>\$8,287,800</b> | <b>\$7,457,500</b> | <b>\$6,627,200</b> | <b>\$5,798,800</b> |

Outstanding Debt Principal – County

|                     |                     |                     |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                     | <b>6.30.2009</b>    | <b>6.30.2010</b>    | <b>6.30.2011</b>    | <b>6.30.2012</b>    | <b>6.30.2013</b>    | <b>6.30.2014</b>    |
| Detention Center    | \$4,515,000         | \$4,060,000         | \$3,506,000         | \$3,150,000         | \$2,700,000         | \$2,250,000         |
| Human Services      | \$11,902,800        | \$11,156,600        | \$10,410,400        | \$9,666,800         | \$8,923,200         | \$8,179,600         |
| Historic Courthouse | \$9,165,000         | \$8,730,000         | \$8,183,750         | \$7,637,500         | \$7,091,250         | \$6,545,000         |
| Travel & Tourism    | \$138,878           | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                |
| Voting Equipment    | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                |
| Clubhouse           | \$191,443           | \$166,201           | \$139,722           | \$111,961           | \$82,822            | \$52,254            |
| Etowah Library      | \$1,453,570         | \$1,296,237         | \$1,132,492         | \$962,075           | \$784,715           | \$600,128           |
| E911 Center Project | \$553,000           | \$451,129           | \$345,103           | \$234,750           | \$119,895           | \$ 0                |
| Vehicles            | \$120,431           | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0                |
| <b>TOTAL COUNTY</b> | <b>\$28,040,122</b> | <b>\$25,860,167</b> | <b>\$23,717,467</b> | <b>\$21,763,086</b> | <b>\$19,701,882</b> | <b>\$17,626,982</b> |

|                    |                      |                      |                      |                     |                     |                     |
|--------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| <b>GRAND TOTAL</b> | <b>\$117,939,042</b> | <b>\$108,953,186</b> | <b>\$100,730,834</b> | <b>\$92,699,201</b> | <b>\$84,560,747</b> | <b>\$76,408,595</b> |
|--------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|

|                                    |                    |                    |                    |                    |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>FY DEBT PRINCIPAL REDUCTION</b> | <b>\$8,985,856</b> | <b>\$8,222,352</b> | <b>\$8,031,633</b> | <b>\$8,138,454</b> | <b>\$8,152,152</b> |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|

|                     | <b>6.30.2015</b>    | <b>6.30.2016</b>    | <b>6.30.2017</b>    | <b>6.30.2018</b>    | <b>6.30.2019</b>   |
|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| Detention Center    | \$1,800,000         | \$1,350,000         | \$900,000           | \$450,000           | \$ 0               |
| Human Services      | \$7,436,000         | \$6,006,000         | \$5,948,800         | \$5,205,200         | \$4,461,600        |
| Historic Courthouse | \$5,998,750         | \$5,452,500         | \$4,906,250         | \$4,360,000         | \$3,815,000        |
| Travel & Tourism    | \$0                 | \$ 0                | \$ 0                | \$ 0                | \$ 0               |
| Voting Equipment    | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0               |
| Clubhouse           | \$20,187            | \$ 0                | \$ 0                | \$ 0                | \$ 0               |
| Etowah Library      | \$408,019           | \$208,083           | \$ 0                | \$ 0                | \$ 0               |
| E911 Center Project | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0               |
| Vehicles            | \$ 0                | \$ 0                | \$ 0                | \$ 0                | \$ 0               |
| <b>TOTAL COUNTY</b> | <b>\$15,662,956</b> | <b>\$13,016,583</b> | <b>\$11,755,050</b> | <b>\$10,015,200</b> | <b>\$8,276,600</b> |

|                    |                     |                     |                     |                     |                     |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>GRAND TOTAL</b> | <b>\$67,504,040</b> | <b>\$58,944,780</b> | <b>\$51,770,357</b> | <b>\$44,724,286</b> | <b>\$37,683,214</b> |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|

|                                    |             |             |             |             |             |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>FY DEBT PRINCIPAL REDUCTION</b> | \$8,904,555 | \$8,559,260 | \$7,174,423 | \$7,046,071 | \$7,041,072 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|

Retiring Debt Service - Education

| <b>HC Public Schools</b> | <b>6.30.2009</b>   | <b>6.30.2010</b>   | <b>6.30.2011</b>   | <b>6.30.2012</b>   | <b>6.30.2013</b>   | <b>6.30.2014</b>   |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1998 Bonds               | \$1,616,518        | \$917,192          | \$ 0               | \$ 0               | \$ 0               | \$ 0               |
| 2001 Elem. School        | \$1,360,550        | \$1,291,275        | \$1,256,638        | \$1,217,925        | \$1,179,213        | \$1,140,500        |
| Fletcher Elementary      | \$503,660          | \$489,521          | \$475,377          | \$461,236          | \$447,095          | \$432,953          |
| 2002 Middle School       | \$823,778          | \$798,965          | \$774,152          | \$749,340          | \$724,527          | \$699,714          |
| 2002 QZAB's              | \$164,363          | \$164,363          | \$164,363          | \$164,363          | \$164,363          | \$164,363          |
| 2005 Dana                | \$1,010,538        | \$1,229,322        | \$1,203,570        | \$1,168,818        | \$1,134,498        | \$1,100,178        |
| 2006 Sugarloaf           | \$1,312,220        | \$1,286,616        | \$1,419,076        | \$1,381,553        | \$1,349,215        | \$1,312,641        |
| 2008 Elem School         | \$2,968,900        | \$2,933,943        | \$2,865,920        | \$2,797,897        | \$2,729,874        | \$2,661,851        |
| <b>TOTAL HCPS</b>        | <b>\$9,760,527</b> | <b>\$9,111,197</b> | <b>\$8,159,096</b> | <b>\$7,941,132</b> | <b>\$7,728,785</b> | <b>\$7,512,200</b> |

| <b>BRCC</b>        | <b>6.30.2009</b>   | <b>6.30.2010</b>   | <b>6.30.2011</b>   | <b>6.30.2012</b>   | <b>6.30.2013</b>   | <b>6.30.2014</b>   |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 1998 Bonds         | \$331,095          | \$187,858          | \$ 0               | \$ 0               | \$ 0               | \$ 0               |
| 2006 Tech Building | \$1,337,415        | \$1,311,119        | \$1,447,159        | \$1,408,622        | \$1,375,410        | \$1,337,847        |
| <b>Total BRCC</b>  | <b>\$1,668,510</b> | <b>\$1,498,977</b> | <b>\$1,447,159</b> | <b>\$1,408,622</b> | <b>\$1,375,410</b> | <b>\$1,337,847</b> |

| <b>HC Public Schools</b> | <b>Next 5 yrs</b> | <b>To Maturity</b> |
|--------------------------|-------------------|--------------------|
| 1998 Bonds               | \$0               | \$ 0               |
| 2001 Elem. School        | \$5,091,250       | \$1,741,500        |
| Fletcher Elementary      | \$1,952,648       | \$348,106          |
| 2002 Middle School       | \$1,950,267       | \$ 0               |
| 2002 QZAB's              | \$1,027,642       | \$ 0               |
| 2005 Dana                | \$4,996,590       | \$4,836,528        |
| 2006 Sugarloaf           | \$5,955,015       | \$6,720,976        |

|                   |                     |                     |
|-------------------|---------------------|---------------------|
| 2008 Elem School  | \$12,288,914        | \$24,113,769        |
| <b>TOTAL HCPS</b> | <b>\$33,262,326</b> | <b>\$37,760,879</b> |

|                    |                    |                    |
|--------------------|--------------------|--------------------|
| <b>BRCC</b>        | <b>Next 5 Yrs</b>  | <b>To Maturity</b> |
| 1998 Bonds         | \$ 0               | \$ 0               |
| 2006 Tech Building | \$6,064,610        | \$6,841,002        |
| <b>Total BRCC</b>  | <b>\$6,064,610</b> | <b>\$6,841,002</b> |

Retiring Debt Service - County

|                     | <b>6.30.2009</b>   | <b>6.30.2010</b>   | <b>6.30.2011</b>   | <b>6.30.2012</b>   | <b>6.30.2013</b>   | <b>6.30.2014</b>   |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Detention Center    | \$716,550          | \$693,800          | \$671,050          | \$648,300          | \$620,550          | \$598,050          |
| Human Services      | \$1,094,165        | \$1,331,765        | \$1,303,867        | \$1,266,220        | \$1,229,040        | \$1,191,860        |
| Historic Courthouse | \$885,479          | \$868,178          | \$957,678          | \$932,325          | \$910,475          | \$885,762          |
| Travel & Tourism    | \$141,930          | \$141,930          | \$ 0               | \$ 0               | \$ 0               | \$ 0               |
| Voting Equipment    | \$326,406          | \$ 0               | \$ 0               | \$ 0               | \$ 0               | \$ 0               |
| Clubhouse           | \$34,013           | \$34,011           | \$34,011           | \$34,011           | \$34,011           | \$34,011           |
| Etowah Library      | \$213,330          | \$213,329          | \$213,329          | \$213,329          | \$213,329          | \$213,329          |
| E911 Center Project | \$ 0               | \$124,433          | \$124,433          | \$124,433          | \$124,433          | \$124,433          |
| Vehicles            | \$563,458          | \$122,128          | \$ 0               | \$ 0               | \$ 0               | \$ 0               |
| <b>TOTAL COUNTY</b> | <b>\$3,971,331</b> | <b>\$3,529,574</b> | <b>\$3,304,368</b> | <b>\$3,218,618</b> | <b>\$3,131,838</b> | <b>\$3,047,445</b> |

|                    |                     |                     |                     |                     |                     |                     |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>GRAND TOTAL</b> | <b>\$15,400,368</b> | <b>\$14,139,748</b> | <b>\$12,910,623</b> | <b>\$12,568,372</b> | <b>\$12,236,033</b> | <b>\$11,897,492</b> |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|

|                                    |                    |                    |                  |                  |                  |
|------------------------------------|--------------------|--------------------|------------------|------------------|------------------|
| <b>FY DEBT PRINCIPAL REDUCTION</b> | <b>\$1,260,620</b> | <b>\$1,229,125</b> | <b>\$342,251</b> | <b>\$332,339</b> | <b>\$338,541</b> |
|------------------------------------|--------------------|--------------------|------------------|------------------|------------------|

County Manager Steve Wyatt noted that the debt reduction of \$1,260,620 is about the value of a penny on the tax rate at the current collection rate. We are basically, through this debt retirement schedule making a positive impact on our budget equivalent to a tax rate penny. The benefit of this is that if it were rolled into the general fund in order to meet the obligations of the County in 2009/2010 it could be done without a property tax rate increase and further minimize the impact on the cash reserves (currently around 2.7 million) to balance out.

Chairman Moyer felt the direction the Board had given was that they were looking to fund future capital projects with the amount of debt service that came to be available of bonds that were used for capital projects. He therefore felt that \$1,260,620 would become available to finance capital projects starting 2010 and \$1,229,125 becoming available 2011, etc. This was probably the only revenue stream identified so far to fund future capital projects.

Mr. Wyatt stated that this money would have to be netted in one of three ways. If the Board does not choose the latter it can be netted out of an additional \$1,240,620 cut in the general fund in operational costs, a net transfer increase to the fund balance, or a property tax increase of about one cent.

Chairman Moyer noted that this money is not being used to fund day to day operations at this time it is being used to fund debt service. If we let this money move into funding day to day operations, we are in affect adding \$1.2 million to the cost of day to day operations in the County.

County Manager Steve Wyatt responded that the County's budget that the Board received in January is a net \$2 million less in general fund money. These are unrestricted dollars that you can spend for any purpose that you desire to spend them for.

Chairman Moyer understood this (maybe) under Government accounting but feels we're really taking (if we do this) capital dollars and making them day to day operation and that sets us back.

Commissioner Williams felt that this should be avoided also by keeping capital and operational separate. He felt as debt is retired he would like to see these funds preserved for either debt servicing on future borrowing or simply put in a pool with more pay as you go projects.

Commissioner Young understood also that when capital revenue was retired that expenditure would be put back into the revenue of capital projects.

*Chairman Moyer made the motion that for purposes of preparing the budget, Board directs staff that any debt service reduction such as the amount showing for FY2010 of \$1.26 million and going forward, that the money be set aside in reserve for future capital projects or if this Board chooses to be used for capital projects, but not be used to off set the expenses in the expense budget. All voted in favor and the motion carried.*

County Manager felt that this motion brought forward additional questions and these would be discussed during the expense budget. He recommended that the money be moved into the capital reserve and the amount would be available later in the budget process should the Board desire to try to address some things or carry it over.

|                                    | <b>Next 5 Yrs</b>   | <b>To Maturity</b>  |
|------------------------------------|---------------------|---------------------|
| Detention Center                   | \$2,628,675         | \$ 0                |
| Human Services                     | \$5,412,972         | \$5,239,572         |
| Historic Courthouse                | \$4,017,875         | \$4,534,259         |
| Travel & Tourism                   | \$ 0                | \$ 0                |
| Voting Equipment                   | \$ 0                | \$ 0                |
| Clubhouse                          | \$54,627            | \$ 0                |
| Etowah Library                     | \$639,987           | \$ 0                |
| E911 Center Project                | \$ 0                | \$ 0                |
| Vehicles                           | \$ 0                | \$ 0                |
| <b>TOTAL COUNTY</b>                | <b>\$12,754,136</b> | <b>\$9,773,831</b>  |
| <b>GRAND TOTAL</b>                 | <b>\$52,081,072</b> | <b>\$54,375,712</b> |
| <b>FY DEBT PRINCIPAL REDUCTION</b> | <b>---</b>          |                     |

**Debt Refunding/Refinancing Opportunities**

Mr. McLelland has been in touch with Branch Banking and Trust Company in regards to the following projects. BB&T is the original debt issuers and lenders on these three projects. He has additional refinancing inquiries out and in process.

- Refinance 1999 Detention Center COPs debt issue – interest rate lowered from 5.0% to 3.64%; projected annual debt service savings of \$24,829 in FY2010; projected total term savings of \$278,195

This would be a net savings after the cost has been considered. Since this was a publicly issued debt he would have to go through the formal process with the local government commission and make an application, and hold a public hearing. His intentions were to bring this before the Board at the next regularly scheduled board meeting with an initial resolution.

The following two are actually private installment contracts that were placed with BB&T.

- (Resolution A) Refinance 2000 Fletcher Elementary School debt issue – interest rate lowered from 4.19% to 3.72%; projected annual debt service savings of \$5,115 in FY2010; projected total term savings of \$67,139
- (Resolution B) Refinance 2002 Middle Schools debt issue – interest rate lowered from 4.09% to 3.51%; projected annual debt service savings of \$10,941 in FY 2010; projected total term savings of \$114,415

SAVINGS

Henderson County, North Carolina  
 Installment Financing Contract - Refunding (1999 Bds)  
 Series 2009  
 Preliminary and Subject to Change

| Date       | Prior Debt Service | Refunding Debt Service | Savings    | Present Value to 04/01/2009 @ 3.6408249% |
|------------|--------------------|------------------------|------------|--|
| 06/30/2009 | 585,775.00         | 551,649.80             | 34,125.20  | 33,920.60                                |
| 06/30/2010 | 693,800.00         | 668,970.80             | 24,829.20  | 24,397.66                                |
| 06/30/2011 | 671,050.00         | 646,843.60             | 24,206.40  | 22,918.18                                |
| 06/30/2012 | 648,300.00         | 623,862.00             | 24,438.00  | 22,273.90                                |
| 06/30/2013 | 620,550.00         | 596,062.40             | 24,487.60  | 21,488.47                                |
| 06/30/2014 | 598,050.00         | 573,626.80             | 24,423.20  | 20,635.26                                |
| 06/30/2015 | 575,550.00         | 551,373.20             | 24,176.80  | 19,668.52                                |
| 06/30/2016 | 551,250.00         | 527,301.60             | 23,948.40  | 18,744.36                                |
| 06/30/2017 | 525,937.50         | 501,484.80             | 24,452.70  | 18,398.10                                |
| 06/30/2018 | 500,625.00         | 475,995.60             | 24,629.40  | 17,815.36                                |
| 06/30/2019 | 475,312.50         | 450,834.00             | 24,478.50  | 17,021.75                                |
|            | 6,446,200.00       | 6,168,004.60           | 278,195.40 | 237,282.16                               |

Savings Summary

|                               |            |
|-------------------------------|------------|
| PV of savings from cash flow  | 237,282.16 |
| Plus: Refunding funds on hand | 592.97     |
| Net PV Savings                | 237,875.13 |

Mr. McLelland stated that the good thing about the last two is that the County can handle these without having to go through the formal process with the local government committee. He provided two draft resolutions which approve terms of the refinancing which is only changing the interest rate involved with these two contracts. Nothing else in the documents changes with the exception of refinancing on B is changing due dates for the payments to match up with the refinancing schedule. The LGC has informed him that these are to be included on the agenda as a consent item.

*Commissioner McGrady made the motion that the Board approves Resolution A with respect to approving terms of refinancing for the 2000 Fletcher Elementary School debt. All voted in favor and the motion carried.*

*Commissioner McGrady made the motion that the Board approves Resolution B with respect to approving terms of refinancing for the 2002 Middle Schools debt. All voted in favor and the motion carried.*

Commissioner Williams stated this would show a complete reduction of the associated debt servicing in respect to debt. The other piece to be considered is liquidity. He is concerned that whatever is in the fund balance would disappear and not know where it was spent.

Chairman Moyer stated that in respect to fund balance, the County Manager cannot take action without the Board's permission.

SAVINGS

Henderson County, North Carolina  
 2009 Refunding Bank Loan (2000 Bds)  
 Series 2009  
 Preliminary and Subject to Change

| Date       | Prior Debt Service | Refunding Debt Service | Savings   | Present Value to 04/13/2009 @ 3.6166348% |
|------------|--------------------|------------------------|-----------|--|
| 02/10/2010 | 467,481.65         | 462,366.24             | 5,115.41  | 7,994.09                                 |
| 02/10/2011 | 475,377.19         | 469,095.66             | 6,281.53  | 8,071.79                                 |
| 02/10/2012 | 461,235.94         | 455,366.13             | 5,869.81  | 7,483.91                                 |
| 02/10/2013 | 447,094.69         | 440,666.67             | 6,428.02  | 7,772.56                                 |
| 02/10/2014 | 432,953.44         | 427,048.74             | 5,904.70  | 7,120.84                                 |
| 02/10/2015 | 418,812.19         | 412,460.88             | 6,351.31  | 7,292.06                                 |
| 02/10/2016 | 404,670.94         | 398,954.55             | 5,716.39  | 6,594.63                                 |
| 02/10/2017 | 390,529.69         | 384,478.29             | 6,051.40  | 6,669.53                                 |
| 02/10/2018 | 376,388.44         | 370,076.43             | 6,312.01  | 6,675.89                                 |
| 02/10/2019 | 362,247.19         | 355,748.97             | 6,498.22  | 6,620.38                                 |
| 02/10/2020 | 348,105.94         | 341,495.91             | 6,610.03  | 6,509.23                                 |
|            | 4,584,897.30       | 4,517,758.47           | 67,138.83 | 78,804.90                                |

Savings Summary

|                               |           |
|-------------------------------|-----------|
| PV of savings from cash flow  | 78,804.90 |
| Plus: Refunding funds on hand | 977.73    |
| Net PV Savings                | 79,782.63 |

SAVINGS

Henderson County, North Carolina  
 Installment Financing Contract - Refunding of Series 2002 Bonds  
 Series 2009  
 Preliminary and Subject to Change

| Date       | Prior Debt Service | Refunding Debt Service | Savings    | Present Value to 04/13/2009 @ 3.6166348% |
|------------|--------------------|------------------------|------------|--|
| 02/10/2010 | 402,584.02         | 391,642.87             | 10,941.15  | 10,860.74                                |
| 02/10/2011 | 786,558.53         | 774,066.65             | 12,491.88  | 12,654.03                                |
| 02/10/2012 | 761,745.87         | 748,289.45             | 13,456.42  | 12,997.34                                |
| 02/10/2013 | 736,933.20         | 723,647.66             | 13,285.54  | 12,298.38                                |
| 02/10/2014 | 712,120.54         | 699,093.64             | 13,026.90  | 11,542.06                                |
| 02/10/2015 | 687,307.87         | 674,644.90             | 12,662.97  | 10,736.94                                |
| 02/10/2016 | 662,495.21         | 649,341.54             | 13,153.67  | 10,679.83                                |
| 02/10/2017 | 637,682.54         | 625,138.51             | 12,544.03  | 9,744.06                                 |
| 02/10/2018 | 309,537.61         | 296,665.21             | 12,852.40  | 9,651.21                                 |
|            | 5,696,965.39       | 5,582,550.43           | 114,414.96 | 101,164.59                               |

Savings Summary

|                               |            |
|-------------------------------|------------|
| PV of savings from cash flow  | 101,164.59 |
| Plus: Refunding funds on hand | 348.59     |
| Net PV Savings                | 101,513.18 |

Capital Funding Sources

- Capital Reserve Fund Status
- Surplus County Properties Available
- Other Sources of Revenue

Capital Reserve Fund Balance

- The current balance of the Capital Reserve Fund is \$2,437,195 (the Board motion earlier in the meeting changed the Capital Reserve Fund balance to roughly \$3.7 million)

Surplus County Properties

- Old Health Dept. Bldg. - \$1.457 million fair market value appraisal in March 2007; 13,000 square feet
- Chamber of Commerce – has not been appraised; 4,240 square feet
- Old City Water Dept. Building – has not been appraised; 9,624 square feet

Chairman Moyer stated that there had been discussion on and off in regards to the old Health Department Building, whether to keep it or sell it. He brought up the EMS Building at Pardee Hospital. The hospital is not in any great need for the space but they would be certainly willing to enter into discussions with the Board at anytime with respect to what we might want to do with the building. He feels that whatever the County gets for the building, seeing it is landlocked as part of the hospital, we would probably have to spend more to build a new EMS station.

Commissioner McGrady stated that the group involved with the Assessor’s/Tax Collector’s Offices had discussed the old Health Department building in context of the possibility of those two departments. He had met with almost all tenants of the Courthouse and the bottom line is that we are “busting at the seams”. Commissioner McGrady feels that the old Health Department building does potentially have some options for the possibility of moving the two tax offices and the Register of Deeds. The Chamber of Commerce building is close to the Courthouse and could be utilized for the Public Defender. The old City Water



Department Building is questionable and Commissioner McGrady felt that it would more than likely have to be torn down. The property is critical to the Courthouse.

Chairman Moyer felt that this was not the time to sell the old Health Department building and we should try to find a use for the space.

It was the consensus of the Board that the old Health Department building, the old City Water Department building, and the Chamber of Commerce building should not be sold at this time and should be removed from the list of surplus properties. There will be substantial renovations necessary in the old Health Department to use the building and the old City Water Department building.

The Board requested to see a list of all properties that the County owns. County Manager Steve Wyatt had a list provided by the delinquent tax collector and circulated it among the Board. The Board requested that the County Manager take steps using the abilities we have to make this land available and see what can possibly be done or if we get any interest.

#### Leased Facilities

- County-Owned Leased Properties
  - Old Etowah Library (to WCCA) - \$24,000 in annual lease payments
  - Chamber of Commerce Building - \$8,288 in annual lease payments
  - Land below Continental Teves - \$1,950 in annual lease payments

Finance Director Carey McLelland stated that the land below Continental Teves is restricted for park development and the money has been put aside every year into a special agency fund and is close to \$20,000 for a park development. Kohn's Park Development – was the family who sold it to Henderson County for economic development.

County Attorney Russ Burrell stated that it is flood plain and landlocked.

County Manger Steve Wyatt suggested with the WCCA lease of the old Etowah Library, which is facility related, and the \$24,000 was not an anticipated revenue, that revenue source could be tied to the capital reserve fund. The Board did not make a decision at this point.

- Facilities Leased By County
  - Board of Elections Facility - \$72,000 annual lease cost; 9,400 square feet (This lease runs through June 2014)
  - Sheriff's Criminal Investigations Division (CID) Building - \$34,800 annual lease cost; 6,000 square feet

The following is a list of five (5) priority construction projects that was presented by the school administrative staff at the Joint School Facilities Committee meeting. These figures include the architectural fees.

Chairman Moyer stated that the last time the Board looked at this was with reference to the economic stimulus money and it would have to be moved upon quickly.

County Manager Steve Wyatt stated that the latest information was "hurry up and wait." It is his understanding that the Governor is supposed to get notification tomorrow of the states allocation. Based on the research that we've done and some reporting by some independent agencies like Moody's, it appears that the most likely scenario for money to come to Henderson County is going to be in the form of federal relief to the state for education cuts that would come down the pike to the local school districts in the state. He has not seen where the state is going to get x amount of dollars for school facilities but he has seen where there is some money for school facilities. The problem of creating false expectations, which the federal government has done, is not something we wish to fall into because in that \$800 billion stimulus money there is not a lot

of money for projects. The State School Board Association and the County Commissioners Association will both be monitoring this very closely.

Dr. Stephen Paige stated that they also are in a holding pattern waiting on additional information.

Mr. Wyatt stated that there is \$9 billion total nationwide for school rehabilitation and modernization.

Chairman Moyer responded to a question from Commissioner McGrady regarding capital projects for the schools. He and Commissioner Young had discussed this in the Joint School Facilities Meeting and they do not feel that for the coming year there would any capital projects that involve additional debt with respect to the schools. Chairman Moyer noted that all of the following projects are “shovel ready” if stimulus money becomes available.

### **Henderson County Public Schools**

- Major Construction/Renovation Projects

1. Apple Valley Middle/North High Classroom Building

Construction of a new, two-level, fourteen (14) classroom building to relieve capacity issues for both schools; cafeteria and addition/renovations to locker room area. New building will be constructed between existing facilities; connecting for security purposes and will keep grade levels separate from each other.

Projected Square Feet: 50,429                      Projected Budget: \$11,660,000

2. Edneyville Elementary Classroom Building

Construction of a new, six (6) classroom building to relieve capacity issues; administration addition; renovations to cafeteria, school administration – entrance area and computer lab. New building will be constructed between existing facilities, connecting to provide enhanced security and supervision.

Projected Square Feet: 11,382                      Projected Budget: \$2,425,000

3. Upward Elementary Classroom Building

Construction of a five (5) classroom addition to relieve capacity issues; administration – school entrance addition; renovations to cafeteria and administration area.

Projected Square Feet: 9,346                      Projected Budget: \$2,460,000

4. Transportation Center

Construction of a new 27,000 sq. ft. Transportation Center on property owned by the School System requiring approximately 3 acres.

Projected Square Feet: 27,000                      Projected Budget: \$4,250,000

5. Balfour Center

Future project for consideration – renovation or demolition/new building construction on the existing Balfour Center campus due to antiquated facilities and the need to centralize and better serve attending students. Main building needs to be replaced; construct 12 classrooms, media center, cafeteria and multi-purpose area. The possible sale of acreage fronting the Balfour Center property could be a funding source.

Projected Budget: \$6,775,000

### **Blue Ridge Community College**

These projects are part of the 2008 Master Facility Plan and not in any particular order.

- Major Construction/Renovation Projects

1. Public Safety and Allied Health Building

Building will house all public safety curriculums and non-curriculum programs as well as Allied Health related programs.

Projected Square Feet: 25,900                      Projected Budget: \$6,000,000

Projected Completion Date: FY2012-2013

## 2. Indoor Firing Range

New construction of an indoor firing range to meet Law Enforcement curriculum and non-curriculum program requirements. Note: This project was taken out of the 2008 Facility Master Plan due to the NC Justice Academy consideration of the range and put back on again.

Projected Square Feet: 21,100                      Projected Budget: \$4,000,000

Projected Completion Date: FY2010-2011

## 3. Sink Building

Major renovation to the building to create a “One-Stop” center for BRCC students. This renovation will consolidate functions associated with student registration and career/student assessments.

Projected Square Feet: 31,500                      Projected Budget: \$500,000

Projected Completion Date: FY2012-2013

## 4. Killian Building

Major renovation to the building to enlarge and update library, student commons and cafeteria

Projected Square Feet: 31,500                      Projected Budget: \$1,700,000

Projected Completion Date: FY2013-2014

## 5. Campus Perimeter Loop Road

Construction of a perimeter loop road for campus security and safety measures

Projected Budget: \$200,000

Projected Completion Date: FY2013-2014

## 6. Patton Building

Major renovation to classroom auditorium and lab space, including elevator and adjacent multi-purpose classroom

Projected Budget: \$1,300,000

Projected Completion Date: FY2017-2018

## 7. Sink Building

Renovation and additions of space associated with the Bo Thomas Auditorium

Projected Budget: \$1,700,000

Projected Completion Date: FY2017-2018

## 8. Workforce Development & Lifelong Learning Center

Construction of a new building that will house all of the College’s Workforce Development and Lifelong Learning programs

Projected Square Feet: 50,000                      Projected Budget: \$16,500,000

Projected Completion Date: FY2022-2023

President Dr. Molly Parkhill provided a brief overview to the Board on the Public Safety Allied Health and Physical Education Activity Center. This building was originally presented to the Board back in 2004 and was at that time identified as the Physical Education Activity Center. This would be a 60,000 square foot building with an approximate cost of \$16,000,000. The building would provide not only physical education needs of the college but would also provide facility space for the Allied Health, Law Enforcement, Emergency Medical or Paramedic program, as well as Fire & Rescue which would need the physical education activity facility such as the gymnasium, weight room, and the pool. At that time BRCC was in discussions with the YMCA as well as the local hospitals, considering a partnership with that facility. It has been five (5) years since that proposal was presented to the Board of Commissioners. Since then BRCC has completed their strategic plan and had growth in their Allied Health Public Safety programs that now desire

them to reconsider the original physical education activity center and look at how they may be able to expand the facility to include a wing for the Public Safety and Allied Health programs. BRCC continues to work with the YMCA in terms of possible partnership. The YMCA is in the process of doing a feasibility study to determine whether or not a capital campaign is something they can enter into at this time. BRCC wishes to move forward with their wing of the building because of the classroom space and laboratory needs. The YMCA wing is the original physical activity education center. The college's wing will house the weight room, locker rooms for law enforcement officers, three classrooms, three laboratories, a resource room, and a multi-purpose room. BRCC is looking at a potential state bond referendum for the funding of the building. It may not coincide with the YMCA's plan to build on BRCC property. BRCC is looking to construct a facility that would be a "stand alone" building and YMCA could possibly add on to the facility or build at the same time. The state legislatures in the last legislation approved some advanced planning funds for all fifty-eight (58) community colleges and requested that the colleges identify their top capital project as a result of their strategic planning process. Ninety thousand dollars (\$90,000) has been set aside and is available for each of the fifty-eight (58) community colleges. BRCC has delayed requesting those funds as they were waiting on information from the YMCA as to where they were at in this partnership. They cannot delay any longer and have submitted the application to the State Board for request of the \$90,000. They have advertised for an architect to begin the process and out of forty-two (42) applications have narrowed it down to five architects and will be interviewing them on Monday. A recommendation of three architects will be made to the Board of Trustees at their March meeting. Three architects must be also submitted to the State Construction office and they will negotiate with the architects and make the final selection.

Chairman Moyer noted that the County had made no commitments at this time as far as operating expenses, but as they move forward he feels that if BRCC gets money in the bond they will come back to the Board and request that the Board commit to paying the operating expenses once the building is open.

No information was available at this time in regards to stimulus money for higher education purposes.

### **Capital Projects**

#### **Henderson County Projects**

- Major Construction/Renovation Projects

1. Law Enforcement Center

Construction of a new facility to centralize Sheriff's Department Divisions and increase square footage to accommodate growth in the Department - new center would provide opportunities to relocate departments/agencies located in the new courthouse and relieve overcrowding issue.

2. Detention Center Expansion

Construction of a new 120-bed pod to serve future growth in the inmate population including Federal 287(g) ICE Program inmates (Sheriff Davis stated that this expansion would not be necessary should the main entrance renovation be completed)

3. Detention Center – Main Entrance Renovation

Renovation of the main entrance to the Detention Center, the primary area for processing inmates – area is not large enough for law enforcement personnel to process inmates in an efficient and timely manner to get back out on the street. Redesign and renovation of this area to increase processing time could also open up additional bed space in the facility.

4. Secured Evidence Storage

Construction of metal building including offices, restrooms, HVAC and backup generator for storing case evidence; existing facility has code issues with adequate temperature/humidity control for evidence storage.

5. Main Library Upgrade

Main library branch is 20 years old and in need of major remodeling; electrical and lighting upgrades; current lighting has deteriorated over the years and does not provide the best illumines; maintenance having difficulty in finding replacement lighting parts.

6. New Fletcher Branch Library

Construction of new branch library in the Fletcher community due to growth in circulation and additional square footage needs. Existing branch library facility is experiencing a lot of continued maintenance issues. This is the next priority of the Library Board of Trustees. Town of Fletcher has offered to provide land for the new library.

7. New Tuxedo Branch Library/Park

Construction of new branch library to serve the citizens in the Green River/Tuxedo community - Current branch library facility is leased (800 sq. ft.) and is too small for current usage; has inadequate seating for patrons. Citizens in this community would like to possibly have a library and park located on the same site.

8. Veteran's Clinic

Construction of a new clinic in conjunction with the Veteran's Administration to serve the medical needs of veterans living in Henderson County especially those who are disabled and have difficulty getting to other facilities.

9. Firing Range

Construction of an indoor firing range to serve law enforcement agencies in Western North Carolina, one possibility is to contribute funding to enclose the firing range proposed by the State at the Western N.C. Justice Academy. Another plan is to join with other Western N.C. law enforcement agencies to build an indoor range at a different site.

10. Recreation Center

Construction of a centrally located, multi-purpose facility which would include a gymnasium, swimming pool, tract, weight rooms, program rooms and changing rooms to serve all County citizens - location to be determined.

11. Soccer Complex

Construction of four (4) grass soccer fields to include grading, base preparation, irrigation, sod, entrance road and amenities - synthetic field construction (grading, base, turf) is a more expensive option per field.

12. Jackson Park Rehabilitation

Major maintenance to County's main recreation park to include upgrading current restrooms, repaving road through park, shelter upgrades, fixing fences, landscape improvements, tennis court repairs, reworking soccer fields and new playground equipment.

13. Old Health Dept. Building Renovation

Renovation of the old County Health Department Building to make use of surplus facility and house other department/agencies which could relieve overcrowding in other buildings – costs to renovate were obtained from a study completed in June 2008.

Projected Square Feet: 13,000                      Projected Budget:            \$1,360,000 - \$1,600,000

### **Enterprise Fund**

14. Solid Waste Landfill Project

Solid Waste Division currently undergoing a Facility Study to improve the convenience site at the Stoney Mountain Road facility. Project will greatly improve the service to customers and remove their traffic away from the Transfer Station. Also, the study includes improving access to the existing Transfer Station and expanding recycling operations technology. Final recommendations expected to be presented to the Board of Commissioners in April 2009 for inclusion in the Fy2010 Budget.

15. Cane Creek Sewer District Project(s)

The Cane Creek Water and Sewer District is currently undergoing a Basin Study which will likely result in the highest priority project to be constructed in FY2010. The Advisory Board will meet to prioritize the identified project and a funding analysis will be completed before a recommendation is made to the Cane Creek Water and Sewer District Board (BOC). These project(s) will likely be submitted to the State for Federal stimulus money consideration. Final recommendations expected to be presented to the Board of Commissioners in April 2009 for inclusion in the FY2010 Budget.

Chairman Moyer stated that the Board had indicated short of taking advantage of the economic stimulus package that they are not going to fund capital projects this year that incur additional debt. They do need to continue to move to be ready and study various projects.

Chairman Moyer felt that the first study that will need to be done and reopened by the County Manager is the study of buildings that have been removed from the surplus list and what needs to be done with them and how we need to move things around; the old Health Department building, old Chamber of Commerce building, and what buildings could be freed up from lease. A study needs to again be looked into of the possibility of moving Inspections and Planning into the old Health Department building, which is one option. Then look at using 100 King Street as the key point to centralize the Sheriff's Department operations and all law enforcement functions associated with it. Chairman Moyer and Commissioner Young had also discussed the possibility of taking the site along side the Courthouse and expanding it to house the Law Enforcement building and give relief to the new Courthouse.

Commissioner McGrady was not in support of moving inspections and Planning to the old Health Department building. He was in support of the methodology being discussed.

Commissioner Young stated he agreed that the Tax Assessor's Office, Tax Collector's Office, and the Register of Deeds needed to be moved out of the Courthouse to make more space for judicial functions.

Chairman Moyer felt that the Board had to make a decision with respect to use of the old Health Department building, the old Chamber of Commerce building, the property or building of the old City Water Department building, before they could determine what pieces were freed up and what the revenue sources would be. The key is the old Health Department building and what to do with it. The Board must come up with a facilities use plan beginning with the old Health Department building and the old Chamber of Commerce building and the others will fall into place. Chairman Moyer did not want to utilize a consultant to come up with a plan, the Board needs to look at how they can work with the County Manager to put a plan together and it needs to be done now.

County Manager Steve Wyatt stated that March is probably not doable given everything involved.

Commissioner Williams felt that it did not necessarily have to be put back on staff; if the five Commissioners individually come up with ideas that we feel might be a good fit and then come back collectively being more specific of the ramifications, cost, etc.

**ADJOURN**

*Commissioner Williams made the motion that the meeting adjourn at 3:10 p.m. All voted in favor and the motion carried.*

Attest:

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Teresa L. Wilson, Deputy Clerk to the Board

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William L. Moyer, Chairman