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cc: BOC
Steve
David
Russ
Amy

MINUTES

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

BOARD OF COMMISSIONERS
WEDNESDAY, JANUARY 15, 2014

The Henderson County Board of Commissioners met for a regularly scheduled meeting/ Budget Workshop at 9:00 a.m. in the Commissioners' Meeting Room of the Historic Courthouse on Main Street, Hendersonville.

Those present were: Chairman Charlie Messer, Vice-Chairman Tommy Thompson, Commissioner Grady Hawkins, Commissioner Mike Edney, Commissioner Larry Young, County Manager Steve Wyatt, Interim Assistant County Manager David Whitson, Attorney Russ Burrell and Clerk to the Board Teresa Wilson.

Also present were: Interim Planning Director Autumn Radcliff, Engineer Marcus Jones, Budget Manager Amy Brantley, HR Director Jan Prichard, Lieutenant Tim Griffin, Director of Business and County Development John Mitchell, Assessor/Tax Collector Stan Duncan, Finance Director Carey McLelland, Elections Director Beverly Cunningham, Animal Services Director Brad Rayfield, Internal Auditor Darlene Burgess, Soil & Water Conservation District Director Jonathan Wallin, IT Director Becky Snyder, Recreation Director Tim Hopkin, Code Enforcement Director Toby Linville, Building Services Director Tom Stauffer, Environmental Health Supervisor Seth Swift, Register of Deeds Nedra Moles, Administrative Librarian Trina Rushing, Purchasing Agent Randall Cox, Environmental Programs Coordinator Megan Piner, Delinquent Tax Collector Lee King, Department of Health Administrative Assistant Cathy Nicholson, DSS Administrative Officer Joseph Maxey, Captain Steve Carter, Sheriff Charlie McDonald, Chief Deputy Frank Stout, Lieutenant Gloria Nock, Deputy County Attorney Sarah Zambon, DSS Director Eric Bush, Social Work Program Administrator Jerrie McFalls, and PIO Christina Hallingse – videotaping.

CALL TO ORDER/WELCOME

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

PLEDGE OF ALLEGIANCE

Commissioner Hawkins led the Pledge of Allegiance.

MID-YEAR FINANCIAL REPORT

County Manager Steve Wyatt explained FY 2013-2014 County Expenditures and revisions.

County Department	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Expended (As of 12.31.13)	% Expended (As of 12.31.13)
Governing Body	\$375,462	\$0	\$375,462	\$154,881	41.3%
Dues & Non-Profits	\$436,211	\$0	\$436,211	\$278,921	63.9%
County Administration	\$678,556	\$1,707	\$680,263	\$284,415	41.8%
Human Resources	\$616,133	\$0	\$616,133	\$283,815	46.1%
County Department	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Expended (As of 12.31.13)	% Expended (As of 12.31.13)

DATE APPROVED:

Elections	\$798,258	\$461	\$798,719	\$248,199	31.1%
Finance	\$750,065	\$609	\$750,674	\$371,555	49.5%
Assessor	\$1,551,924	\$0	\$1,551,924	\$667,765	43.0%
Tax Collections	\$453,406	\$0	\$453,406	\$189,188	41.7%
Legal	\$666,141	\$0	\$666,141	\$319,389	47.9%
Register of Deeds	\$378,953	\$119,819	\$498,772	\$253,791	50.9%
Engineering & Facility Serv.	\$2,857,182	\$4,680	\$2,861,862	\$1,292,070	45.1%
Court Facilities	\$190,000	\$0	\$190,000	\$69,138	36.4%
Information Technology	\$2,214,466	\$0	\$2,214,466	\$1,107,946	50.0%
Sheriff	\$13,519,130	\$65,413	\$13,584,543	\$6,605,066	48.6%
Detention Facility	\$3,753,746	\$1,535	\$3,755,281	\$1,843,275	49.1%
Emergency Management	\$214,997	\$67,480	\$282,477	\$126,843	44.9%
Fire Marshal	\$419,950	\$0	\$419,950	\$262,948	62.6%
Building Services	\$793,094	\$10,738	\$803,832	\$335,045	41.7%
Wellness Clinic	\$438,970	\$0	\$438,970	\$206,863	47.1%
Emergency Medical Services	\$4,456,514	\$139,028	\$4,595,542	\$2,262,502	49.2%
Animal Services	\$579,744	\$756	\$580,500	\$264,085	45.5%
Rescue Squad	\$221,860	\$181,000	\$402,860	\$353,218	87.7%
Forestry Services	\$55,818	\$0	\$55,818	\$15,677	28.1%
Soil & Water Conservation	\$274,242	\$22,000	\$296,242	\$161,893	54.6%
Utilities	\$307,728	\$0	\$307,728	\$117,002	38.0%
Planning	\$560,658	\$0	\$560,658	\$230,772	41.2%
Code Enforcement	\$259,618	\$0	\$259,618	\$102,729	39.6%
Cooperative Extension	\$315,039	\$0	\$315,039	\$151,613	48.1%
ABC Board	\$25,000	\$0	\$25,000	\$5,458	21.8%
Economic Development	\$759,848	\$25,000	\$784,848	\$520,316	66.3%
AgriBusiness Henderson County	\$125,067	\$58,644	\$183,711	\$90,798	49.4%
County Department	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Expended (As of 12.31.13)	% Expended (As of 12.31.13)

Public Health	\$6,135,045	\$10,768	\$6,145,813	\$2,613,923	42.5%
Environmental Health	\$970,596	\$0	\$970,596	\$443,012	45.6%
Home & Community Care Grant	\$768,363	-\$5,387	\$762,976	\$303,133	39.7%
Medical Services	\$46,250	\$0	\$46,250	\$17,300	37.4%
Mental Health	\$528,612	\$0	\$528,612	\$264,357	50.0%
ROAP (Rural Operating Assistance)	\$211,092	\$0	\$211,092	\$95,413	45.2%
Social Services	\$12,262,735	\$12,254	\$12,274,989	\$5,587,675	45.5%
DSS – Smart Start	\$551,261	\$0	\$551,261	\$205,960	37.4%
DSS – Federal & State	\$6,511,719	\$0	\$6,511,719	\$2,928,861	45.0%
DSS – General Assistance	\$57,000	\$0	\$57,000	\$24,713	43.4%
Juvenile Justice Grant	\$193,745	\$0	\$193,745	\$97,709	50.4%
Veteran’s Services	\$46,613	\$0	\$46,613	\$14,306	30.7%
Public Library	\$2,872,241	\$62,015	\$2,934,256	\$1,432,745	48.8%
Recreation	\$1,523,999	\$33,951	\$1,557,950	\$742,727	47.7%
County Debt Service	\$3,800,106	\$0	\$3,800,106	\$1,593,718	41.9%
Non-Departmental	\$420,000	-\$100,640	\$319,360	\$20,213	6.3%
Transfers to Other Funds	\$435,320	\$0	\$435,320	\$217,660	50.0%
TOTAL	\$76,382,477	\$711,831	\$77,094,308	\$35,780,599	46.4%

FY 2013-2014 Education Expenditures

	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Expended (As of 12.31.13)	% Expended (As of 12.31.13)
HC Public School System					
<input type="checkbox"/> Current Expense	\$22,070,846	\$0	\$22,070,846	\$11,035,423	50.0%
<input type="checkbox"/> Debt Service	\$9,169,413	\$0	\$9,169,413	\$5,199,291	56.7%
TOTAL	\$31,240,259	\$0	\$31,240,259	\$16,234,714	52.0%
	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Expended (As of 12.31.13)	% Expended (As of 12.31.13)

Blue Ridge Community College					
<input type="checkbox"/> Current Expense	\$3,075,977	\$0	\$3,075,977	\$1,537,988	50.0%
<input type="checkbox"/> Debt Service	\$1,524,036	\$0	\$1,524,036	\$755,956	49.6%
TOTAL	\$4,600,013	\$0	\$4,600,013	\$2,293,944	49.9%

FY 2013-2014 Total Expenditures

	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Expended (As of 12.31.13)	% Expended (As of 12.31.13)
GENERAL FUND TOTAL	\$112,222,749	\$711,831	\$112,934,580	\$54,309,256	48.1%

FY 2013-2014 Revenues

County Department	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Received (As of 12.31.13)	% Received (As of 12.31.13)
Ad Valorem Taxes – Current Year	\$61,468,139	\$0	\$61,468,139	\$50,414,604	82.0%
Ad Valorem Taxes – Prior Years	\$1,880,000	\$0	\$1,880,000	\$1,097,718	58.4%
Local Option Sales Taxes	\$16,925,657	\$0	\$16,925,657	\$6,216,758	36.7%
Other Taxes and Licenses	\$508,569	\$0	\$508,569	\$319,861	62.9%
Unrestricted Intergovernmental	\$67,000	\$0	\$67,000	\$53,311	79.6%
Restricted Intergovernmental	\$16,939,406	\$157,528	\$17,096,934	\$7,964,506	46.6%
Permits and Fees	\$1,031,500	\$0	\$1,031,500	\$674,074	65.3%
Sales and Services	\$5,244,534	\$0	\$5,244,534	\$2,237,786	42.7%
Investment Earnings	\$400,000	\$0	\$400,000	\$183,130	45.8%
Other Revenues	\$496,669	\$407,949	\$904,618	\$690,133	76.3%
Transfers from Other Funds	\$531,246	\$1,535	\$532,781	\$289,650	54.4%
Total General Fund Revenues	\$105,492,720	\$567,012	\$106,059,732	\$70,141,532	66.1%
Fund Balance Appropriated	\$6,730,029	\$144,819	\$6,874,848	\$0	0.0%

FY 2013-2014 Solid Waste Fund

	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Expended (As of 12.31.13)	% Expended (As of 12.31.13)
Expenditures	\$5,118,604	\$10,000	\$5,128,604	\$ 2,744,284	53.5%

	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Received (As of 12.31.13)	% Received (As of 12.31.13)
Revenues	\$4,793,604	\$0	\$4,793,604	\$ 2,110,572	44.0%
Fund Balance Appropriated	\$325,000	\$10,000	\$335,000	\$0	0.0%



Capital Reserve Fund

Capital Reserve Fund established in FY 2007		Deposit/ Appropriation	Running Balance
FY 2007	Deposit – Sale of Land Development Building	\$ 1,337,195	\$ 1,337,195
FY 2008	Deposit – Transfer from General Fund	\$ 1,400,000	\$ 2,737,195
FY 2009	Appropriation – Detention Center Generator	(\$ 300,000)	\$ 2,437,195
FY 2010	Deposit – Transfer from General Fund	\$ 772,677	\$ 3,209,872
	Appropriation – Compressed Natural Gas Project	(\$ 35,000)	\$ 3,174,872
FY 2011	Appropriation – Parks and Recreation projects	(\$ 156,249)	\$ 3,018,623
	Appropriation – Tuxedo Mill Demolition	(\$ 143,324)	\$ 2,875,299
	Appropriation – Law Enforcement Center	(\$ 1,058,347)	\$ 1,816,952

	Deposit – Progress Energy (Bent Creek Easement)	\$ 8,500	\$ 1,825,452
	Appropriation - Boyd Property	(\$ 750,000)	\$ 1,075,452
FY 2012	Deposit – Sale of Nuckolls Building	\$ 700,000	\$ 1,775,452
	Appropriation – Parks and Recreation projects	(\$ 535,039)	\$ 1,240,413
	Deposit – Transfer from General Fund (Recreation)	\$ 200,000	\$ 1,440,413
FY 2013	Appropriation – Parks and Recreation projects	(\$ 26,848)	\$ 1,413,565
	Appropriation – 1995 Courthouse Congressional Office	(\$ 26,899)	\$ 1,386,666
FY 2014	Appropriation – 1995 Courthouse Renovations	(\$ 1,000,000)	\$ 386,666

Active Capital Projects

Project	Funding	Expended	Projected Remaining Costs	Variance
911 Relocation Project (1302)	\$ 3,710,000	\$ 96,303	\$3,613,697	\$ 0
95 Courthouse Renovations (1303)	\$1,000,000	\$ 77,476	\$ 922,524	\$ 0
Athletic and Activities Center (1112)	\$ 2,306,290	\$ 1,243,154	\$563,136	\$ 500,000
Emergency Communications (0912)	\$ 1,574,000	\$ 70,940	\$ 1,503,060	\$ 0
Seven Falls Infrastructure (1012)	\$ 6,000,000	\$ 366,345	\$ 5,633,655	\$ 0
Tuxedo Park Project (1307)	\$ 253,000	\$ 22,945	\$ 230,055	\$ 0
Wingate Project (1311)	\$ 120,710	\$ 0	\$ 120,710	\$ 0

CAPITAL FINANCING DEBT SCHEDULES

Outstanding Debt Principal - Education										
HC PUBLIC SCHOOLS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2013 Refinancing Bonds	\$10,640,090	\$9,688,820	\$8,734,590	\$7,769,260	\$6,825,020	\$5,904,460	\$5,006,100	\$4,125,130	\$3,261,920	\$2,416,840
2012 Refinancing Bonds	\$8,937,600	\$7,423,200	\$6,592,800	\$5,781,600	\$4,989,600	\$4,214,400	\$3,460,800	\$2,726,400	\$2,013,600	\$1,322,400
2010 Refinancing Bonds	\$8,891,149	\$6,974,845	\$5,058,541	\$3,368,176	\$2,435,129	\$1,510,449	\$606,691	\$0	\$0	\$0
2010 Apple Valley/North	\$3,996,131	\$3,330,109	\$2,664,087	\$1,998,066	\$1,332,044	\$666,022	\$0	\$0	\$0	\$0
2010 QZABs – Repairs	\$1,084,500	\$903,750	\$723,000	\$542,250	\$361,500	\$108,750	\$0	\$0	\$0	\$0
2009 QSCBs – Repairs	\$2,562,240	\$2,135,200	\$1,708,160	\$1,281,120	\$854,080	\$427,040	\$0	\$0	\$0	\$0
2008 Hillandale/Mills River	\$21,028,571	\$19,200,000	\$17,371,429	\$15,542,857	\$13,714,286	\$11,885,714	\$10,057,143	\$8,228,571	\$6,400,000	\$4,571,429
TOTAL HC PUBLIC SCHOOLS	\$87,140,281	\$49,655,924	\$42,852,607	\$36,283,329	\$30,511,659	\$24,716,835	\$19,130,734	\$15,080,101	\$11,675,520	\$8,310,669
BRCC	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2013 Refinancing Bonds	\$10,927,660	\$9,950,680	\$8,970,660	\$7,979,240	\$7,009,480	\$6,064,040	\$5,141,400	\$4,236,620	\$3,350,080	\$2,482,160
2010 Repairs	\$1,357,847	\$1,163,869	\$969,891	\$775,913	\$581,934	\$387,956	\$193,978	\$0	\$0	\$0
TOTAL BRCC	\$12,285,507	\$11,114,549	\$9,940,551	\$8,755,153	\$7,591,414	\$6,451,996	\$5,335,378	\$4,236,620	\$3,350,080	\$2,482,160
TOTAL EDUCATION	\$69,425,788	\$60,770,473	\$52,793,158	\$45,038,482	\$38,103,073	\$31,168,831	\$24,466,112	\$19,316,721	\$15,025,600	\$10,792,829

Outstanding Debt Principal - County

COUNTY	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2013 Refinancing Bonds	\$7,189,250	\$6,546,500	\$5,901,750	\$5,249,500	\$4,611,500	\$3,989,500	\$3,382,500	\$2,787,250	\$2,204,000	\$1,633,000
2012 Refinancing Bonds	\$9,682,400	\$8,041,800	\$7,142,200	\$6,263,400	\$5,705,400	\$4,565,600	\$3,749,200	\$2,953,600	\$2,181,400	\$1,432,600
2010 Refinancing Bonds	\$696,724	\$546,559	\$396,395	\$263,935	\$190,820	\$118,361	\$47,541	\$0	\$0	\$0
2010 LEC/Court Services	\$6,000,000	\$5,500,000	\$5,000,000	\$4,500,000	\$4,000,000	\$3,500,000	\$3,000,000	\$2,500,000	\$2,000,000	\$1,500,000
Detention Center	\$2,257,000	\$1,789,000	\$1,329,000	\$877,000	\$434,000	\$0	\$0	\$0	\$0	\$0
Former 6 th Avenue Clubhouse	\$52,254	\$20,187	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ambulances/EMS Equipment	\$810,476	\$506,731	\$262,255	\$79,087	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL COUNTY	\$26,688,104	\$22,950,777	\$20,031,600	\$17,232,922	\$14,941,720	\$12,173,461	\$10,179,241	\$8,240,850	\$6,385,400	\$4,565,600
TOTAL DEBT PRINCIPAL	\$96,113,892	\$83,721,250	\$72,824,758	\$62,271,404	\$53,044,793	\$43,342,292	\$34,645,353	\$27,557,571	\$21,411,000	\$15,358,429
FY DEBT PRINCIPAL REDUCTION		(\$12,392,642)	(\$10,896,492)	(\$10,553,354)	(\$9,226,612)	(\$9,702,501)	(\$8,696,939)	(\$7,087,782)	(\$6,146,571)	(\$6,052,571)

General Fund Debt Principal

County



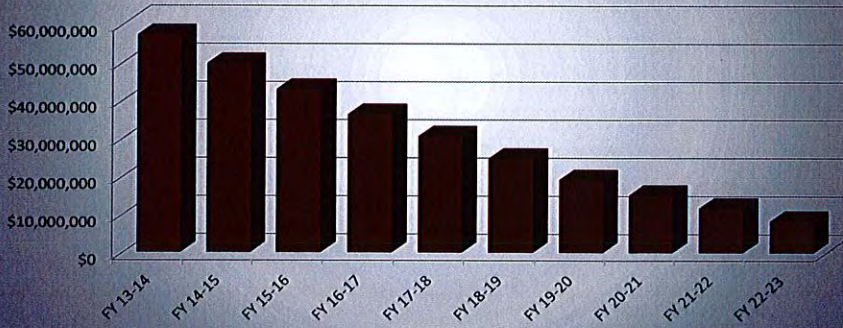
General Fund Debt Principal

Blue Ridge Community College

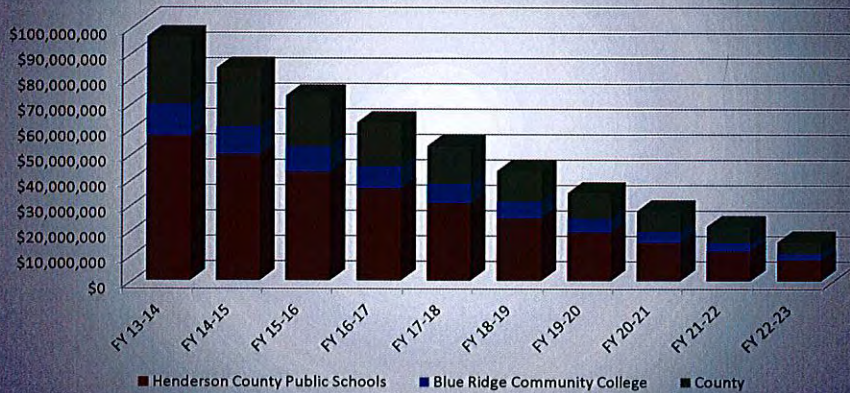


General Fund Debt Principal

Henderson County Public Schools



General Fund Debt Principal



Retiring Debt Service - Education

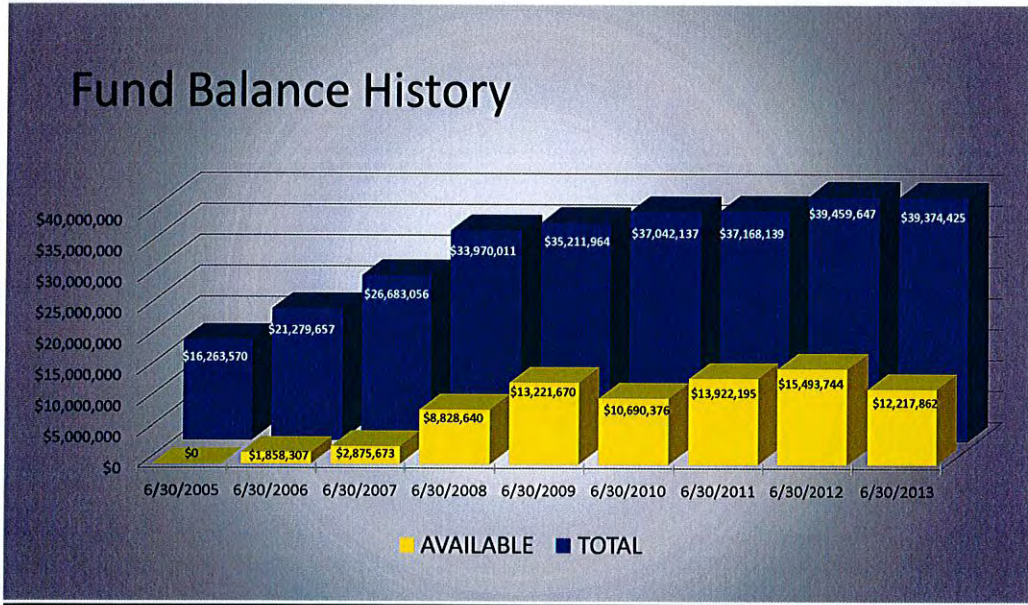
HC PUBLIC SCHOOLS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2013 Refinancing Bonds	\$1,252,582	\$1,212,046	\$1,171,683	\$1,131,194	\$1,090,912	\$1,048,491	\$1,008,011	\$972,739	\$937,450	\$902,151
2012 Refinancing Bonds	\$1,073,348	\$1,027,103	\$992,379	\$956,737	\$921,476	\$888,994	\$852,045	\$817,924	\$781,783	\$746,069
2010 Refinancing Bonds	\$2,299,420	\$2,225,800	\$2,149,148	\$1,851,075	\$1,036,625	\$991,060	\$942,148	\$618,824	\$ -	\$ -
2010 Apple Valley/North	\$815,711	\$799,892	\$780,911	\$759,431	\$735,621	\$709,313	\$680,674	\$ -	\$ -	\$ -
2010 QZABs – Repairs	\$249,833	\$239,964	\$230,095	\$220,226	\$210,357	\$200,488	\$190,619	\$ -	\$ -	\$ -
2009 QSCBs – Repairs	\$483,300	\$474,954	\$466,969	\$458,983	\$450,997	\$443,011	\$435,026	\$ -	\$ -	\$ -
2008 Hillendale/Mills River	\$2,403,132	\$2,356,229	\$2,309,326	\$2,262,423	\$2,215,520	\$2,168,617	\$2,121,714	\$2,074,811	\$2,027,909	\$1,981,006
2002 School QZABs	\$607,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL HC PUBLIC SCHOOLS	\$9,184,388	\$8,335,988	\$8,100,511	\$7,640,069	\$6,661,508	\$6,449,974	\$6,230,237	\$4,484,298	\$3,747,142	\$3,629,226
BRCC	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2013 Refinancing Bonds	\$1,286,435	\$1,244,803	\$1,203,349	\$1,161,766	\$1,120,397	\$1,076,829	\$1,035,254	\$999,029	\$962,786	\$926,534
2010 Repairs	\$237,575	\$232,968	\$227,439	\$221,184	\$214,249	\$206,587	\$198,246	\$ -	\$ -	\$ -
TOTAL BRCC	\$1,524,010	\$1,477,771	\$1,430,788	\$1,382,950	\$1,334,646	\$1,283,416	\$1,233,500	\$999,029	\$962,786	\$926,534
TOTAL EDUCATION	\$10,708,398	\$9,813,759	\$9,531,299	\$9,023,019	\$7,996,154	\$7,733,390	\$7,463,737	\$5,483,327	\$4,709,928	\$4,555,760

Retiring Debt Service - County

COUNTY	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
2013 Refinancing Bonds	\$846,339	\$818,950	\$791,678	\$764,320	\$737,103	\$708,440	\$681,089	\$657,256	\$633,412	\$609,562
2012 Refinancing Bonds	\$1,120,292	\$1,101,445	\$1,063,828	\$1,025,216	\$987,015	\$951,827	\$911,799	\$874,834	\$835,681	\$796,992
2010 Refinancing Bonds	\$180,187	\$174,417	\$168,411	\$145,053	\$81,232	\$77,661	\$73,828	\$48,492	\$ -	\$ -
2010 LEC/Court Services	\$812,000	\$788,000	\$764,000	\$740,000	\$716,000	\$692,000	\$668,000	\$644,000	\$620,000	\$596,000
Detention Center	\$540,431	\$523,748	\$504,189	\$484,827	\$464,652	\$444,720	\$ -	\$ -	\$ -	\$ -
Former 6 th Avenue Clubhouse	\$34,011	\$34,011	\$20,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E911 Communication Center	\$16,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambulances/EMS Equipment	\$235,353	\$315,696	\$251,822	\$186,980	\$80,344	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COUNTY	\$3,785,091	\$3,756,267	\$3,564,546	\$3,346,396	\$3,066,356	\$2,874,648	\$2,334,716	\$2,224,582	\$2,089,092	\$2,002,554
TOTAL DEBT SERVICE	\$14,493,489	\$13,570,026	\$13,095,845	\$12,369,415	\$11,062,510	\$10,608,038	\$9,798,453	\$7,707,909	\$6,799,021	\$6,558,314
FY DEBT SERVICE REDUCTION		(\$923,463)	(\$474,181)	(\$726,430)	(\$1,306,905)	(\$454,472)	(\$809,585)	(\$2,090,544)	(\$908,888)	(\$240,707)

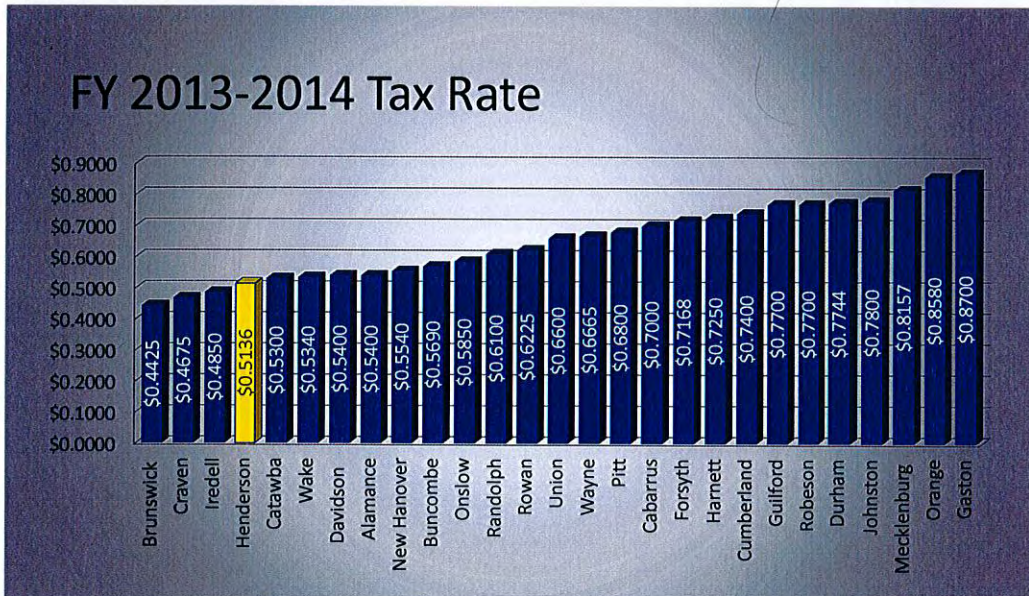
FINANCIAL FORECAST
Historical Budget Information

REVISED BUDGET EXPENDITURES				
FY 2011 - 2014				
	FY 2010-2011	FY 2011-2012	FY 2012-2013	FY 2013-2014 (As of 12.31.13)
COUNTY				
Operational	\$ 74,629,242	\$ 72,368,039	\$76,173,919	\$ 73,294,202
Capital Debt Service	\$ 3,319,481	\$ 3,984,386	\$ 3,976,272	\$ 3,800,106
TOTAL COUNTY	\$ 77,948,723	\$ 76,352,425	\$80,150,191	\$ 77,094,308
HENDERSON COUNTY PUBLIC SCHOOLS				
Current	\$ 20,698,218	\$ 18,561,999	\$ 21,200,000	\$ 22,070,846
Capital (Including FF&E)	\$ 449,889	\$ 1,000,000	\$ 0	\$ 0
Capital Debt Service (Including QZAB)	\$ 9,810,746	\$ 9,648,824	\$ 9,033,782	\$ 9,169,413
TOTAL HCPS	\$ 30,958,853	\$ 29,210,823	\$ 30,233,782	\$ 31,240,259
BLUE RIDGE COMMUNITY COLLEGE				
Operational	\$ 2,325,516	\$ 2,151,102	\$ 2,825,977	\$ 3,075,977
Capital	\$ 90,724	\$ 90,724	\$ 0	\$ 0
Capital Debt Service	\$ 1,706,837	\$ 1,653,247	\$ 1,616,429	\$ 1,524,036
TOTAL BRCC	\$ 4,123,077	\$ 3,895,073	\$ 4,442,406	\$ 4,600,013
TOTAL	\$ 113,030,653	\$ 109,458,321	\$ 114,826,379	\$ 112,934,580



FY 2013-2014 Tax Rate

The tax rate of \$0.5136 per \$100 of valuation is the 4th lowest tax rate of the 27 urban counties -- those with a population over 100,000 -- and the 22nd lowest of all 100 counties in North Carolina.



Financial Forecast

- Final year of a four year plan
 - The next reappraisal cycle will be in effect for the FY 2015-2016 budget
- No increase in the property tax rate
- Revenue projections based on FY13 actual receipts
- Fund Balance Appropriated?
- Debt service roll-off of \$923,463 to be transferred to Capital Reserve Fund?

FY 2014-2015 Financial Forecast – 4th Year

Projected Revenues for FY 14-15	\$108,500,000
Current Commitments for FY 14-15	<u>\$113,700,000</u>
Projected Fund Balance Required	\$ 5,200,000

FY 2014-2015 Financial Forecast

Total projected available fund balance over 12% as of July 1, 2013 \$12,217,862

FY 2014-2015 Current Commitments	\$113,700,000
1% Budgetary Flexibility =	\$ 1,137,000
2% Budgetary Flexibility =	\$ 2,274,000
3% Budgetary Flexibility =	\$ 3,411,000

FY 2014-2015 Financial Forecast

1% Budgetary Flexibility – Projected Budget = \$114,837,000
 Fund Balance Required = \$ 6,337,000

2% Budget Flexibility – Projected Budget = \$115,974,000
 Fund Balance Required = \$ 7,474,000

3% Budget Flexibility – Projected Budget = \$117,111,000
 Fund Balance Required = \$ 8,611,000

Anticipated Available Fund Balance over 12%	\$12,217,862
Fund Balance Required at 1%	<u>\$ 6,337,000</u>
Anticipated Remaining Fund Balance	\$ 5,880,862

Anticipated Available Fund Balance over 12%	\$12,217,862
Fund Balance Required at 2%	<u>\$ 7,474,000</u>
Anticipated Remaining Fund Balance	\$ 4,743,862

Anticipated Available Fund Balance over 12%	\$12,217,862
Fund Balance Required at 3%	<u>\$ 8,611,000</u>
Anticipated Remaining Fund Balance	\$ 3,606,862

UPDATES AND EMERGING ISSUES

Permitting and Inspections Software

John Mitchell, Business and Community Development Director, provided the Board an update on the County’s current Permitting and Inspections Software, and the exploration process underway to replace that existing software package.

Currently the permitting department is using outdated software. At one time it was a goal for all counties to use the same software, which did not happen. Henderson County is one of three counties using PNI Software of the 100 counties in North Carolina. The software is no longer dependable.

Benefits of the new system:

- Better technical support
- The ability to produce reports
- Updated technology

- The ability to interact with GIS and other departments
- Public Access

Today this is being put on the radar letting the Commissioners know that the need will arise soon. The project will take 2-3 years to complete and will cost between \$250,000 and \$300,000. A request was made to put \$75,000 in capital reserve to prepare for the need.

It was the consensus of the Board to set aside \$75,000 in capital reserve.

BRCC Update

Dr. Molly Parkhill, President of Blue Ridge Community College, updated the Board on upcoming projects/issues at the college. The BRCC Board of Trustees had met and conducted a 5 year assessment of capital projects. They reviewed ADA safety, energy savings, maintenance, and educational requirements. A list was made up with a calculated \$959,250.00 cost. Dr. Parkhill will be forwarding the list to the Commissioners. Last year the Board of Trustees looked at renovating or expanding for Advanced Manufacturing, which is still being considered. Deferred maintenance costs total approximately \$419,500.00. Some maintenance could be long term issues and could be packaged with other issues for financing. Henderson County Staff and BRCC will work together to come up with a plan.

It was consensus of the Board to work on deferred maintenance.

Cane Creek Sewer Enterprise Fund – Update

Marcus Jones stated Cane Creek Sewer is a standalone Enterprise Fund where revenue covers expenses.

County Manager Steve Wyatt suggested looking at all issues and preparing a plan to move forward.

Cane Creek Fund - Prioritized Projects from 2009 Master Plan:

#	Project	Estimate	Status
2	Mill Pond Creek Interceptor	\$2,000,000	Design Underway / CWMTF currently not viable
4	Fletcher Warehouse Interceptor	\$1,750,000	Construction underway
n/a	Snowball Lane Lift Station	\$350,000	FEMA Grant w/ District funding

Fund Balance Analysis:

Description	Amount
- Includes transfer for Atkinson Elementary Sewer	
- Fletcher Warehouse (\$1,250,000)	
- Snowball Lane (\$150,000)	
	\$1,400,000

FY15 CCWSD Budget

Staff will propose to continue the Mill Pond Creek Interceptor with Fund Balance in lieu of CWMTF grant.

Mill Pond Creek Interceptor Benefits

- ▶ Replaces WWTP and operating costs for Rugby Middle and West High
- ▶ Removes lift stations and operating expenses
 - CCWSD’s Prison Station
 - 2 Solid Waste stations and 1 Animal Shelter station
 - Provides Possible Sewer Service to Existing Neighborhoods (Triple Creek, Haywood Knolls)

Mill Pond Creek Extension Construction:

Description	Amount
Fund Balance Available	\$2,709,000
Less, Mill Pond Creek Interceptor Construction	\$2,000,000
Remainder for Reserves	\$709,000
- 70% of Annual Operating Expenses	
- Most Expensive Equipment: Lift Station at \$200,000	

FY 2013-2014 Solid Waste Fund

	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Expended (As of 12.31.13)	% Expended (As of 12.31.13)
Expenditures	\$5,118,604	\$10,000	\$5,128,604	\$ 2,744,284	53.5%

	BOC Adopted	Revisions (As of 12.31.13)	Total Revised Budget	\$ Received (As of 12.31.13)	% Received (As of 12.31.13)
Revenues	\$4,793,604	\$0	\$4,793,604	\$ 2,110,572	44.0%
Fund Balance Appropriated	\$325,000	\$10,000	\$335,000	\$0	0.0%

County Manager Steve Wyatt stated from an operational standpoint, the Solid Waste Fund is below 50% of the Income and Revenue at this time. He asked Marcus Jones to provide a comparison from last year on percentages to share with the Board this week. Staff will put together an analysis providing information on numbers for Solid Waste by mid February.

911 Relocation Project – Update

Marcus Jones noted that more flexibility is needed with the states control of 911 contingency funds. The County needs for authority and a broader range of uses.

- \$3.6 M Grant from NC 911 Board (100%)
- Design currently underway
- Bid: March 2014
- Construction Start: May 2014
- Construction Completion: January 2015

School Capital Projects

Interim Assistant County Manager David Whitson stated in October, school capital projects went out for bid for Architects, in preparation for this workshop. December 12, 2013, he met with school staff and Architect Chad Robinson to look at four projects that are pressing.

Superintendent David Jones covered the four projects. He also shared information in regard to Charter Schools, noting that money follows kids. He understands state money moving with the kid, but doesn't understand county dollars following them. It was something he felt should be looked into.

Edneyville Elementary School: This school is a high priority for completion. Current school population is approximately 550 students, K-5. There is no connection between the buildings and there are nine (9) mobile units located on the site. The major deficits appear to be in the following areas: media center, which also has a computer lab within, replacing the mobile classrooms, providing enclosed access to the gym and cafeteria from both buildings, and the administrative area, which was built in 1968.

Hendersonville High School: Current student population is approximately 710 students, 9-12. The high school site should be evaluated from a number of differing angles. Review how the campus might incorporate and utilize the "Boyd" property. Review and analyze how the existing buildings in both locations could or could not be renovated to meet the school's needs. This will require a programming session with the school leadership to help determine the highest and best use for the project. The current classrooms, media center, and cafeteria are all well below state capacity; the media center and cafeteria have a capacity of approximately 520. The main building was constructed in 1926.

Upward Elementary School: Current student population is approximately 500 students, K-5. Scope of the project is similar to Edneyville. Core area is the biggest concern. Cafeteria has a capacity of 400 and offices are located in the center of the structure. Mobile classrooms need to be replaced with permanent structures.

Balfour Education Center: Main building was constructed in 1927. The Balfour Education Center currently houses grades 6-12. Mostly used for 9-12. The structure is of a historical nature and consists of wood framing with masonry exterior walls. The facility is being used collaboratively with BRCC for automotive and mechatronics. Among other programs within the school there is a childcare for teen mothers. School is open to all students for access to these programs. The current mechanical, electrical, and plumbing systems need to be updated. This project will require significant programming efforts and input from multiple users. Students currently access buildings from the outside and circulate from a variety of areas.

Architect of Record for Public Schools and County Government – Selection

Selection Committee recommends Clark Nexsen for the Public Schools and County Government Architect of Record.

Commissioner Young made the motion that the Board authorizes the selection of Clark Nexsen as the most qualified responding firm to perform architectural services for the Public Schools and County Government projects. All voted in favor and the motion carried.

With possible Board selection, Staff has negotiated an agreement with Clark Nexsen for \$118,100 to perform the planning and programming for the four Public School projects: HHS, Balfour, Edneyville Elementary and Upward Elementary.

Commissioner Edney made the motion that the Board authorizes the County Engineer to execute the required documents for the agreement with Clark Nexsen for \$118,100 for planning for the following: HHS, Balfour, Edneyville Elementary and Upward Elementary. All voted in favor and the motion carried.

NC DOT Secondary Road Improvement Program

Steve Cannon, NCDOT District Engineer, updated the Board on the current status of Secondary Road Construction Program projects, as well as House Bill 817, which includes changes that have affected the Secondary Road Construction Program. House Trust Funds are now going to other projects. \$68 million statewide was previously earmarked for unpaved roadways. This year that figure is \$15 million and will be \$12 million for future years. All roads are ranked for the entire state. 30% of roads in Henderson County are ranked for funding. It is no longer necessary for the NCDOT to provide a formal presentation on the secondary roads program to the Commissioners, it will only be provided in the form of a list.

Capital Reserve Fund

Capital Reserve Fund established in FY 2007		Deposit/ Appropriation	Running Balance
FY 2007	Deposit – Sale of Land Development Building	\$ 1,337,195	\$ 1,337,195
FY 2008	Deposit – Transfer from General Fund	\$ 1,400,000	\$ 2,737,195
FY 2009	Appropriation – Detention Center Generator	(\$ 300,000)	\$ 2,437,195
FY 2010	Deposit – Transfer from General Fund	\$ 772,677	\$ 3,209,872
	Appropriation – Compressed Natural Gas Project	(\$ 35,000)	\$ 3,174,872
	Appropriation – Parks and Recreation projects	(\$ 156,249)	\$ 3,018,623
	Appropriation – Tuxedo Mill Demolition	(\$ 143,324)	\$ 2,875,299
FY 2011	Appropriation – Law Enforcement Center	(\$ 1,058,347)	\$ 1,816,952
	Deposit – Progress Energy (Bent Creek Easement)	\$ 8,500	\$ 1,825,452
	Appropriation - Boyd Property	(\$ 750,000)	\$ 1,075,452
FY 2012	Deposit – Sale of Nuckolls Building	\$ 700,000	\$ 1,775,452
	Appropriation – Parks and Recreation projects	(\$ 535,039)	\$ 1,240,413
FY 2013	Deposit – Transfer from General Fund (Recreation)	\$ 200,000	\$ 1,440,413
	Appropriation – Parks and Recreation projects	(\$ 26,848)	\$ 1,413,565
	Appropriation – 1995 Courthouse Congressional Office	(\$ 26,899)	\$ 1,386,666
FY 2014	Appropriation – 1995 Courthouse Renovations	(\$ 1,000,000)	\$ 386,666
FY 2015	Deposit – Transfer from the General Fund – Debt Roll-off (?)	\$ 923,463	\$ 1,310,129

Capital Projects

How much in new capital projects can we finance?		
	<u>15 Years</u>	<u>20 Years</u>
FY 2015 A total of \$923,463 in debt service rolls off:	\$10,636,000	\$12,832,000
FY 2016 A cumulative total of \$1,397,644 in debt service rolls off:	\$15,539,000	\$19,242,000
FY 2017 A cumulative total of \$2,124,074 in debt service rolls off:	\$23,616,000	\$28,238,000
FY 2018 A cumulative total of \$3,430,979 in debt service rolls off:	\$37,482,000	\$44,622,000
FY 2019 A cumulative total of \$3,885,451 in debt service rolls off:	\$41,728,000	\$49,464,000
*Debt service roll off numbers are cumulative for each fiscal year. If 100% of FY2015 debt service is used to finance new capital projects, then only the difference between FY2015 and FY2016 cumulative totals is available to finance new projects in FY2016. Available debt service in each year depends on the total project costs and the timing of when each project is ready to proceed.		

Dana Waterline Update

Marcus Jones and Seth Swift updated the Board on the Dana Waterline. Bids will be unsealed the last week of January and construction should begin in March. Waterlines will be included on Academy Road and Blue House Road even though those areas have no contamination. A projected completion is expected in approximately nine months.

Economic Development Update

Andrew Tate, President and CEO of the Henderson County Partnership for Economic Development, discussed economic development in Henderson County, and provided the Board an update on current projects.

Four programs:

- Existing Industry Program
- Marketing Henderson County
- Product Development
- Advocacy Items/Public Policy Issues

Mr. Tate shared statistics from 2005 to November, 2013 on Unemployment, labor force, employees, registered establishments, and average wages. Product development (sites and buildings) is the biggest challenge for this area.

Rescue Squad/EMS – Temporary Storage Request

Fire Marshal Rocky Hyder and Jimmie Brissie shared information on EMS and Rescue Squad needs. The Henderson County Rescue Squad currently has several vehicles and trailers parked outdoors. The former Boyd service garage could provide temporary storage of secondary equipment that typically would not need to respond quickly in the event of an emergency. Relocating equipment to the subject property would enable the Rescue Squad to have some “breathing room” on Williams Street as they continue to expand services. Based on the unknown timeline for the school project they would like to utilize the facility for additional storage capacity within the following guidelines:

- Work with County Staff to ensure any safety concerns are mitigated (mostly electrical & trip hazards).
- Schedule several work days for Squad members to assist with cleaning and removal of debris from the site.
- Develop a storage plan that will support additional storage needs the County may have for the short term use of the facility.
- Control access to the facility based on requirements established by the County.
- Vacate the property as requested for future site use.

Rescue Squad/EMS – Resource Needs Assessment

Staff recommends the Board engage a facilitator with expertise in emergency services to work with Emergency Medical Services and the Rescue Squad to develop options to meet the long term needs of both organizations. The process would begin in July, 2014, to allow time for the assessment to be generated for review at the Board's 2015 Budget Workshop.

County Manager Steve Wyatt will work with staff for a proposal with a not to exceed cap and bring it back to the Board in 30 days.

Commissioner Hawkins made the motion that the Board directs staff to negotiate and execute a memorandum of understanding incorporating the basic terms discussed today which would allow the Rescue Squad the non-exclusive and temporary use of the former Boyd service garage for storage, such use to be in coordination with the County, and with Henderson County Public Schools. All voted in favor and the motion carried.

Tourism Development Authority

David Whitson has discussed TDA Funding with the museum and worked with the TDA for a solution.

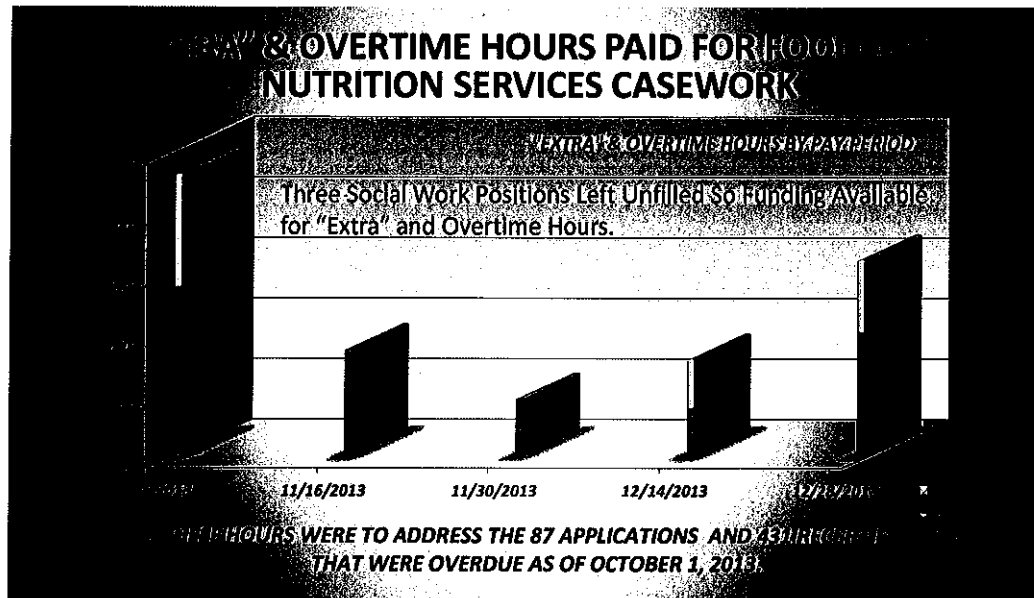
The *Inter-Local Agreement* between the Henderson Tourism Development Authority and the County of Henderson extends through June 30, 2014 with automatically renewals from year to year. It is the desire of both parties to continue the agreement but with modifications. In particular is the language in paragraph 3 of the agreement concerning the funding of the Henderson County Historic Courthouse Corporation (Museum). It is proposed that in lieu of an annual grant payment to the Museum by the HTDA, the HTDA will pay annual rent to Henderson County for the facility they occupy. In turn, Henderson County will grant to the Museum an amount that will offset their operating cost. The TDA has requested an amount of \$90,000 per year as annual rent.

Commissioner Edney made the motion that the Board directs the County Attorney to negotiate with the TDA and move forward. All voted in favor and the motion carried.

DSS Update – Analysis of Impact of Medical Changes on Personnel Needs

DSS Director Eric Bush provided an updated analysis of impact of medical changes on personnel needs. Medicaid Program

- County is federally mandated to:
 - Administer Medicaid
 - Accept applications/determining eligibility
 - Meet Federal Timeframes (Financial Penalties)
 - USDA Letter Dec. 11, 2013 Notifying NC of Penalties for Food and Nutrition Services
 - “subject to suspension and disallowance of administrative funds”
 - Letter to Counties of Mandates to Meet Timeframes



NC FAST Is Improving, but . .

- Our Experience –
 - Eligibility Activities Taking Longer to Complete
 - If System Is Running Slow, May Take Two+ Hours
 - At Times the System Has Not Been Accessible
 - Numerous Workarounds to Circumvent Problems
- Next Phase –
 - Transfer of 15,137 Active Cases Which Must Be Converted Over Next 12 months
 - Entry of Data from Electronic Records into NC FAST
 - Use of Modified Adjusted Gross Income (MAGI)

DEPARTMENTAL NEEDS IN ORDER TO ACCOMPLISH MANDATED DUTIES

- Recognize that the initial five (5) temporary staff will not be adequate to meet federally mandated timeframes.
- Additional temporary staff will be necessary.
- Monitor closely compliance with federally mandated timeframes for determining eligibility and processing re-certifications.
- Provide monthly status reports on compliance with timeframes to County Manager’s Office.

IMPACT OF INCREASED MEDICAID FUNDING

- Increase Federal Revenue (50% to 75%) Based on Current Expenditures will Result in a Savings of About \$119,057 in County Funds for Five Months (Dec. 5, 2013 DHHS Bradsher Letter)
- HCDSS Will Reinvest these Savings to Cover Additional Temps (Contract Expenditure Line Item and the Staff-Medicaid Revenue Line Item Will Need to Be Increased)
- Overall - No Additional Cost to the County

Table Comparing Expenses vs. Revenues		
ITEM	EXPENSE	REVENUE
TEMP STAFF (5 MOS FEB-JUN)	(\$280,440)	\$210,330
EQUIPMENT (One Time Expense)	(\$75,000)	\$37,500
COLUMN TOTALS	(\$355,440)	\$247,830
EXPENSES LESS REIMBURSEMENT	(\$107,610)	
ADD'L REVENUE FOR CURRENT DSS STAFF AS A RESULT OF 75% REIMB. (5 MOS FEB-JUN)		\$119,057

Sheriff's Department Update

Sheriff Charlie McDonald updated the Board on departmental issues for the coming fiscal year.

Their needs for the upcoming year will be:

- Personnel – 1 SRO
- New Animal Enforcement issues – 1 additional Deputy
- Expense of new requirement that Sheriff keep up with pistol permits issued.
- \$20,000 for replacement of SWAT vests
- Unforseens

BUDGET DISCUSSION AND DIRECTION TO STAFF

1. Include funding in Capital Reserve Fund for Permitting and Inspections software (\$75,000)
2. Blue Ridge Community College – Bring a plan back with the FY15 Budget to address facility maintenance needs (long term and short term needs)
3. Henderson County Public Schools – Bring a plan back with the FY15 Budget to address facility maintenance needs (long term and short term needs)
4. Cane Creek – Address and proceed with projects in FY15
5. Process for addressing EMS/Rescue Squad facility needs (FY14)
6. County employee COLA
7. Wingate University Project
8. Reduce tax rate to \$0.50
9. Encourage economic development – industry and agriculture
10. Support education, emergency services and hospital as possible
11. Budget flexibility – stay within 1% flexibility (per motion)
12. Recreation/greenway projects
13. Preserve County Health benefit plan
14. Register of Deeds project/technology
15. Tuxedo Park – earmark \$200,000

Commissioner Hawkins made the motion that the Board directs Steve Wyatt to allow 1% flexibility in the budget. All voted in favor and the motion carried.

January 15, 2014

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ADJOURN

Commissioner Thompson made the motion to adjourn at 2:20 p.m. All voted in favor and the motion carried.

Attest:

Teresa L. Wilson, Clerk to the Board

Charles D. Messer, Chairman