

## MINUTES

**STATE OF NORTH CAROLINA  
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS  
WEDNESDAY, JANUARY 20, 2016**

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 Tommy Thompson, Vice-Chairman Charlie Messer, Commissioner Grady Hawkins, Commissioner Mike Edney, Commissioner Bill Lapsley, County Manager Steve Wyatt, Assistant County Manager Amy Brantley, Attorney Russ Burrell and Clerk to the Board Teresa Wilson.

Also present were: Senior Planner Autumn Radcliff, Engineer Marcus Jones, Management Assistant Megan Powell, HR Director Jan Prichard, Director of Business and County Development John Mitchell, Interim Assessor/Tax Collector Darlene Burgess, Finance Director Carey McLelland, Animal Services Director Brad Rayfield, Soil & Water Conservation District Director Jonathan Wallin, IT Director Becky Snyder, Recreation Director Tim Hopkin, Code Enforcement Director Toby Linville, Building Services Director Tom Staufer, Environmental Health Supervisor Seth Swift, Registrar of Deeds Lee King, Assistant Register of Deeds Willa Blair, Library Director Trina Rushing, Purchasing Agent Randall Cox, DSS Administrative Officer Joseph Maxey, Captain Steve Carter, Lieutenant Bengy Bryant, Captain Jim Player, Sheriff Charlie McDonald, Chief Deputy Frank Stout, EMS Director Mike Barnett, Facility Services Manager Jerry Tucker, Central Services and Construction Manager David Berry, Fire Marshal Rocky Hyder, Interim DSS Director Jerrie McFalls, Wellness Nurse Practitioner Manager Jamie Gibbs, Public Health Nursing Director Betsy Alexander, PH Administrative Assistant Cathy Nicholson, Assistant Engineer Natalie Berry, Environmental Program Coordinator Rachel Kipar and PIO Kathryn Finotti – videotaping, and Deputy Brent Cantrell as security.

### CALL TO ORDER/WELCOME

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

### INVOCATION

County Manager Steve Wyatt provided the invocation.

### PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the American Flag was led by Commissioner Hawkins.

### MID-YEAR FINANCIAL REPORT

County Manager Steve Wyatt noted this is the 9<sup>th</sup> year of doing the budget process in a public forum.

FY 015-2016 Mid-Year Financial Update

- FY 2015-2016 Expenditures
- FY 2015-2016 Revenues
- FY 2015-2016 Sales Tax Collections
- Capital Reserve Fund

DATE APPROVED: February 1, 2016

### FY 2015-2016 County Expenditures

County Department	BOC Adopted	Revisions (as of 12.31.15)	Total Revised Budget	\$ Expended (as of 12.31.15)	% Expended (as of 12.31.15)
Governing Body	\$386,685	\$0	\$386,685	\$171,423	44.3%
Dues & Non-Profits	\$501,489	-\$1,275	\$500,214	\$324,423	64.9%
County Administration	\$883,899	\$0	\$883,899	\$377,042	42.7%
Human Resources	\$645,440	\$0	\$645,440	\$324,796	50.3%
Elections	\$919,324	\$0	\$919,324	\$254,723	27.7%
Finance	\$826,154	\$0	\$826,154	\$425,000	51.4%
Assessor	\$1,775,414	\$0	\$1,775,414	\$795,122	44.8%
Tax Collections	\$406,492	\$0	\$406,492	\$162,032	39.9%
Legal	\$689,070	\$0	\$689,070	\$368,625	53.5%
Register of Deeds	\$653,788	\$0	\$653,788	\$222,155	34.0%
Engineering & Facility Serv.	\$3,374,096	\$37,500	\$3,411,596	\$1,897,061	55.6%
Court Facilities	\$190,000	\$0	\$190,000	\$72,956	38.4%
Information Technology	\$2,882,953	-\$48,446	\$2,834,507	\$1,428,676	50.4%

### FY 2015-2016 County Expenditures

County Department	BOC Adopted	Revisions (as of 12.31.15)	Total Revised Budget	\$ Expended (as of 12.31.15)	% Expended (as of 12.31.15)
Sheriff	\$14,335,233	\$138,545	\$14,473,778	\$6,670,679	46.1%
Detention Facility	\$4,117,325	\$25,525	\$4,142,850	\$2,077,146	50.1%
Emergency Management	\$238,857	\$0	\$238,857	\$122,819	51.4%
Fire Marshal	\$605,342	\$0	\$605,342	\$410,660	67.8%
Building Services	\$948,546	\$0	\$948,546	\$436,419	46.0%
Wellness Clinic	\$539,225	\$0	\$539,225	\$269,313	49.9%
Emergency Medical Services	\$5,276,571	\$1,601	\$5,278,172	\$2,914,084	55.2%
Animal Services	\$593,682	\$0	\$593,682	\$298,139	50.2%
Rescue Squad	\$298,610	\$0	\$298,610	\$231,916	77.7%
Forestry Services	\$56,244	\$0	\$56,244	\$13,261	23.6%
Soil & Water Conservation	\$325,654	\$125,000	\$450,654	\$286,953	63.7%
Planning	\$594,484	\$0	\$594,484	\$246,983	41.5%

### FY 2015-2016 County Expenditures

County Department	BOC Adopted	Revisions (as of 12.31.15)	Total Revised Budget	\$ Expended (as of 12.31.15)	% Expended (as of 12.31.15)
Code Enforcement	\$272,204	\$0	\$272,204	\$121,131	44.5%
Heritage Museum	\$100,000	\$0	\$100,000	\$50,000	50.0%
Cooperative Extension	\$338,434	\$1,275	\$339,709	\$171,882	50.6%
Project Management	\$113,087	\$0	\$113,087	\$56,440	49.9%
Economic Development	\$1,179,513	\$227,384	\$1,406,897	\$1,008,827	71.7%
AgriBusiness Henderson County	\$141,251	\$0	\$141,251	\$82,584	58.5%
Public Health	\$6,548,330	\$162,184	\$6,710,514	\$3,120,772	46.5%
Environmental Health	\$1,120,542	\$0	\$1,120,542	\$511,906	45.7%
Home & Community Care Grant	\$733,648	\$13,363	\$747,011	\$324,328	43.4%
Medical Services	\$50,000	\$0	\$50,000	\$27,200	54.4%
Mental Health	\$528,612	\$0	\$528,612	\$264,306	50.0%
ROAP (Rural Operating Assistance)	\$196,095	\$0	\$196,095	\$83,072	42.4%
Social Services	\$13,242,465	\$48,446	\$13,290,911	\$6,379,192	48.0%
DSS – Smart Start	\$492,923	\$0	\$492,923	\$249,546	50.6%

### FY 2015-2016 County Expenditures

County Department	BOC Adopted	Revisions (as of 12.31.15)	Total Revised Budget	\$ Expended (as of 12.31.15)	% Expended (as of 12.31.15)
DSS – Federal & State	\$6,978,147	\$0	\$6,978,147	\$3,273,271	46.9%
DSS – General Assistance	\$61,500	\$0	\$61,500	\$18,755	30.5%
Juvenile Justice Grant	\$218,745	\$0	\$218,745	\$98,919	45.2%
Veteran's Services	\$61,526	\$0	\$61,526	\$22,521	36.6%
Public Library	\$2,927,514	\$50,664	\$2,978,178	\$1,461,200	49.1%
Recreation	\$1,620,280	\$0	\$1,620,280	\$739,957	45.7%
County Debt Service	\$4,116,449	\$0	\$4,116,449	\$1,421,408	34.5%
Non-Departmental	\$260,000	\$0	\$260,000	\$24,130	9.3%
Transfers to Other Funds	\$1,287,959	\$0	\$1,287,959	\$456,479	35.4%
<b>TOTAL</b>	<b>\$84,653,801</b>	<b>\$781,766</b>	<b>\$85,435,567</b>	<b>\$40,770,230</b>	<b>47.7%</b>

County expenditures are below 50% at the mid-year mark.

### FY 2015-2016 County Expenditures

	BOC Adopted	Revisions (As of 12.31.15)	Total Revised Budget	\$ Expended (As of 12.31.15)	% Expended (As of 12.31.15)
<b>HC Public School System</b>					
<input type="checkbox"/> Current Expense	\$24,525,770	\$0	\$24,525,770	\$12,262,885	50.00%
<input type="checkbox"/> Debt Service	\$8,100,873	\$0	\$8,100,873	\$4,733,531	58.43%
<b>TOTAL</b>	<b>\$32,626,643</b>	<b>\$0</b>	<b>\$32,626,643</b>	<b>\$16,996,415</b>	<b>52.09%</b>

	BOC Adopted	Revisions (As of 12.31.15)	Total Revised Budget	\$ Expended (As of 12.31.15)	% Expended (As of 12.31.15)
<b>Blue Ridge Community College</b>					
<input type="checkbox"/> Current Expense	\$3,407,836	\$0	\$3,407,836	\$1,703,918	50.00%
<input type="checkbox"/> Debt Service	\$1,685,170	\$0	\$1,685,170	\$474,301	28.15%
<b>TOTAL</b>	<b>\$5,093,006</b>	<b>\$0</b>	<b>\$5,093,006</b>	<b>\$2,178,219</b>	<b>42.77%</b>

### FY 2015-2016 County Expenditures

	BOC Adopted	Revisions (As of 12.31.15)	Total Revised Budget	\$ Expended (As of 12.31.15)	% Expended (As of 12.31.15)
<b>GENERAL FUND TOTAL</b>	<b>\$122,373,450</b>	<b>\$781,766</b>	<b>\$123,155,216</b>	<b>\$59,944,864</b>	<b>48.67%</b>

Last year the percent of expended funds as of 12.31.14 was 48.4%.

Historically there is a 1% variance each year.

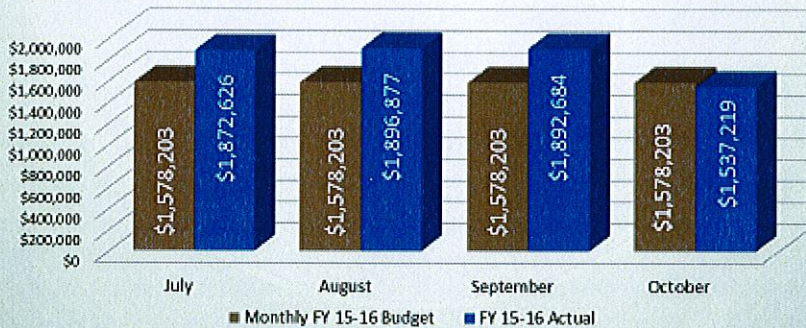
## FY 2015-2016 Revenues

	BOC Adopted	Revisions (As of 12.31.15)	Total Revised Budget	\$ Received (As of 12.31.15)	% Received (As of 12.31.15)
Ad Valorem Taxes – Current Year	\$64,213,066	\$0	\$64,213,066	\$52,663,827	82.0%
Ad Valorem Taxes – Prior Years	\$1,785,000	\$0	\$1,785,000	\$834,520	46.8%
Local Option Sales Taxes	\$18,938,432	\$0	\$18,938,432	\$5,662,187	29.9%
Other Taxes and Licenses	\$862,000	\$0	\$862,000	\$411,396	47.7%
Unrestricted Intergovernmental	\$55,300	\$0	\$55,300	\$6,963	12.6%
Restricted Intergovernmental	\$18,594,589	\$535,011	\$19,129,600	\$8,772,208	45.9%
Permits and Fees	\$1,339,460	\$0	\$1,339,460	\$707,653	52.8%
Sales and Services	\$5,908,135	\$0	\$5,908,135	\$2,884,751	48.8%
Investment Earnings	\$500,000	\$0	\$500,000	\$317,995	63.6%
Other Revenues	\$410,625	\$50,991	\$461,616	\$563,141	122.0%
Transfers From Other Funds	\$299,800	\$0	\$299,800	\$100,000	33.4%
<b>Total General Fund Revenues</b>	<b>\$122,373,450</b>	<b>\$781,766</b>	<b>\$123,155,216</b>	<b>\$72,924,640</b>	<b>59.2%</b>
Fund Balance Appropriated	\$9,467,043	\$195,764	\$9,662,807	\$0	0.0%

The General Fund Policy is 12%. The County Manager suggested utilizing funds over 12%.

## FY 2015-2016 Sales Tax Revenues

- Local Option Sales Tax = \$ 18,938,432
- Year to Date Variance = + \$ 886,594



The chart presents 4 months of sales tax revenues. It is an overall good report. August includes back to school shopping. Using actual audited numbers to be conservative, we are \$886,594 ahead of projections, but it is less than in previous years.

## 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
FY 2008	Deposit – Transfer from General Fund	\$ 1,400,000
FY 2009	Appropriation – Detention Center Generator	(\$ 300,000)
FY 2010	Deposit – Transfer from General Fund	\$ 772,677
	Appropriation – Compressed Natural Gas Project	(\$ 35,000)
	Appropriation – Parks and Recreation projects	(\$ 156,249)
	Appropriation – Tuvedo Mill Demolition	(\$ 143,324)
FY 2011	Appropriation – Law Enforcement Center	(\$ 1,038,347)
	Deposit – Progress Energy (Bent Creek Easement)	\$ 8,500
	Appropriation – Boyd Property	(\$ 750,000)
FY 2012	Deposit – Sale of Nuckolls Building	\$ 700,000
	Appropriation – Parks and Recreation projects	(\$ 535,039)
	Deposit – Transfer from General Fund (Recreation)	\$ 200,000
FY 2013	Appropriation – Parks and Recreation projects	(\$ 26,846)
	Appropriation – 1993 Courthouse Congressional Office	(\$ 26,899)
FY 2014	Appropriation – 1993 Courthouse Renovations	(\$ 1,000,000)
	Deposit – Transfer from General Fund (Recreation)	\$400,000
	Deposit – Transfer from General Fund (Earmarked for Health Science Bldg)	\$923,463
FY 2015	Deposit – P&I Software	\$75,000
	Deposit – Transfer from General Fund (Conditional School Funding Reverted)	\$166,183
	Appropriation – Tuvedo Park	(\$177,269)
	Appropriation – Davis Park	(\$195,976)
FY 2016	Deposit – P&I Software	\$75,000

Money in the capital reserve is earmarked.

**Financial Forecast**

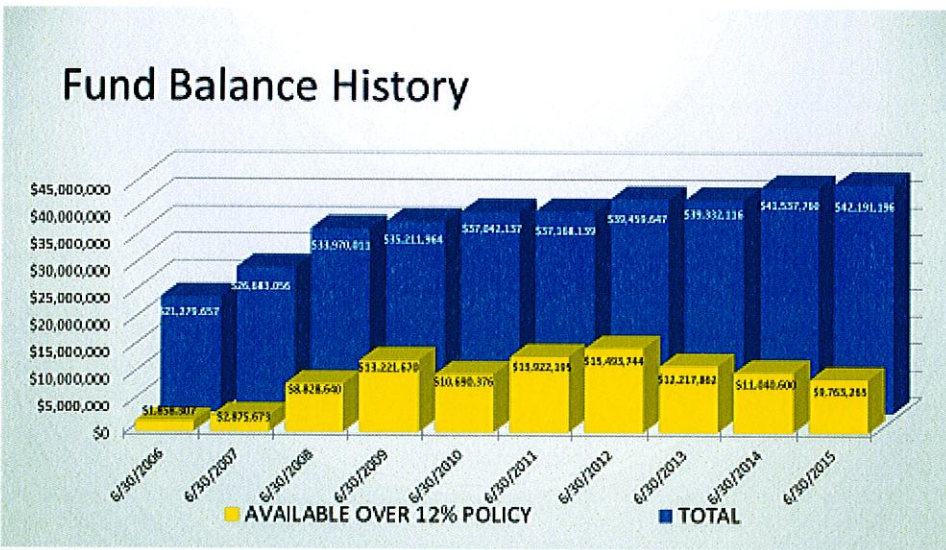
- Historic Budget Information
- Fund Balance
- Tax Rate Scenarios
- Fund Balance Scenarios

Budget to Budget Expenditures

### Historical Budget Information

REVISED BUDGET EXPENDITURES				
FY 2015 - 2016 VARIANCE				
	FY 2014-2015	FY 2015-2016 (As of 12.31.15)	\$ VARIANCE	% VARIANCE
<b>COUNTY</b>				
Operational	\$79,858,958	\$81,319,418	\$1,460,460	1.83%
Debt	\$3,756,267	\$4,116,149	\$359,882	9.58%
<b>TOTAL COUNTY</b>	<b>\$83,615,225</b>	<b>\$85,435,567</b>	<b>\$1,820,342</b>	<b>2.18%</b>
<b>HENDERSON COUNTY PUBLIC SCHOOLS</b>				
Current and Capital	\$23,686,153	\$24,525,770	\$839,617	3.54%
Debt	\$8,335,988	\$8,100,873	(\$235,115)	-2.82%
<b>TOTAL HCPS</b>	<b>\$32,022,141</b>	<b>\$32,626,643</b>	<b>\$604,502</b>	<b>1.89%</b>
<b>BLUE RIDGE COMMUNITY COLLEGE</b>				
Operational and Capital	\$3,157,836	\$3,407,836	\$250,000	7.92%
Debt	\$1,477,771	\$1,685,170	\$207,399	14.03%
<b>TOTAL BRCC</b>	<b>\$4,635,607</b>	<b>\$5,093,006</b>	<b>\$457,399</b>	<b>9.87%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$120,272,973</b>	<b>\$123,155,216</b>	<b>\$2,882,243</b>	<b>2.40%</b>

It is significant to note that the audited number is going down. The available Fund Balance will go down with increased expenditures.



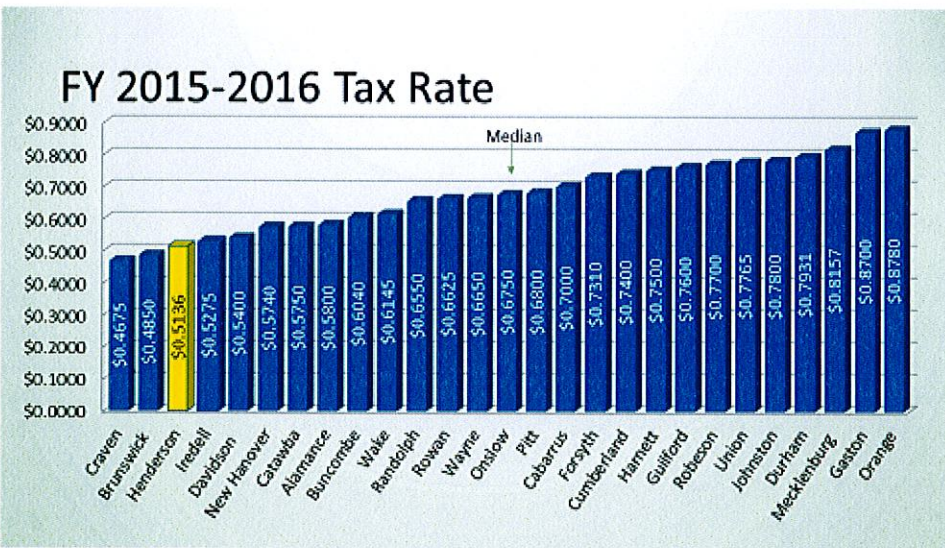
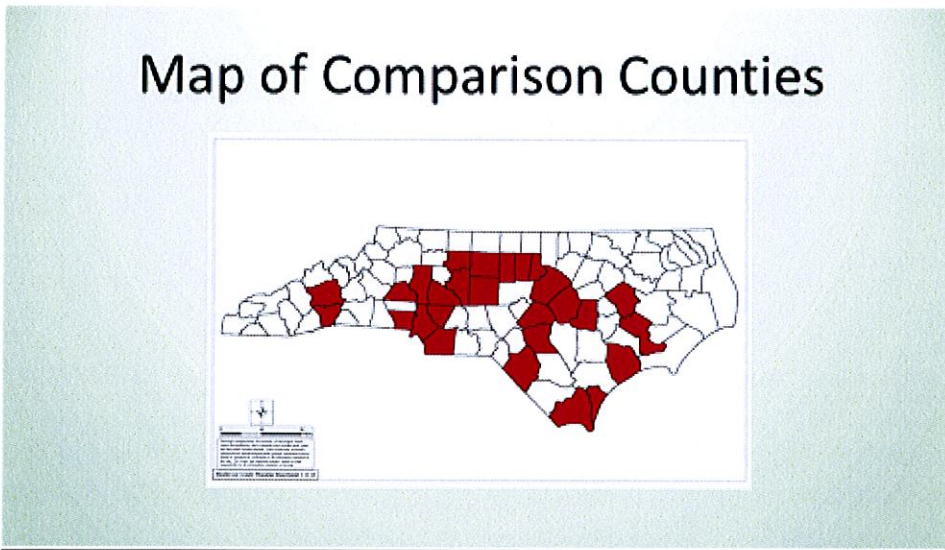
The County is showing a steady increase in their Fund Balance position. The state requires 8% while the BOC has adopted a 12% policy. Henderson County has received 3 upgrades in credit over the last 10 years.

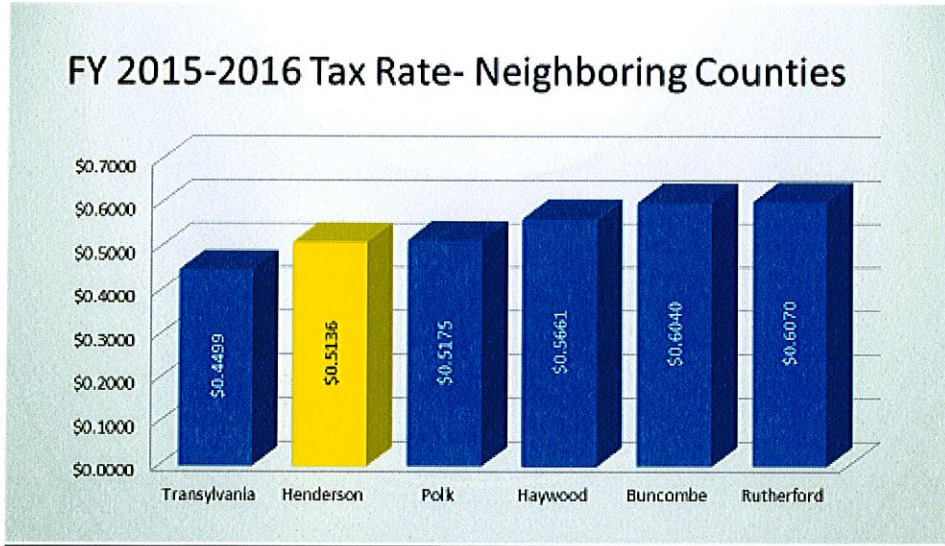
Henderson County's cash position has doubled in 10 years. Our citizens are getting as much value for their money as any where in the country.

**FY 2015-2016 Tax Rate**

The tax rate of \$0.5136 per \$100 of valuation is the 3rd lowest tax rate of the 27 urban counties -- those with a population over 100,000 -- and the 18th lowest of all 100 counties in North Carolina.

- The Median Tax rate of the 27 counties is \$0.6750
  - \$0.1614 between Henderson County and the median
- The Average Tax rate of the 27 counties is \$0.6734
  - \$0.1598 between Henderson County and the average
  - 31% lower than the average
- Highest rate is \$0.8780
- Lowest rate is \$0.4675





### FY 2016-2017 Financial Forecast

Projected Revenues for FY 16-17	\$ 117,000,000
Current Commitments for FY 16-17	\$ 127,500,000
Increase for Education	\$1,250,000
<b>TOTAL</b>	<b><u>\$128,750,000</u></b>
<b>Projected Deficit</b>	<b>\$ 11,750,000</b>

**What makes up current commitments**

- Current personnel + existing commitments
  - Health Sciences Center Operations
  - School Health Nurse
- Operating expenditures at FY15 levels
  - \$2,165,000 over FY16
    - Funding for Detention Center Roof Replacement (+ \$1,000,000)

County Manager Steve Wyatt stated the Detention Center roof replacement is a #1 need.

- Economic Development at contracted levels (+ \$865,000)

Commissioner Lapsley noted that Economic Development is an in and out number. This is taxes being paid in and then distributed out. The taxable investments by companies are used.

- Health Sciences Center (+ \$300,000)
- Debt Service at prescribed levels
  - \$950,000 over FY16

## Henderson County Public Schools

Core buildings are beginning to have age on them.

- FY 2016-2017 Request??
- Current Budget

<b>HENDERSON COUNTY PUBLIC SCHOOLS</b>	
Current and Capital	\$24,525,770
Debt	\$8,100,873
<b>TOTAL HCPS</b>	<b>\$32,626,643</b>

## Henderson County Public Schools

- Education Increase of \$1,000,000

<b>HENDERSON COUNTY PUBLIC SCHOOLS</b>	
Current and Capital	\$25,525,770
Debt	\$8,096,702
<b>TOTAL HCPS</b>	<b>\$33,622,472</b>

## Blue Ridge Community College

- FY 2016-2017 Request??
- Current Budget

<b>BLUE RIDGE COMMUNITY COLLEGE</b>	
Operational and Capital	\$3,407,836
Debt	\$1,685,170
<b>TOTAL BRCC</b>	<b>\$5,093,006</b>



## Blue Ridge Community College

- Increase of \$250,000

BLUE RIDGE COMMUNITY COLLEGE	
Operational and Capital	\$3,657,836
Debt	\$2,036,744
<b>TOTAL BRCC</b>	<b>\$5,694,580</b>

### FY 2016-2017 Financial Forecast

Total available fund balance over **12%** as of  
July 1, 2015

**\$ 9,763,265**

These are audited numbers.

### FY 2016-2017 Financial Forecast

Fund Balance available over 12%                      \$ 9,763,265

Projected deficit    - \$ 11,750,000

**- \$ 1,986,735**

This is the first major issue to be dealt with.

**FY 2016-2017 Financial Forecast**

**Total available fund balance over 10% as of  
July 1, 2015**

**\$ 12,083,238**

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Consideration:  
If the Fund Balance policy was dropped to 10%, the problem would be solved.

**FY 2016-2017 Financial Forecast**

**Total available fund balance over 8% as of  
July 1, 2015**

**\$ 14,403,211**

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Consideration:  
Reduce the General Fund Balance to the State required level of 8%.  
The County Manager does not feel comfortable with this. County would probably see a downgrade in our credit rating – which increases borrowing cost.

**FY 2016-2017 Financial Forecast**

**Historic 4 year average net change in  
Total Fund Balance**

**+ \$ 1,255,000**

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\$1,255,000 is the value of a penny increase on the tax rate.

**FY 2016-2017 Financial Forecast**

**Historic 4 year average net dollar change in  
Total Budget**

**+ \$ 3,925,000**

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**FY 2016-2017 Financial Forecast**

**Historic 4 year average net percentage  
change in Total Budget**

**+ 3.44%**

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Most of the increases in the last four (4) years have been within the schools.

Commissioner Messer is not in favor of changing the General Fund policy of 12%.

Commissioner Edney would like to leave the General Fund policy at 12% but raise taxes.

Commissioner Lapsley is inclined to move the General Fund to 10% policy and use the funds. He doesn't feel the change in credit for interest rates would be significant.

Commissioner Hawkins does not feel the need to hold the extra funds in the General Fund account. He is in favor of lowering the policy to 10% rather than increases taxes. He has seen growth in the General Fund each year.

Chairman Thompson realizes the Board may have to look at a tax increase but he is not sure of the percentage. He would like for the General Fund policy to remain at 12%, and feels credit ratings and the rate of borrowing would be significant.

County Manger Steve Wyatt reminded the Board that other economic development requests may come up with money being requested up front.

**Debt Schedule Highlights**

- Consistent pay down of debt principal
- Subsequent decrease in debt service

**Capital Financing - Debt Schedules**

- Outstanding Debt Principal – Education
- Outstanding Debt Principal – County
- Retiring Debt Service – Education
- Retiring Debt Service – County
- Debt Service Scenarios

**Debt Schedule Highlights**

- Consistent pay down of debt principal
- Subsequent decrease in debt service

# Outstanding Debt Principal

HC PUBLIC SCHOOLS	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2010 Career Academy	\$0	\$11,725,000	\$14,069,000	\$14,265,000	\$13,939,000	\$13,625,000	\$12,579,000	\$11,949,000	\$10,833,000	\$9,888,000
2013 Refinancing Bonds	\$8,734,500	\$7,715,260	\$6,825,100	\$5,924,460	\$5,006,100	\$4,119,150	\$3,261,920	\$2,416,840	\$1,591,000	\$783,140
2012 Refinancing Bonds	\$6,193,600	\$5,713,600	\$4,939,800	\$4,114,400	\$3,460,800	\$2,718,400	\$2,015,800	\$1,322,400	\$850,400	\$550,400
2010 Refinancing Bonds	\$5,131,541	\$3,988,176	\$3,133,132	\$2,133,449	\$100,691	\$0	\$0	\$0	\$0	\$0
2010 Apple Valley/North	\$2,864,087	\$1,888,066	\$1,332,544	\$666,533	\$0	\$0	\$0	\$0	\$0	\$0
2010 QZABs – Repairs	\$733,000	\$542,190	\$361,300	\$103,190	\$0	\$0	\$0	\$0	\$0	\$0
2009 QSCBs – Repairs	\$1,704,160	\$1,181,120	\$854,540	\$427,540	\$0	\$0	\$0	\$0	\$0	\$0
2008 Hillandale/Wilds River	\$17,371,419	\$15,542,197	\$13,734,286	\$11,885,714	\$10,057,143	\$8,138,571	\$6,400,000	\$4,571,429	\$3,742,198	\$234,286
<b>TOTAL HC PUBLIC SCHOOLS</b>	<b>\$42,852,647</b>	<b>\$32,008,129</b>	<b>\$45,586,659</b>	<b>\$34,881,835</b>	<b>\$32,645,734</b>	<b>\$27,885,181</b>	<b>\$23,756,520</b>	<b>\$19,615,669</b>	<b>\$15,599,258</b>	<b>\$12,234,826</b>

BRCC	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2013 Refinancing Bonds	\$8,975,660	\$7,879,240	\$7,009,465	\$6,164,040	\$5,141,450	\$4,236,650	\$3,350,640	\$2,482,160	\$1,694,000	\$856,360
2010 Repairs	\$163,891	\$775,313	\$581,134	\$387,156	\$191,978	\$0	\$0	\$0	\$0	\$0
Health Sciences Education Center	\$8,839,050	\$8,561,850	\$8,173,100	\$7,871,800	\$7,694,350	\$7,330,900	\$6,986,150	\$6,623,100	\$6,241,950	\$5,842,650
<b>TOTAL BRCC</b>	<b>\$18,779,601</b>	<b>\$17,217,803</b>	<b>\$15,764,514</b>	<b>\$14,424,796</b>	<b>\$12,994,678</b>	<b>\$11,567,520</b>	<b>\$10,336,180</b>	<b>\$9,105,260</b>	<b>\$7,975,150</b>	<b>\$6,699,010</b>

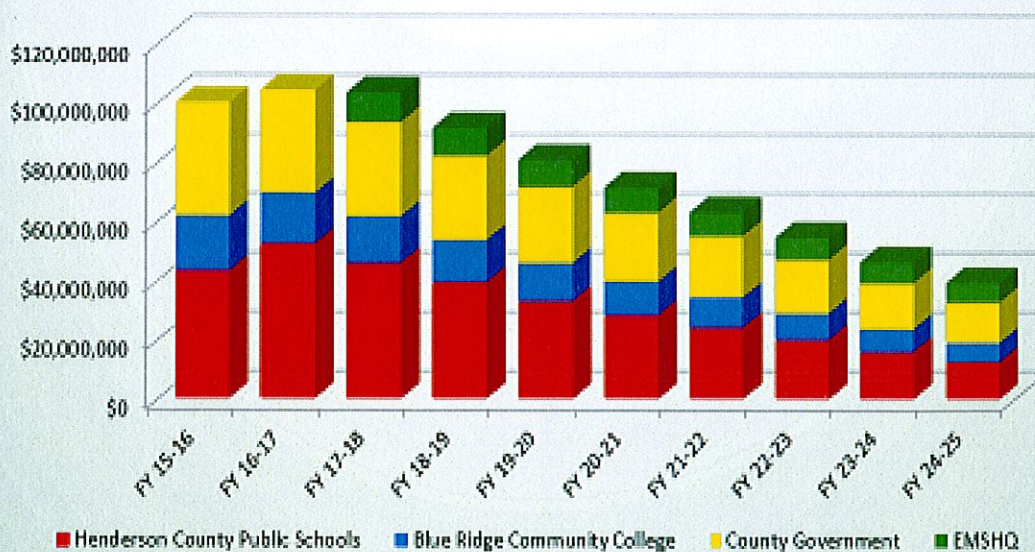
<b>TOTAL EDUCATION</b>	<b>\$61,632,248</b>	<b>\$49,175,332</b>	<b>\$61,351,173</b>	<b>\$49,306,631</b>	<b>\$45,640,412</b>	<b>\$39,452,701</b>	<b>\$34,092,700</b>	<b>\$28,720,929</b>	<b>\$23,574,408</b>	<b>\$18,933,836</b>
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## Outstanding Debt Principal

COUNTY GOVERNMENT	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Emergency Services HQ	\$0	\$0	\$10,000,000	\$9,500,000	\$9,000,000	\$8,500,000	\$8,000,000	\$7,500,000	\$7,000,000	\$6,500,000
2013 Refinancing Bonds	\$5,903,750	\$5,249,500	\$4,831,500	\$5,949,500	\$1,882,500	\$2,787,250	\$1,204,500	\$1,635,000	\$1,075,000	\$820,500
2012 Refinancing Bonds	\$7,142,200	\$6,263,400	\$5,705,400	\$4,565,600	\$3,749,200	\$2,953,600	\$2,181,400	\$1,432,600	\$704,600	\$754,600
2010 Refinancing Bonds	\$398,325	\$283,935	\$190,820	\$118,361	\$47,543	\$0	\$0	\$0	\$0	\$0
2010 LEC/Court Services	\$3,000,000	\$4,500,000	\$4,000,000	\$5,500,000	\$1,000,000	\$2,500,000	\$1,000,000	\$1,500,000	\$1,000,000	\$500,000
Detention Center	\$1,329,000	\$877,000	\$434,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ambulances/EMS Equipment	\$386,243	\$283,426	\$42,032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Health Sciences Education Center	\$17,948,950	\$17,389,150	\$16,796,900	\$16,187,200	\$15,550,700	\$14,854,200	\$14,183,900	\$13,448,900	\$12,679,050	\$11,882,350
<b>TOTAL COUNTY GOVERNMENT</b>	<b>\$38,101,548</b>	<b>\$34,689,411</b>	<b>\$41,780,632</b>	<b>\$37,860,661</b>	<b>\$34,729,941</b>	<b>\$31,624,958</b>	<b>\$28,659,300</b>	<b>\$25,512,500</b>	<b>\$22,452,650</b>	<b>\$20,887,450</b>
<b>TOTAL DEBT PRINCIPAL</b>	<b>\$98,735,748</b>	<b>\$104,024,743</b>	<b>\$103,151,805</b>	<b>\$91,267,282</b>	<b>\$80,398,353</b>	<b>\$71,077,571</b>	<b>\$62,748,000</b>	<b>\$54,273,419</b>	<b>\$46,127,858</b>	<b>\$38,871,286</b>
<b>FY DEBT PRINCIPAL REDUCTION</b>	<b>(\$11,871,488)</b>	<b>\$4,290,995</b>	<b>(\$872,938)</b>	<b>(\$11,884,513)</b>	<b>(\$10,876,939)</b>	<b>(\$9,312,782)</b>	<b>(\$8,331,571)</b>	<b>(\$8,472,583)</b>	<b>(\$8,385,563)</b>	<b>(\$6,996,572)</b>

County Manager Steve Wyatt explained that the County only borrows money for tangible capital projects. In the past, we have occasionally borrowed for heavy equipment. We do not borrow for operational costs.

## General Fund Debt Principal



## Debt Service Schedule

HC PUBLIC SCHOOLS	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2016 Career Academy	\$ -	\$466,623	\$1,424,200	\$1,374,460	\$1,249,260	\$1,320,260	\$1,290,260	\$1,364,200	\$1,334,600	\$1,386,200
2013 Refinancing Bonds	\$1,371,683	\$1,331,254	\$1,292,912	\$1,248,491	\$1,008,033	\$972,729	\$937,480	\$902,251	\$866,319	\$829,740
2012 Refinancing Bonds	\$992,380	\$956,737	\$921,479	\$888,294	\$852,049	\$817,524	\$783,789	\$749,269	\$714,384	\$683,278
2010 Refinancing Bonds	\$2,148,349	\$1,854,074	\$1,636,624	\$991,060	\$943,148	\$618,824	\$ -	\$ -	\$ -	\$ -
2010 Apple Valley/North	\$780,910	\$738,431	\$738,621	\$709,313	\$680,674	\$ -	\$ -	\$ -	\$ -	\$ -
2010 QZABs - Repairs	\$230,295	\$220,228	\$210,257	\$200,488	\$190,639	\$ -	\$ -	\$ -	\$ -	\$ -
2009 CSCBs - Repairs	\$467,329	\$460,882	\$460,997	\$462,211	\$465,036	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Hillandale/Mills River	\$2,328,327	\$2,282,423	\$2,238,520	\$2,188,817	\$2,121,714	\$2,074,811	\$2,027,909	\$1,981,206	\$1,934,303	\$1,887,200
<b>TOTAL HC PUBLIC SCHOOLS</b>	<b>\$8,100,873</b>	<b>\$8,096,782</b>	<b>\$8,065,588</b>	<b>\$7,828,424</b>	<b>\$7,579,487</b>	<b>\$5,824,548</b>	<b>\$5,837,992</b>	<b>\$4,887,228</b>	<b>\$4,719,968</b>	<b>\$4,565,228</b>

BRCC	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
2013 Refinancing Bonds	\$1,320,260	\$1,364,766	\$1,420,297	\$1,476,829	\$1,026,254	\$999,229	\$963,786	\$928,624	\$893,628	\$859,266
2010 Repairs	\$227,440	\$221,294	\$214,349	\$206,887	\$198,246	\$ -	\$ -	\$ -	\$ -	\$ -
Health Sciences Education Center	\$254,380	\$653,794	\$654,025	\$653,794	\$654,718	\$655,089	\$654,759	\$655,213	\$654,759	\$655,394
<b>TOTAL BRCC</b>	<b>\$1,802,080</b>	<b>\$2,239,754</b>	<b>\$2,288,671</b>	<b>\$2,337,510</b>	<b>\$1,880,238</b>	<b>\$1,654,118</b>	<b>\$1,637,545</b>	<b>\$1,581,747</b>	<b>\$1,548,387</b>	<b>\$1,507,560</b>

TOTAL EDUCATION	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	<b>\$9,902,953</b>	<b>\$10,336,536</b>	<b>\$10,354,259</b>	<b>\$10,165,934</b>	<b>\$9,459,725</b>	<b>\$7,478,666</b>	<b>\$7,475,537</b>	<b>\$6,468,975</b>	<b>\$6,268,355</b>	<b>\$6,072,788</b>

Chairman Thompson recognized staff efforts with the refinancing bonds. As a result of refinancing the loans with lower interest rates and less years, millions of dollars have been saved.

Finance Director Carey McLelland explained that with bond ratings, they like to see a 50% pay down over 10 years. Henderson County is currently at 70%, 20% ahead of the goal.

Steve Wyatt noted the County in previous years had seen a 16 – 17% increase in insurance for health benefits. We have improved drastically and became successful.

## Debt Service Schedule

COUNTY GOVERNMENT	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Emergency Services HQ	\$ -	\$ -	\$766,667	\$830,000	\$860,000	\$840,000	\$820,000	\$800,000	\$780,000	\$760,000
2013 Refinancing Bonds	\$791,678	\$764,320	\$737,103	\$708,440	\$681,089	\$657,256	\$633,412	\$609,562	\$585,215	\$560,633
2012 Refinancing Bonds	\$1,063,828	\$1,025,216	\$987,015	\$951,827	\$911,799	\$874,834	\$835,631	\$796,992	\$756,305	\$713,351
2010 Refinancing Bonds	\$108,411	\$145,053	\$81,232	\$77,661	\$75,828	\$49,492	\$ -	\$ -	\$ -	\$ -
2010 LEC/Court Services	\$764,000	\$740,000	\$716,000	\$692,000	\$668,000	\$644,000	\$620,000	\$596,000	\$572,000	\$548,000
Detention Center	\$504,139	\$484,827	\$464,663	\$444,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Former 6 <sup>th</sup> Avenue Clubhouse	\$21,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ambulance/EMS Equipment	\$294,533	\$229,690	\$123,034	\$42,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Sciences Education Center	\$508,759	\$1,327,400	\$1,327,869	\$1,327,400	\$1,329,276	\$1,330,030	\$1,329,360	\$1,330,281	\$1,329,360	\$1,330,630
<b>TOTAL COUNTY GOVERNMENT</b>	<b>\$4,116,449</b>	<b>\$4,716,506</b>	<b>\$5,203,602</b>	<b>\$5,124,758</b>	<b>\$4,523,922</b>	<b>\$4,304,612</b>	<b>\$4,258,453</b>	<b>\$4,152,833</b>	<b>\$4,022,940</b>	<b>\$3,917,616</b>

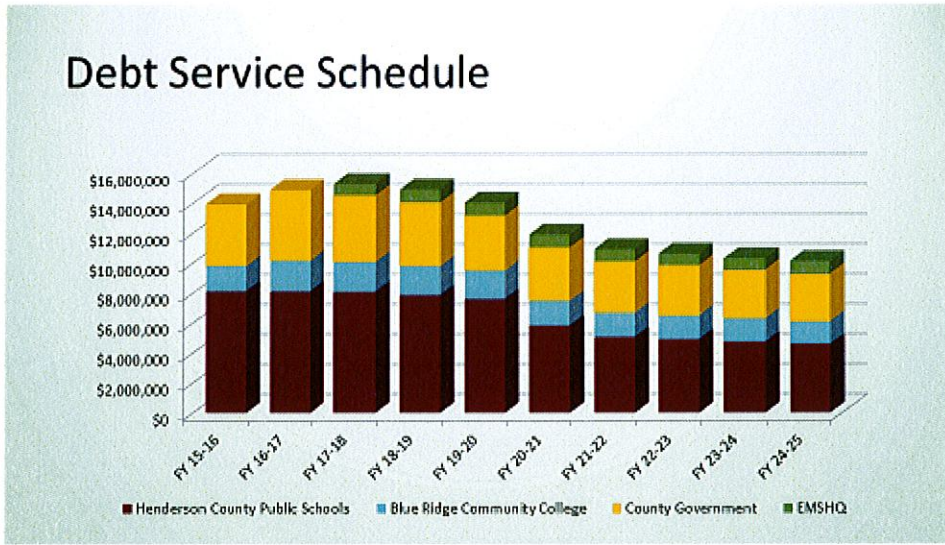
TOTAL DEBT SERVICE	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	<b>\$13,902,492</b>	<b>\$14,849,952</b>	<b>\$15,257,781</b>	<b>\$14,890,392</b>	<b>\$13,991,697</b>	<b>\$11,853,078</b>	<b>\$10,893,990</b>	<b>\$10,601,808</b>	<b>\$10,287,133</b>	<b>\$9,990,614</b>

FY DEBT SERVICE REDUCTION	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	\$447,460	\$407,829	(\$307,389)	(\$808,695)	(\$2,158,619)	(\$959,088)	(\$292,182)	(\$514,675)	(\$206,519)	

The Local Government Commission will demand the numbers above to be budgeted. If not, they have the authority to take over.

Commissioner Hawkins explained that a plan must be put together to borrow money and presented to Raleigh, justifying the need the borrow and ability to pay debt service.



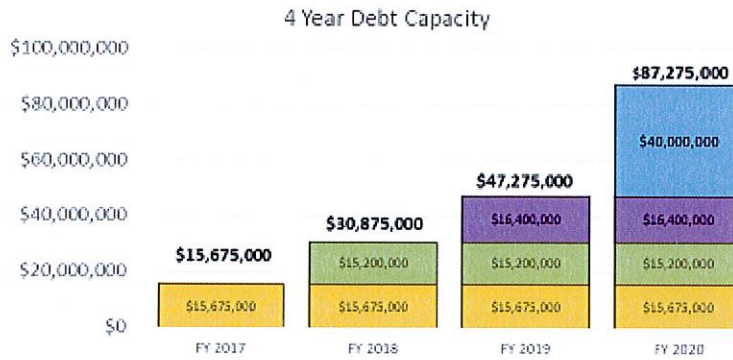
### Debt Service

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
County	\$4,116,449	\$4,716,506	\$5,203,602	\$5,124,758	\$4,523,992	\$4,394,612	\$4,238,453	\$4,132,835	\$4,022,940	\$3,918,836
Schools	\$8,100,873	\$8,096,702	\$8,065,508	\$7,828,424	\$7,379,437	\$5,804,348	\$5,037,992	\$4,687,220	\$4,719,906	\$4,565,218
BRCC	\$1,685,170	\$2,036,744	\$1,988,671	\$1,937,210	\$1,888,218	\$1,654,118	\$1,617,545	\$1,581,747	\$1,544,287	\$1,507,560
<b>TOTAL</b>	<b>\$13,902,492</b>	<b>\$14,849,952</b>	<b>\$15,257,781</b>	<b>\$14,890,392</b>	<b>\$13,991,697</b>	<b>\$11,853,078</b>	<b>\$10,893,990</b>	<b>\$10,001,808</b>	<b>\$10,287,133</b>	<b>\$8,991,614</b>
Lease Receipts	\$0	(\$1,001,147)	(\$1,001,147)	(\$1,025,074)	(\$1,025,074)	(\$1,049,574)	(\$1,049,574)	(\$1,074,059)	(\$1,074,059)	(\$1,100,343)
<b>TOTAL (including Lease Receipts)</b>	<b>\$13,902,492</b>	<b>\$13,848,805</b>	<b>\$14,256,634</b>	<b>\$13,865,318</b>	<b>\$12,966,623</b>	<b>\$10,803,504</b>	<b>\$9,844,416</b>	<b>\$8,927,749</b>	<b>\$9,212,474</b>	<b>\$8,891,271</b>
<b>Net Change in Debt Service (Includes Lease Receipts)</b>		<b>(\$53,687)</b>	<b>\$407,829</b>	<b>(\$391,316)</b>	<b>(\$898,695)</b>	<b>(\$2,163,119)</b>	<b>(\$959,083)</b>	<b>(\$917,207)</b>	<b>(\$314,675)</b>	<b>(\$321,203)</b>

The total annual debt for the Health Sciences Center is approximately \$2m. Half of that amount is paid by lease receipts.

Carey McLelland explained the lease agreement is set up with monthly payments by Wingate and Pardee.

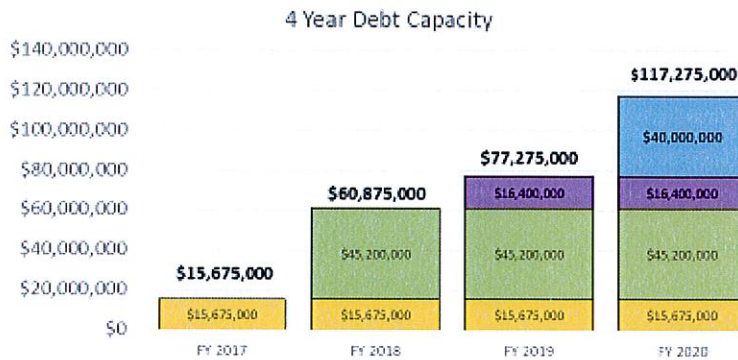
## Debt Capacity



### Increased Debt Service Payment Scenario with Estimated Sales Tax Increase

- If Article 46 is passed in November 2016, the first payment from the State would begin in April 2017
- An additional \$30M in capacity is expected that can be issued in 2017 with the first payment in 2018

## Debt Capacity with Article 46



Article 46 gives citizens the opportunity to increase sales tax by 1/4%, which is equivalent to a 2% tax rate increase. Municipalities do not receive a cut of the tax.

Commissioner Lapsley noted it is limited to Henderson County, and was authorized by the State in 2008. The Board has just now started taking action by putting it out to the voters.

### Updates and Emerging Issues

- Solid Waste Funding
- Capital Improvements Plan

### Solid Waste Funding Policy

Purpose: To determine a funding policy for Solid Waste for the FY2017 budget process.



Presentation Overview

1. Review previous presentation
2. Results of County Surveys
3. Results of Permitted Hauler Survey
4. Response to Questions on Buncombe County
5. Additional Comments
6. Questions and Discussion on Board Direction

**Solid Waste Programs**

- MSW & C&D disposal
- Convenience Center
- Concrete & Inert Debris Recycling
- Wood & Pallet Recycling
- Shingle Recycling
- Hauler Recycling
- Paint Recycling
- Household Hazardous Waste
- Electronics Recycling
- Battery Recycling
- Mercury Product Recycling
- Oil & Filter Recycling
- Tire Recycling

**Solid Waste Funding Policy**

- Self-Supporting Enterprise Fund
- FY2016 Budget: \$5 Million
- FY2016 Tipping Fee: \$60 per ton
- Hauling & Disposal: \$35.24 per ton

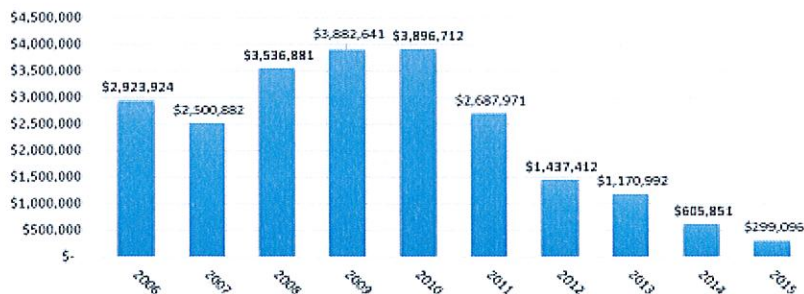
*(\$33.51 as of Oct 2015)*

- 78,213 tons of material in FY2015
  - FY 2015 = 258 tons per day
  - FY 2009 = 272 tons per day
- Fund Balance has trended down since FY2010

*(Positive trend YTD FY2016)*

Engineer Marcus Jones stated the tons per day has decreased everywhere due to recession. There is a 25% reduction across the board. The fuel charge fluctuates. There is an annual debt service of \$185,000. This Enterprise Fund is not included in the General Fund. He noted that solid waste staff was reduced by one this year.

**Solid Waste Enterprise Fund**



**Challenges**

- Loss of Tonnage (Revenue) due to Recession (25% at lowest point)
- Diesel Prices (Fuel Surcharge): up to \$175,000 per year
- Annual Post Closure Costs: \$500,000 (no associated revenue)
- Annual Convenience Center Cost: \$300,000 plus \$185,000 in debt service (no associated revenue)
- Tonnage (Revenue) leaving County: 20k to private Transfer Station in Buncombe County
- No viable disposal option to Transfer
- Contractual COLA on expenses (Hauling Contract & Salaries)

**Funding Options:**

- Tipping Fee Increases
- Flow Control

*(proposed ordinance revision was presented at Nov 2<sup>nd</sup> BOC)*

- Property Tax Increase

**Tipping Fee Increases**

Pros:

- Precedent has been set; easy to understand
- Maintains Enterprise Fund

Cons

- Requires large fee increases (\$6 or 10%)
- Not sustainable long term
- The potential for loss of revenue because of pricing yourself out of business

**Flow Control**

Pros:

- Generate \$400,000 to \$500,000 in net revenue
- Avoids tipping fee increases associated with deficit
- Long term sustainability likely
- Equity to local haulers and their customers
- Precedent in NC/Nationally
- Captures the resource that created the issue and makes it the solution

Cons:

- Impact business of non-County haulers
- "Government intervention into free enterprise"
- Enforcement

**Property Tax Increase**

Pros:

- Distributes cost burden across the County property owners
- Avoids Tipping Fee Increase concerns
- Sustainable long term

Cons:

- Increases property tax
  - Next Year projection of \$0.75

Commissioner Lapsley suggested the possibility of a residential availability fee. Either way is a tax increase, but it would be a straight rate.

Steve Wyatt feels the problem with the availability fee is that equity is difficult. A large family has more garbage than a small family. The perceptiveness of fairness is difficult.

**Fee at Convenience Center**

Pros:

- Recover some costs associated with the Center

Cons:

- Does not completely solve funding concern
- Removes the no cost trash disposal option for Citizens
- Likely meet strong resistance from Center's customers

**Results of County Solid Waste Surveys**

The surveys on the following slides are very detailed with the following notable points:

- It is **not** possible to compare County Solid waste operations by tipping fee alone
- From the Counties surveyed, Henderson County is the **only** non-regulated operation supported by tipping fees
  - Buncombe has flow control on residences via the franchise agreement with WastePro and has a Landfill.
  - Craven has Pay-As-You-Throw (PAYT) which charges \$2.25 per bag at point of collection and is part of a regional SW authority. No charge for recycling.

**Survey: Adjacent Counties**

County	Tipping Fees / Bag Fees	General Fund Allocation	Availability Fee	MSW Landfill	C&D Landfill	Convenience Centers at Transfer Station and w/ MSW LF Landfill
Buncombe	\$2 / bag; \$47 / ton	no	no	yes	no	10
Haywood	none	no	\$92 / \$184 proposed for FY16	no	no	10
Henderson	bag for bag program; \$90 / ton	no	no	no	no	10
Jackson	none	no	\$33	no	no	8
Madison	none	no	\$80	no	yes	10
McDowell	\$46 / C&D ton; \$42 / MSW ton;	yes	no	no	no	7
Mitchell	none	yes	no	no	no	mobile
Polk	Permit fee of \$75 / year or \$7 / trip; loads over 400lbs \$45 / ton	no	\$35	no	no	1
Rutherford	\$57 / MSW ton; \$37 C&D ton	no	\$80	no	yes	10
Transylvania	\$1.30 / bag; \$32 / ton	yes	no	yes	no	3
Wayne	\$50.55 / ton	yes	no	no	no	6

**Survey: Counties with Similar Population**

County	Tipping Fees / Bag Fees	General Fund Allocation	Availability Fee	MSW Landfill	C&D Landfill	Convenience Centers
Nash	\$48/ton tipping fee	yes, allocations annually	\$125 Annually	closed	no	3 (staffed)
Cleveland	\$37.05 per ton	no	\$62 annually	1	no	19 (staffed)
Craven	\$40 tipping fee. PAYT = \$2.25 per trash sticker. One sticker required for every 33 gal trash bag or container	no	no	regional landfill contract but does NOT accept MSW	accepted at regional landfill	7 (staffed) 4 sites for recycling and MSW; 3 recycling centers
Brunswick	various tipping fee charges, but most C&D items start at \$59/ton	yes	no	no	yes	3
Harnett	no residential tipping fee. \$40 per ton ONLY commercial/institutional	No.	\$70 annually	no	2	4 (staffed) 15 recycling centers
Wayne	Tipping fees \$11.50 per ton (\$5.00 minimum charge)	no	\$45 annually	yes	no	staffed

Commissioner Lapsley feels the deficit goes back to the recycling center. We need to find a way to recoup.

Commissioner Hawkins noted that staff has looked at refinancing the debt service for Solid Waste but now is not a good time.

Marcus Jones stated comparisons to other counties cannot be made by tipping fees alone. They differ too much.

Steve Wyatt pointed out that Buncombe County is significantly different. They have a landfill and no disposal fees. Buncombe County has a Flow Control Ordinance and they are regulated.

### **Results of Permitted Hauler Survey**

A survey was mailed to all of Henderson County's 20 permitted haulers. The results are tabulated on the next two slides with the following notable points:

- A hauler must be permitted to haul trash in the County
- Only seven haulers responded to the survey
- The majority of the haulers indicated that they fully understand the proposed flow control ordinance and that it will not hinder their ability to continue operating in the County.
- Two haulers support the ordinance, one does not, and three did not respond to this question.
- Five of the seven responses were from Henderson County based haulers

### **Permitted Hauler Survey: Questions**

#### **CONTACT OF HAULING COMPANY**

Do you support the proposed ordinance to implement Flow Control in Henderson County as an option to maintain a solvent Solid Waste Enterprise Fund? YES or NO

If you do not support Flow Control which of the following options do you support to maintain a solvent Solid Waste Enterprise Fund:

1. Charge an Availability Fee on the Tax bill to support Solid Waste
2. Raise the tipping \$6.50 to support Solid Waste
3. Raise property taxes to support Solid Waste
4. Other (please specify)

Do you feel that Flow Control will hinder your ability to continue operating as a permitted waste/recycling hauler in Henderson County? YES or NO

On a scale of 1 to 3 (with 3 being 'fully understood' and 1 being 'no understanding'), please rate your understanding of the proposed flow control ordinance. Please write any comments below regarding your understanding of the proposed flow control ordinance.

Letters explaining the proposed flow control ordinance change to Chapter 95 of the Solid Waste Ordinance were sent to the 20 permitted haulers currently utilizing the County's Transfer Station  
Of the 20 letters mailed, 7 completed surveys were returned.

**Permitted Hauler Survey: Responses**

	YES	NO	NO RESPONSE	OTHER		
Do you support the proposed ordinance to implement Flow Control in Henderson County as an option to maintain a solvent Solid Waste Enterprise Fund? YES or NO	3	1	3	SOMEWHAT		
	1	2	3	4	OTHER	NO RESPONSE
If you do not support Flow Control which of the following options do you support to maintain a solvent Solid Waste Enterprise Fund:						5
1) Charge an Availability Fee on the Tax bill to support Solid Waste	1					
2) Raise the tipping \$8.50 to support Solid Waste						
3) Raise property taxes to support Solid Waste			1			
4) Other (please specify)					2	
	YES	NO	NO RESPONSE			
Do you feel that Flow Control will hinder your ability to continue operating as a permitted waste/recycling hauler in Henderson County? YES or NO	1	5	1			
	1	2	3			
On a scale of 1 to 5 (with 3 being 'fully understood' and 1 being 'no understanding'), please rate your understanding of the proposed flow control ordinance. Please write any comments below regarding your understanding of the proposed flow control ordinance.			7			

**Response to Questions to Buncombe County**

- BCSW unlike HCSW does regulate it's residential waste with flow control via the franchise contract with WastePro
- Buncombe County Solid Waste (BCSW) is a self supporting enterprise fund like Henderson County Solid Waste (HCSW)
- BCSW pays for closed landfill expense with solid waste revenues like HCSW (no general fund revenue)
- BCSW operates a landfill which significantly reduces disposal costs over transferring waste
- BCSW last month begun investigating solid waste funding options

**Additional Comments**

1. During our recent update to the Chamber of Commerce's policy committee, the following analogy was given by a committee member: Solid waste is not entirely a government operation nor is it a private enterprise. It is most closely related to a public utility (regulated monopoly).
2. The proposed flow control ordinance will very limited negative impact on the Citizens and businesses of Henderson County
3. Henderson County solid waste programs are self supporting or very close with the following exceptions:
  1. Household Hazardous Waste (\$50,000)
  2. Convenience Center Bag for Bag (approx. \$350,000)
  3. Closed Landfill (approx. \$500,000)
  4. Debt Service (\$185,000 yearly)

**Availability Fee Options:**

Tipping Fee	Tonnage	Availability Fee: All Parcels	Availability Fee: Parcel with Structure
\$60	75,000	\$7.69	\$11.11
\$47	95,000	\$19.69	\$28.44
\$0	110,000	\$84.62	\$132.32

Marcus Jones stated at this time, no one has sighted a regional landfill. It is a challenging process. Henderson County’s hauling contract expires June 30, 2020.

Steve Wyatt noted other counties do not want Henderson County garbage. It must be mandated by the State of North Carolina. Politics trump business. It is not required that the County provide Solid Waste services to the citizens.

Commissioner Lapsley

- Charge a flat availability fee per year
- No tax increase
- Reduce tipping fees
- Capture Flow Control issue

Commissioner Messer

- Charge a flat availability fee per year
- Reduce tipping fees
- Look at privatizing down the road

Grady Hawkins

- Reduce tipping fees – increase in tonnage
- Look at other options to reduce cost

Mike Edney

- Look at other options to reduce cost

Attorney Russ Burrell explained that the County can require outside haulers to pay permit fees based on collection. If they bring the waste to Henderson County there would not be an additional charge.

Tommy Thompson

- Questioned if it has to be an Enterprise or can it be a department. Unsure of his position at this time.

**Capital Improvements Plan**

Chad Roberson with Clark Nexsen was available to discuss upcoming capital projects.

**Career Academy**

Action Item	Date
Schematic Design	12/15/2015
Design Development	2/10/2016
Construction Documents	4/15/2016
Bidding for Construction	8/1/2016
Weather Contingency	8/8/2017
Construction Completion	9/27/2017

The Design Development will be to the School Board and BRCC by February 9, 2016. It will be back before the Board of Commissioners on February 17, 2016. Chad Roberson explained they are currently advertising for a Construction Manager at Risk. They must have a resolution improving a local bill to continue the

project.

Steve Wyatt stated a contract will need to be enacted with Clark Nexsen on the February 1, 2016 agenda.

### **EMS Headquarters**

Action Item	Date
Schematic Design	1/21/2016
Design Development	5/2/2016
Construction Documents	7/30/2016
Bidding for Construction	1/23/2017
Weather Contingency	6/5/2018
Construction Completion	8/24/2018

The Board of Commissioners has a strong interest, but has not voted to move forward. The goal is to move kids to BRCC and start demolition. Construction of the EMS Headquarters will take one year.

Commissioner Messer feels the EMS Headquarters is a must and needs to be done.

Commissioner Lapsley agrees there is a need but does not feel a thorough study has been done. He is not convinced that both facilities must be on the same location, and feels the cost at this site is more than necessary. He does not support this project without further review of other sites.

Commissioner Edney supports the project and is ready to move forward. He is concerned about financing so many projects at one time.

Commissioner Hawkins stated the project fits the timeframe with financing. Other sites have been looked into, and this one works with the Academy.

Chairman Thompson is in favor of the EMS Headquarters project. It is on schedule and he fully supports it. He asked Commissioner Lapsley to verify the possibility of other sites or move forward.

*Commissioner Messer made the motion that the Board of Commissioners approve the schematic design for the new EMS Headquarters. The motion passed 4-1 with Commissioner Lapsley voting nay.*

### **HC Public Schools Update**

David Jones, Henderson County Public Schools Superintendent, was available for questions concerning projects/issues with the school system. The Board recognized his service and upcoming retirement.

David Jones stated Henderson County public schools were 8<sup>th</sup> highest academically for performance last year working as a partnership with Henderson County and Blue Ridge Community College. The vision of the Career Academy is an exciting project. There are not many in North Carolina. It will be a benefit for business leaders.

Mr. Jones thanked the Board for their due diligence on decisions. As a citizen he would like Henderson County to maintain status of great school system and provide for all kids.

**Blue Ridge Community College Update**

Dr. Molly Parkhill, President of Blue Ridge Community College, was be available for questions concerning upcoming projects/issues at the college.

Dr. Parkhill explained the BRCC Board of Trustees is busy determining the operating costs of the Health Sciences Center. They have applied for a Referendum in March, and if it passes it will be \$2.9m for BRCC. They are looking at their Facilities Capital Assessment Plan projects that will extend the life of those facilities for 5-10 years.

- Science Lab - Renovations for growth in their Biology and Chemistry labs. Cost: \$300,000 for completion
- Advance Manufacturing Phase II – Cost: \$670,000
- Public Safety Building – Police Officer Physical Ability Test (POPAT). Gaining space as a garage type facility for indoor training and to home vehicles. Cost: \$175,000
- First Stop Career Center – Looking at lobby of Sink Building. Cost: \$700,000

This would cover \$2.6m of the \$2.9m. Transylvania County would receive the remainder.

Steve Wyatt asked Dr. Parkhill if she was aware of AB Tech’s considering a facility near Asheville Airport. He finds it interesting that a community college is looking to put a facility on the county line in the industrial area. It has potential for conflict. He asked Dr. Parkhill to keep Henderson County informed because the potential for funding loss is unknown.

Dr. Parkhill responded she has spoken with Dennis King at AB Tech. They work well together and are actually looking at a joint grant endeavor at this time.

**Sheriff’s Department – FY17 Budget Request**

Sheriff McDonald requested an externally conducted employee pay study. There is an inability to attract experienced employees and reluctance of current employees to accept specialized positions or additional duties.

The Sheriff’s Department if not asking for any personnel this year, but will next year.

This year, looking at the pay scale, we are not paying enough to get officers with experience. Compared to surrounding areas, our starting pay is close to them. Of Henderson County officers, 90% have less than five (5) year’s of experience. Current employees are reluctant to accept special jobs and additional jobs since there is no specialized unit pay.

Sheriff McDonald asked for a study working with the Sheriff and Human Resources for step grades.

**Inability to Attract Experienced Employees**

- Entry Level Pay
  - ➔ Only attracts non-experienced employees
  - ➔ Experienced employees can’t afford the pay cut
- Specialized Unit Pay
  - ➔ Does not fairly compensate employees

**Difficulty Filling Specialized Positions**

Pay Rate	➔	Pay Rate
▪ Patrol Deputy		▪ Animal Enforcement
		▪ CID
		▪ SWAT / Bomb Squad
<b>No Increase in Pay For:</b>		
Increased call volume		Additional duties / responsibilities
On-call status		Non-standard work schedules
		Additional certification requirements



### Problems in Staffing Internal Units

- SWAT unable to fill all available positions since incentive pay removed
- Bomb squad unable to fill all positions even though requirements lowered
- Experienced officers reluctant to act as Field Training Officers w/o extra pay
- Unable to fill Internal positions (DSS / BRCC) for over a year before contracts cancelled
- Narcotics Detective position unfilled for over a year before forcing a Deputy to take the position until a suitable replacement could be found
- Numerous Animal Enforcement positions left open over past 3 years ~ after lowering experience standards ~ due to lack of willing candidates
- CID General Investigator position left open for extended period with no interested applicants

### Problems in Staffing Internal Units

- Courthouse Security Deputies hired from outside the agency w/o patrol experience
- Detention employees unwilling to serve as 287g/ICE officers

### No Incentive for Employees

- Deputies who transfer off patrol lose:
  - Wages (4 hours / pay period)
  - Vacation / Sick time accrual
- Merit Raises & Step Raise systems better at other agencies
- Disparity between exempt and non-exempt employees



*It was consensus of the Board to approve an employee pay study.*

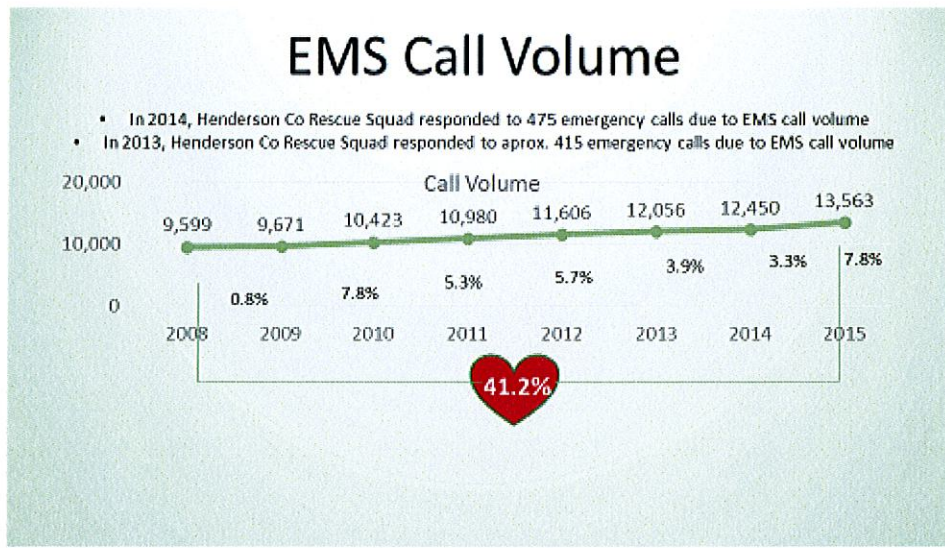
EMS Director Mike Barnett shared the following information.

## Emergency Medical Services

- With Call Volume capacity increasing, EMS Staff have identified a need to add an additional crew.

12 Hour Crew		24 Hour Crew	
Ambulance & Equipment	\$215,000	Ambulance & Equipment	\$215,000
Four Staff	\$242,500	Eight Staff	\$485,000
IT Equipment/Software	\$7,500	IT Equipment/Software	\$7,500
<b>TOTAL</b>	<b>\$464,500</b>	<b>TOTAL</b>	<b>\$708,000</b>

- Option – to upgrade EMS, adding an addition full-time crew and a part-time crew = \$1,172,500 - approximately one cent TRE.
  - EMS Station #4 (Edneyville) – Full-Time Crew was added in January, 2007
  - EMS Station #1 – Peak Crew (7:00a – 7:00p) added in September, 2013



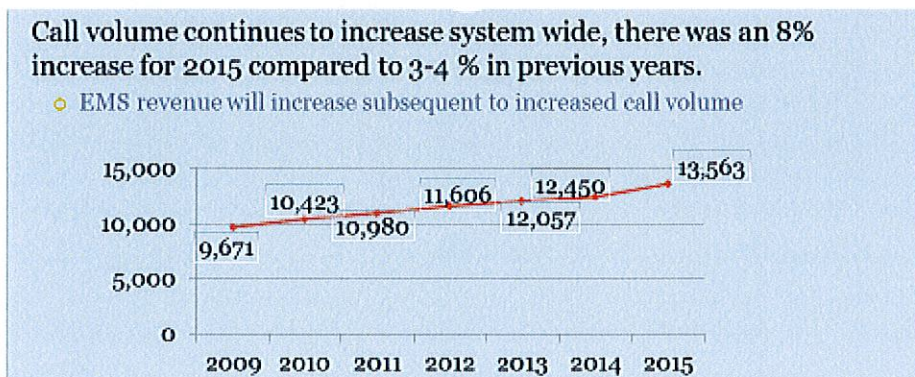
### Henderson County Emergency Medical Services

#### Issues

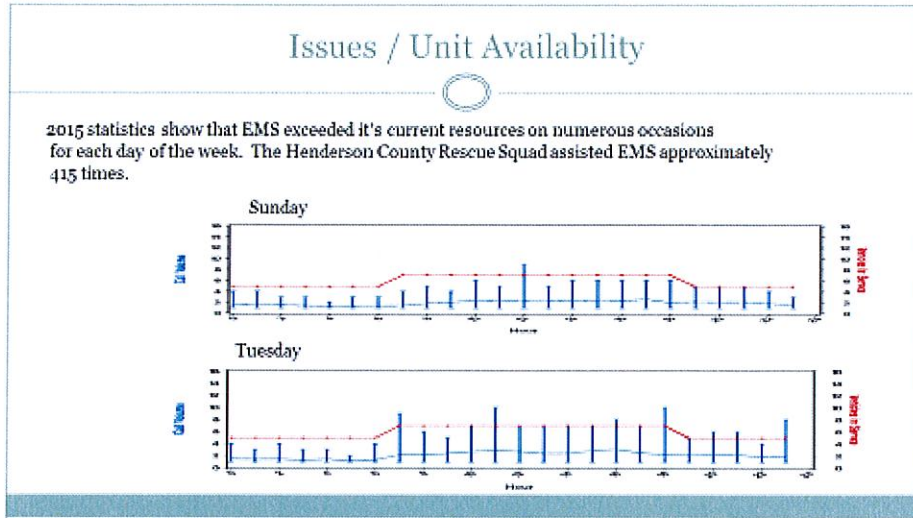
- Growing residential areas exist within Fletcher that are not within a 9 min or less response time.
- The EMS St # 2 district which covers Fletcher, Mills River and Etowah areas has required EMS units from other districts to cover approx. 24% (600 calls) of that district’s call volume this year.
- Emergency inter-facility hospital transfers from Park Ridge Hospital to Mission Hospital have increased by 82% since 2013.
  - 2013 = 97, 2014 = 115, 2015 = 177
  - Out of County transfers decrease EMS unit availability for EMS System.

Call volume continues to increase system wide, there was an 8% increase for 2015 compared to 3-4 % in previous years.

- EMS revenue will increase subsequent to increased call volume



Commissioner Lapsley asked for comparisons of other counties with age, population, and reason of transfer from hospital to hospital.

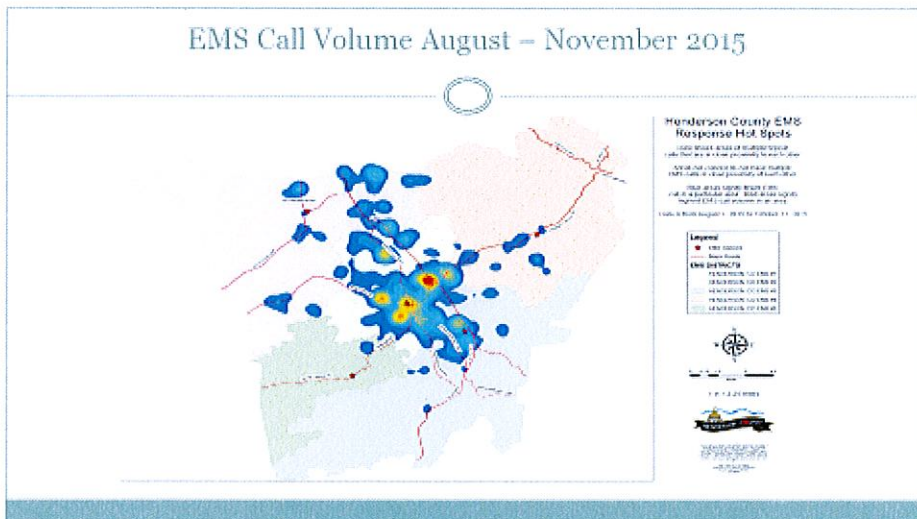


Fire Marshal Rocky Hyder announced he would retire in 2017. He feels it would be a benefit to the person replacing him to develop experience and relationships.

Mr. Hyder stated the EMS Headquarters housing both EMS and the Rescue Square is a great idea.

CALL VOLUME PER DISTRICT 2015	
EMS Station Summary	
EMS Station	Pct
Station #1 (Hendersonville)	51%
Station #2 (Mills River)	19%
Station #3 (Upward Road)	22%
Station #4 (Edneyville Fire Dept.)	8%
Station #5 (Crab Creek)	N/A

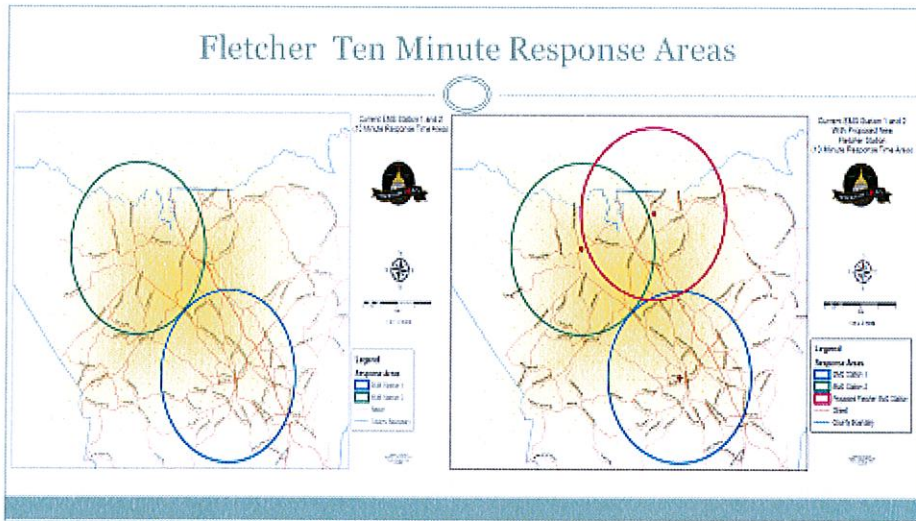
Note: The Main Station has two 24 hour ambulances and one day time ambulance. Crab Creek is daytime only.



There are many nursing facilities in the hot spots.

**Impact of new station**

- Improve response times to Fletcher residents who are not currently within a 9 minute or less response time.
- Improve response times countywide by decreasing the frequency ambulances respond from other districts.
- Improve ambulance availability in high call volume areas.
- Strategic location for access to Interstate 26.



**Approximate Cost to Add Additional 24 Hour EMS Crew**

<b>Ambulance &amp; Equipment</b>	<b>\$236,000</b>
<b>Eight Staff</b>	<b>\$478,000</b>
<b>IT Equipment/Software</b>	<b>\$8,000</b>
<b>Total</b>	<b>\$722,000</b>

**County Facility Needs**

Roofs	Estimated Cost	Year Requested/Priority
Detention *	\$966,900	#1 (FY 16-17)
King Street *	\$141,600	#2 (FY 16-17)
Library	\$582,367	#3
1995 Courthouse	\$575,900	#4
Cooperative Extension	\$135,600	#5
<b>Total</b>	<b>\$2,402,367</b>	
Wall Repairs	Estimated Cost	Year Requested/Priority
1995 Courthouse Exterior *	\$122,576	#1 (FY 16-17)
Detention	\$103,000	#2
King Street	\$94,799	#3
<b>Total</b>	<b>\$320,375</b>	

\* Current Commitments includes funding for this project

**1995 COURTHOUSE**

Initially \$1m was earmarked for the 1995 Courthouse. \$320,000 to date has been spent.

Finance Director Carey McLelland stated of the \$1.m budget, there is \$600,000 left. Phase III will be in the area of \$350,000.

Marcus Jones stated Courthouse renovations are underway for security.

- Phase I Security
- Phase II Parking Lots, Gates
- Phase III Moving security to front of building. Design is complete and coming before the Board in February before the bid, with hope to finish by late summer.

Commissioner Edney would like to see the design prior to the February meeting. He feels no steps have been made toward the office moves.

Steve Wyatt stated there is about \$200,000 left for office space renovations. Staff needs clear directions as there is only so much resource available.

## Detention Center Roof

- Evaluation conducted on December 4, 2014 by REI Engineers
- Roof system was determined to be in poor condition, and “has reached the end of its useful service life”.
- Deficiencies include:
  - Membrane punctures
  - Open membrane seams
  - Cracking flashing
- Recommendation is to replace the roof system, flashings and sheet metal trim

## County Facility Needs

Parking Lots	Estimated Cost	Year Requested/Priority
1995 Courthouse *	\$92,724	#1 (FY 16-17)
Facility Services/Garage/CMS (renew)	\$22,175	#2
Detention Overflow (Seal & Stripe)	\$6,210	#3
EMS 2 (Overlay/Subgrade)	\$10,380	#4
<b>Total</b>	<b>\$131,489</b>	

HVAC	Estimated Cost	Year Requested/Priority
Priority 1 HVAC (58 Units) *	\$240,650	#1 (FY 16-17)
<b>Total</b>	<b>\$240,650</b>	

\* Current Commitments includes funding for this project

## County Facility Needs

Detention Center	Estimated Cost	Year Requested/Priority
Detention Door Replacement	\$72,472	#1 (FY 16-17)
Shower Lining Coating	\$171,828	#1 (FY 16-17)
<b>Total</b>	<b>\$244,300</b>	
<b>Grand Total</b>	<b>\$9,339,181</b>	
<b>Total Unfunded</b>	<b>\$1,774,731</b>	

### RECREATION

Recreation Director Tim Hopkin explained in 2007 a Needs Assessment was done. A new assessment needs to be completed.

County Manager Steve Wyatt shared the following accomplishments to the last Needs Assessment.

- Purchase of the Hendersonville Christian School – Artificial Tuft Field is greatly used
- Score boards are read for install at Etowah Park
- Parking has been corrected at Jackson Park

At this point, many things are ahead of recreation. However, economic development does look at schools, parks, and medical.

Mr. Hopkin stated a master plan would cost between \$40,000 and \$50,000. He will reach out for more accurate figures.

Commissioner Messer agrees a list of needs is necessary. The AAC was a great investment. However, Fields 5 & 6 at Jackson Park need parking.

Mr. Hopkins will get more information and take it before the Advisory Board. They will then bring it back to the Board of Commissioners.

### **Commissioner Lapsley / High School Building Assessment**

Mr. Lapsley realizes the Board is faced with many construction school projects in the next 2 years. The Board has discussed in length both Hendersonville High School and Edneyville Elementary. They have also taken field trips to both schools getting a general sense of the buildings. The Board received 5 options for Hendersonville High School and 5 of those options involve renovation expense to the 1926 building. The range of expense from the Architect is between \$11.3m to \$14.7m. \$11m of a \$50m project is significant.

The Board of Commissioners has received substantial public input related to Hendersonville HS. The comments have become very emotional related to the historical significance of the 1926 classroom building.

The Board has a fiscal responsibility to make a well informed decision about this project.

The Board had previously requested a proposal from the architect for a detailed estimate of the cost to renovate this building. A proposal was received with an associated fee of \$ 78,725.

The Board subsequently requested that Commissioner Lapsley solicit proposals from experienced general contractors to prepare the requested building renovation estimate. Commissioner Lapsley met with two contractors and received the following proposals:

**Proposal 1**

- Brasfield & Gorrie
  - \$15,000
    - Includes meeting with design team
    - Review existing conditions
    - Review existing plans of original construction and/or proposal construction

**Proposal 2**

- Vannoy Construction
  - Phase 1- No Charge
    - Provide overall review of existing structure
  - Phase 2
    - Structural Review by Engineer - \$TBD
    - Exterior Envelope - \$TBD
    - Life Safety Code Issues - \$10,500 per use (depending on occupancy type)
    - ADA Compliance Review - \$TBD per use
    - Asbestos & Lead Abatement - \$TBD
    - Business Use Programming - \$17,500
    - Associated Cost Estimates for any suggestions not already completed in Phase 1- No Charge

*Commissioner Edney made the motion that the Board approves Vannoy Construction and move forward with the proposal. All voted in favor and the motion carried.*

**Commissioner Hawkins**

- MSD/Cane Creek
- We are waiting for the State Supreme Court to hear the case.
- Staff is planning with MSD staff for a tentative merger date of July 1, 2016 should the court uphold the discussion prior to then.
- Staff has updated MSD on all projects, equipment and the budget since the original merger effort two years ago.
- Staff consults MSD on decisions that will impact the system after July 1, 2016.
- Staff is mapping the system in GIS with assistance from MSD.

Commissioner Hawkins is concerned about turning over assets including \$3.4 million in the Fund Balance. This is not equitable to the Henderson County citizens.

*Commissioner Hawkins made the motion that the Board approve having staff prepare correspondence to our State Representatives asking that Henderson County be allowed to retain and use the \$3.4 million of CCWSD funds in the General Fund. All voted in favor and the motion carried.*

**Commissioner Edney**

- 1995 Courthouse Space Needs – Get back on track
- 1 cent = \$1,250,000
- 5 cents = \$6,250,000

Commissioner Edney stated due to cutting and cutting of expenses, we have cut services. There has not been a tax rate evaluation since 2011. He requested staff look at appraisals and cost of living, and bring back numbers to show what we have to do.

**Vice-Chairman Messer**

- Fire Inspection Program

Commissioner Messer feels business people feel they are being double taxed.

Rocky Hyder explained how fire inspections work with businesses and the billing process.

<b>Fire Inspections</b>	
<b>Number of Inspections</b>	
\$100 Level	428
\$300 Level	87
\$500 Level	30
<b>Total of \$62,650 Collected (as of December 31, 2015)</b>	

- Artificial Turf at High Schools

Commissioner Messer would like to see artificial turf at all 4 high schools. It would be a capital project between \$1m - \$2m.

He suggest keeping the tax rate as low as possible and on work on capital projects. Staff should look at budget and eliminate anything that is not a capital project.

Commissioner Edney is on board with the artificial turf and tying it in with a large project.

**Chairman Thompson**

- Broadpoint Park

Chairman Thompson stated on April 7, 1997, the Board of Commissioners received a letter from the Community Foundation in regard to Broadpoint Park. Two sisters had sold property adjacent to the landfill and 27.2 acres of their property included in the flood plain and bordered by the French Broad River were not sold. The sisters gifted the land to the Community Foundation to be deeded to Henderson County to develop a park. Guaranteed as a park per the sisters wishes. A timeline was developed but never happened.

Deeded and recorded to Henderson County on August 4, 1997, the deeds says nothing about restrictions. However, the Board did make the agreement and this can be found in minutes. The land has been farmed by Wayne Carland for 17-18 years, and he would like to rent it for the remainder of the year. A unanimous vote back in 1997 was made to put the money from the lease into an escrow account to develop the park, which now has a balance of \$30,000. The Board of Commissioners has the responsibility to follow through.

The agricultural community has shared much grief for removal of farmland, but the Board is here for all citizens. This is a dead issue and the Board will follow through with the park. There are industries offering to help. It has been researched.

Commissioner Messer noted he had been interviewed and stated he agreed for it to be a park.

Commissioner Edney stated legally and morally the Board should follow through.



Commissioner Hawkins agreed with Chairman Thompson, the Board is obligated to keep the contract.

Commissioner Lapsley explained in 1991 he was a consultant to the sisters, who are still living, and helped with the sale of the land to IT Automotive. He is aware of their intent from day one in regard to a park.

*With regard to Broadpoint Park, Chairman Thompson made the motion that the Board follows through with the obligation with intent of the gift of 28 acres becoming a park as soon as possible, working with other entities. All voted in favor and the motion carried.*

**Enhanced Sheriff Coverage of Mills River**

Chairman Thompson informed the Board that during the LGCCA meeting yesterday, Mayor Freeman had stated they are working toward having their own police department in 15 – 17 months.

*Chairman Thompson made the motion that the Board approves continuing the contract with Mills River for enhanced sheriff coverage until June 30, 2017. All voted in favor and the motion carried.*

Chairman Thompson noted after that date we will no longer provide service beyond normal coverage and requested the County Manager or Assistant County Manager send a letter to Mills River informing them of the intent.

**ADJOURN**

*Commissioner Edney made the motion to adjourn at 5:00 p.m. All voted in favor and the motion carried.*

Attest:

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Teresa L. Wilson, Clerk to the Board

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Thomas H. Thompson, Chairman