

7/18/2012

PUBLIC COMMENT SIGNUP SHEET

Pursuant to N.C. Gen. Stat. §153A-52.1, the Henderson County welcomes public comment at its meetings. Please note that each speaker is limited to three (3) minutes, unless a different time limit is announced. Also, the Board may adopt rules limiting the number of persons speaking taking the same position on a given issue, and other rules regarding the maintenance of good order.

Each speaker should be aware and by their signatures hereto they agree that their comments may be recorded (by audio-visual recordings, photography or other means), and may be (but are not required to be) broadcast by the County as a part of the broadcast of this meeting, or as a part of the County's programming on its local video channel(s). By their signature they further agree that Henderson County is and will be the sole owner of all rights in and to such programming. The undersigned hereby indemnifies Henderson County, its employees and agents, against any and all claims, damages, liabilities, costs and expenses arising out of the use of the undersigned's images and words in connection therewith.

1.

PRINTED NAME

Larry Rostetter

SIGNATURE

[Signature]

PO Box 1241

ETJ

Flat Rock 28731

Topic

MAILING ADDRESS

2.

PRINTED NAME

STEVE CARLISLE

SIGNATURE

[Signature]

PO Box 1428

VABABOND SCHOOL of THE DRAMA

FLAT ROCK NC 28731

Topic

MAILING ADDRESS

3.

PRINTED NAME

Philip Stanley

SIGNATURE

[Signature]

71 Abbey Lane

Accommodation Tax

Hillsville, NC 28739

Topic

MAILING ADDRESS

4.

PRINTED NAME

Vincent Morini

SIGNATURE

[Signature]

106 Sunnyside Dr.

Accommodation Tax

Flat Rock, NC 28731

Topic

MAILING ADDRESS

5.

JOE PIROG

PRINTED NAME

105 Campbell DR
FLAT ROCK 28731

MAILING ADDRESS

SIGNATURE

Topic

Joseph Pirog
Funds

6.

Carol Burke

PRINTED NAME

59 Spring side Drive
Hendersonville NC 28792

MAILING ADDRESS

SIGNATURE

Topic

C. P. Burke

Pardee Relay For Life

7.

Kaye Caldwell

PRINTED NAME

224 Thompson St #101
Hendersonville, NC

MAILING ADDRESS

SIGNATURE

Topic

Kay K Caldwell

Occ. Tax / TDA

8.

Karen Orbaugh/KC

PRINTED NAME

MAILING ADDRESS

SIGNATURE

Topic

OCC TAX

9.

Alana Indelicato/KC

PRINTED NAME

MAILING ADDRESS

SIGNATURE

Topic

OCC TAX

10.

Cory Fletcher/KC

PRINTED NAME

MAILING ADDRESS

SIGNATURE

Topic

OCC TAX

11.

PRINTED NAME

John Gallenberger/KC

SIGNATURE

OCC Tax

Topic

MAILING ADDRESS

12.

PRINTED NAME

Bob Horky

SIGNATURE

Bob Horky

PO Box 704

OCC Tax

Flat Rock, NC 28731

Topic

MAILING ADDRESS

13.

PRINTED NAME

MARY CERVINI

SIGNATURE

Mary Cervini

Topic

MAILING ADDRESS

14.

PRINTED NAME

Theresa Maybrow

SIGNATURE

Topic

MAILING ADDRESS

15.

PRINTED NAME

SIGNATURE

Topic

MAILING ADDRESS

16.

PRINTED NAME

SIGNATURE

Topic

MAILING ADDRESS

7/18/12

Henderson County Board of Commissioners

RE: Proposed increase of Occupancy Tax for Accommodations
Proposal to use this 1% increase to fund Flat Rock Playhouse

Karen Orbaugh

CedarWood Inn

Owner/Operator for Eight Years this September

Thank you for allowing my statement to be read without my being there. I am sole owner and operator of an 18 room Inn. Each morning I provide a continental breakfast for my guests preventing me from attending this meeting. This opportunity is greatly appreciated.

Last year I experienced a customer turning down renting several rooms for a Los Angeles, CA independent film production crew. They saw all my rooms, and were very pleased. We discussed prices, and they were pleased. They asked taxes, and were amazed at our rate (combined Occupancy, State and County Sales & Use Tax of 11.75%). They were unhappy and asked why so high as LA's accommodations tax was 8%. They left and did not return. This is not an isolated incident, but since, in this case, I received first hand knowledge of tax rates in a city such as Los Angeles it has made me concerned when I surprisingly find out about another tax hike being considered.

Even though I regularly receive written and verbal testimonies to the quality of my Inn and the services I provide, I have experienced a steady decline in occupancy. What I am forced to do is economize, tighten my belt, spend less, support my community by employing and buying locally, and make wise decisions.

To The Henderson County Commisioners:

As owners of Carolina Moon Luxury Log Cabins in Hendersonville, NC, we are struggling to maintain and increase our business. We have repeatedly lowered our rental rates and the terms of length of stay. It is our feeling that raising the Henderson County Occupancy Tax is counter-productive to all that we try to achieve. Our combined tax rate is already higher than the combined tax rate of Buncombe and Transylvania Counties. It does not take a mental giant to make a reservation change to lodging establishments in either of those counties. We see no value to be gained to individual business owners with this tax increase. We are opposed to it on all levels.

In addition, we are great supporters and patrons of The Flat Rock Playhouse. We have enjoyed and have recommended every performance we have seen for the past nine years. However, we see no logical thought process involved in the donation of a portion of our tax revenue to the Playhouse. Let The Flat Rock Playhouse increase it's ticket prices by a dollar or two, beef up their fund raising efforts, and handle their money matters in a more business like and , professional manner. Their money has been mismanaged for years, and shows no signs of improvement. And we are now being asked to charge our guests to help bail them out. Please explain how that notion helps tourism. County tax dollars being spent to help support a private enterprise? I don't think so.

Alana G. Indelicato
Bob A. Indelicato
www.carolinamooncabins.com
800-318-1151

Alana Indelicato

Subject: Fwd: Lodging Tax Increase-vote NO!

From: The Cottage Inn Mills River <thecottageinnmillsriver@gmail.com>

Date: 7/17/2012 2:49 PM

To: Kaye Caldwell <Kaye@clearcreekcabins.com>

Dear Kaye,

I was unable to be at the meeting you held yesterday and will be out of town tomorrow for the vote. I have sent my opposition letter to the county commissioners and have forwarded you what I wrote to them. If you can use it and have it read, that is fine with me. I am sorry I can't be there but my strongest prayer is that this will not go forward.

Thank you for all you are doing to help all of us!!!

Sincerely,

Cory Fletcher

owner of The Cottage Inn Mills River

thecottageinnmillsriver@gmail.com

----- Forwarded message -----

From: The Cottage Inn Mills River <thecottageinnmillsriver@gmail.com>

Date: Tue, Jul 17, 2012 at 2:44 PM

Subject: Lodging Tax Increase-vote NO!

To: tthompson@hendersoncountync.org, bill.oconnor@hendersoncountync.org,
jmedney@hendersoncountync.org, cmesser@hendersoncountync.org,
lyoung@hendersoncountync.org

The Cottage Inn Mills River

40 Old Turnpike Rd.

Mills River, NC 28759

[828-891-5007](tel:828-891-5007)

Thecottageinnmillsriver@gmail.com

July 16, 2012

Henderson County Commissioners:

[Tommy Thompson, Chairman](#); [Bill O'Connor, Vice-Chairman](#); [Michael Edney, Commissioner](#); [Charlie Messer, Commissioner](#); [Larry Young, Commissioner](#)

Hendersonville, NC 28792

Dear Commissioners,

I recently read the article in our local newspaper about raising our occupancy taxes in Henderson County from 5% to 6% and then giving that additional 1% to the Flat Rock Playhouse. I am outraged to say the least over this proposal.

This tax increase is unfair and extremely burdensome in so many ways! I am a very small business owner and trying very hard to build my business. To add one more tax burden on me is truly awful and will disable me greatly, if not shut me down. I can not afford for possible future guests to choose to stay in another County in the area where their taxes would be less. That would run me out of business. Then the absurd proposal to give that additional tax to the Playhouse to help them out, is the most ridiculous thing I have ever heard of. Sending guests to another county where they pay lower taxes for accommodations and 'hoping' they go to the Flat Rock Playhouse so they can generate an income, will be detrimental to Henderson County's tax revenue because your lodging industry was taxed out of business. As a lodging industry we would not support the Flat Rock Playhouse with advertisements in our establishments. Taking money away from the lodging industry in Henderson County through increased taxes to benefit one business is a grave error in my opinion.

I urge you to do all you can to stop this lunacy. Please vote No on this proposal. I join with the all the other Lodging Businesses in this county and oppose this tax increase. Henderson County needs to protect its small business owners, not disable them. I also want you to know I will remember your vote on Wednesday , July 18, 2012 either FOR the lodging businesses in Henderson County and how you supported us, or how you sold us down the river for whatever political objectives you have to help the Flat Rock Playhouse at our expense.

Sincerely,

Cory Fletcher

Owner of Cottage Inn Mills River

Cory Fletcher

To: Henderson County Commissioners

From: John and Dianne Gallenberger, Proprietors, Blue Ridge Cozy Cabin

Re: Increase to Occupancy Tax

We are pleading with you to refrain from implementing the 20% increase in the occupancy tax, taking it from 5% to 6%.

We offer a single cabin as a vacation rental. Most of our guests find us through the Internet. Almost all of them compare several lodging choices before selecting one. Price is a critical element of their comparisons.

We are often in competition with similar lodging in Buncombe County. There, owners with fewer than five units pay no occupancy tax. A 6% occupancy tax would put us at a disadvantage of over \$50 for a weekly rental. This definitely would cause us to lose more business to Buncombe County.

When we lose a week's rental we suffer a direct loss of about \$850. Henderson County loses its current 5% occupancy tax and its 2% sales tax for a loss of \$9.50. The point is we all lose, including the many retail businesses our guests use. Our lost guests are patronizing businesses in Buncombe County instead.

The Henderson County Visitors Bureau has been well managed financially for the past several years. There is good reason to believe they could do well at their prior 4% rate of tax and you should strongly consider reducing the current tax to that level. Increasing the rate to 6% is unwarranted.

Let Flatrock Playhouse correct its own mistakes which have caused it to lose so much of its donor base, volunteer staff and audience. Don't give in to their plea for taxpayer assistance.

Thank you.

John Gallenberger

Tax Collector's Settlement

Report Presented
Before the
Henderson County Board of Commissioners

18 July 2012

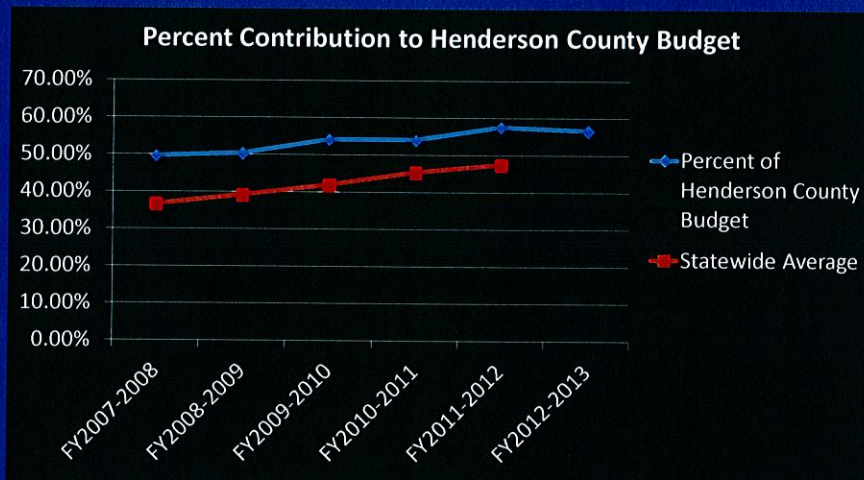
Stan C. Duncan
County Assessor & Tax Collector

Wm. Lee King
Delinquent Tax Collector

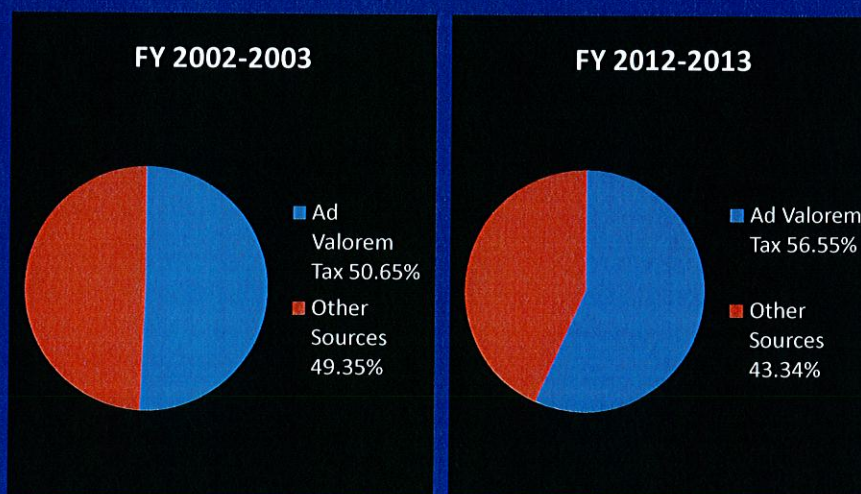
Property Tax Contribution to Overall County Budget



Property Tax Contribution: Comparing Henderson County to State Average



Property Tax Contribution



N.C.G.S. 105-373. Settlements.

Per NCGS 105-373(a)(3)b., The tax collector shall be credited with:

1. All sums representing taxes for the year deposited by him to the credit of the taxing unit or receipted for by a proper official of the unit;
2. Releases duly allowed by the governing body;
3. The principal amount of taxes constituting liens on real property (\$1,093,091.26);
4. The principal amount of taxes included in the insolvent list determined in accordance with subdivision (a)(2) (\$669,706.58), above;
5. Discounts allowed by law; (not applicable to Henderson Co.)
6. Commissions (if any) lawfully payable to the tax collector as compensation; and (not applicable to Henderson Co.)
7. The principal amount of taxes for any assessment appealed to the Property Tax Commission where the appeal has not been finally adjudicated. (\$117,941.72 collected of \$117,941.72 billed)

Budget Ordinance FY2011-2012

BE IT ORDAINED by the Henderson County
Board of Commissioners, meeting on the 15th
day of June 2011:

Ad Valorem Taxes

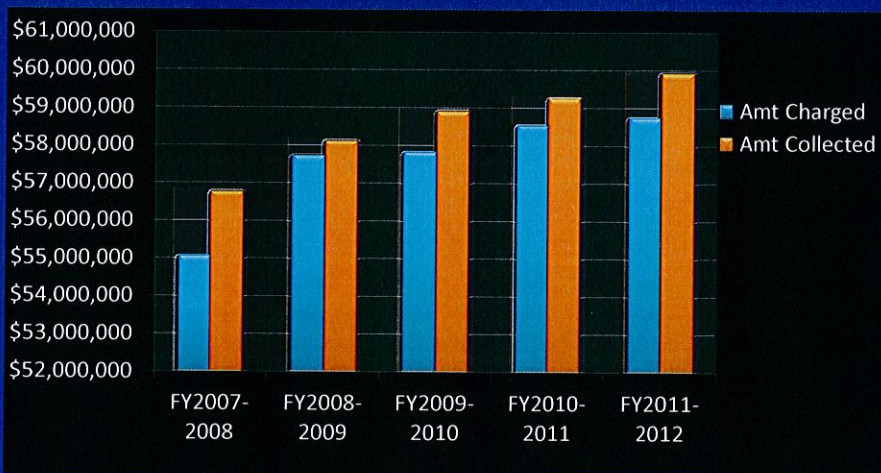
| | |
|--|-------------------------|
| • Current Year Taxes | \$58,743,127.00 |
| • Prior Year Taxes, Interest, and Penalties | \$ 1,745,000.00 |
| TOTAL to be Contributed: | \$ 60,488,127.00 |

Total Cash Collected

As of 30 June 2012, compared to the original charge as stated in the FY2011-2012 Budget Ordinance, tax collections were:

- **\$59,928,817.05** for current year (2011-12FY) taxes; \$1,185,690.05 above the original annual levy charge, and
- **\$1,970,563.65** for prior years taxes (delinquent taxes) \$225,563.65 above the delinquent charge.

Annual Collections Activity All Years Cumulative



First Goal

1. Meet the budgetary requirements stated in the Budget Ordinance:

- for annual (current FY) taxes of \$58,743.127.00.

COLLECTED \$59,928,817.05.

- for delinquent (uncollected taxes from prior years) taxes of \$1,745,000.00.

COLLECTED \$1,970,563.65

Second Goal

Meet the expected percentage of tax to be collected, as stated in the Budget Ordinance, of 97%.

Under previous guidelines: 97.29% collected.

Under early adoption of future guidelines:
96.95% collected.

Collections Status Report as of 30 June 2012 EOFY Final Rpt

| | NET LEVY CHARGED | PERCENT OF TOTAL LEVY | LEVY COLLECTED | PERCENT COLLECTED |
|-----------|---------------------|--------------------------|--------------------|----------------------|
| Annual | \$ 57,634,609.60 | 93.24% | \$ 56,253,070.35 | 97.60% |
| RMV | \$ 4,179,749.84 | 6.76% | \$ 3,675,746.70 | 87.94% |
| Net Total | \$ 61,814,359.44 | | \$ 59,928,817.05 * | 96.95% |

| | Annual | DLQ | |
|---------------|------------------|-----------------|----------------------------------|
| Charge | \$ 58,743,127.00 | \$ 1,745,000.00 | |
| Have | \$ 59,928,817.05 | \$ 1,970,563.65 | Annual \$ Goal Met 16 April 2012 |
| Amt Over Goal | \$ 1,185,690.05 | \$ 225,563.65 | DLQ \$ Goal Met 26 March 2012 |

% of Goal 102.02% 112.93%

0 Business Days Remaining in FY

- * Billing Year End was on 7 December 2010.
- * Annual System Billing occurred 29 July 2011.
- * DMV levy will change monthly until May 2012.
- * Annual Tax Bills were mailed on 19 August 2011.
- ** Deferred Bills may come due during the Fiscal Year and cannot be budgeted as part of the Annual Levy.

Benchmarks- BOC
98% CURRENT LEVY
\$ 60,578,072.25
97% CURRENT LEVY
\$ 59,959,928.66

Recommended Change to the Calculation for Tax Collection Percentage

WHY?

- Greater uniformity among the jurisdictions in reporting to the State.
- Improved data for responding to requests from the General Assembly.

Recommended Change to the Calculation for Tax Collection Percentage

Initiated by the NC Tax Collector's Association.

David Baker, Director, NC Department of Revenue's Local Government Division

Sharon Edmundson, Director, Fiscal Management Section, NC Local Government Commission

Ken Joyner, Lecturer in Public Finance and Government, UNC-CH, School of Government

Chris McLaughlin, Assistant Professor for Public Law & Government, UNC-CH, School of Government

Pat Goddard, Johnston County

Betty Hodges, Forsyth County

Jo Roberson, Orange County (Retired)

Pete Rodda, Forsyth County (Retired)

Kim Simpson, Durham County

Harry Smith, Onslow County (NCTCA President; 2010)

David Reid, Transylvania County (Chair; 2010, and NCTCA President; 2011)

Stan Duncan, Henderson County (Chair; 2011 & 2012, and NCAAO President 2012)

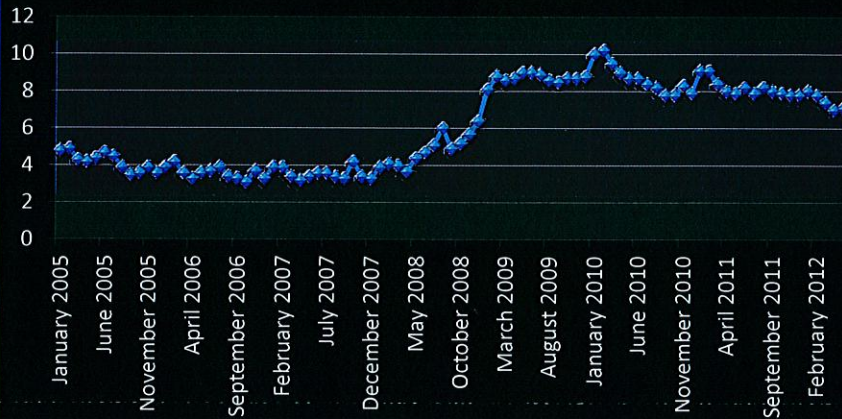
Recommended Change to the Calculation for Tax Collection Percentage

State Treasurer's Office will be issuing a
recommendation along the following lines:

- Only Discoveries made in calendar year 2011 are incorporated into the 2011-12FY collection percentage.
- Discoveries made in calendar year 2012 are incorporated into the 2012-13FY collection percentage.
- Interest, Penalties, & Costs are not incorporated.
- Refunds & Releases are removed from the original levy charge and any tax collected (in instances of a refund).

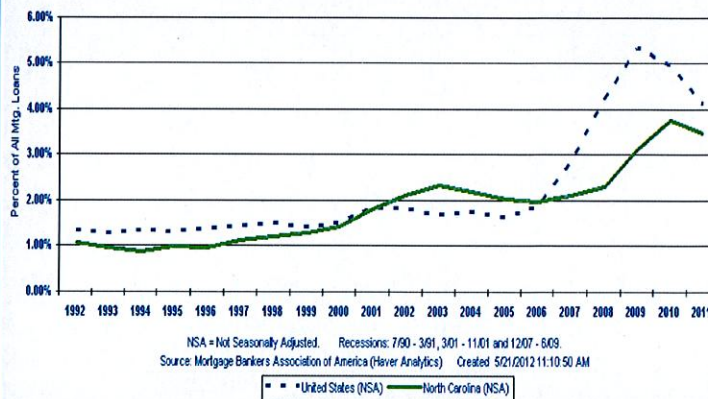
Henderson County Unemployment Rate Over Time January 2005 – May 2012

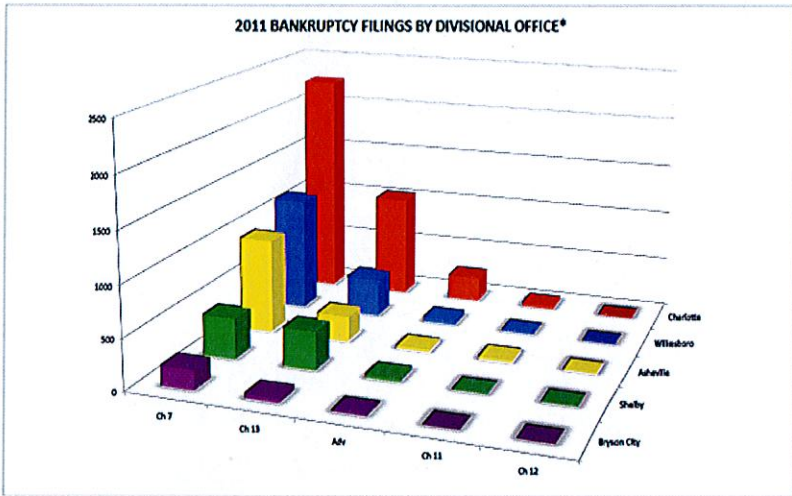
Source: U.S. Bureau of Labor Statistics



North Carolina Foreclosure Starts By Year

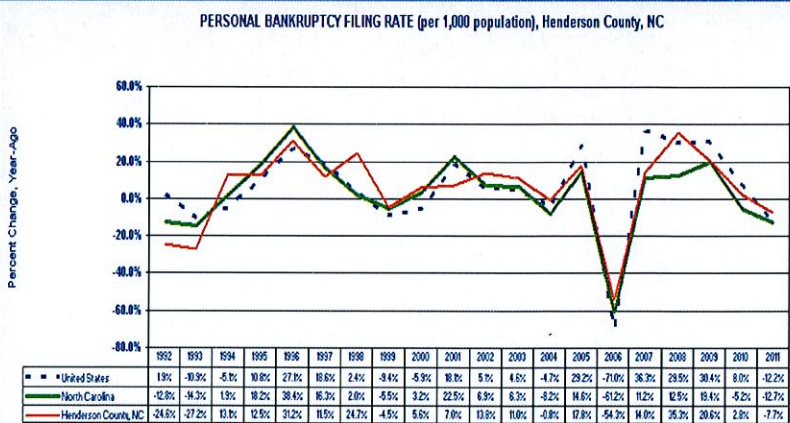
Foreclosures Started, North Carolina





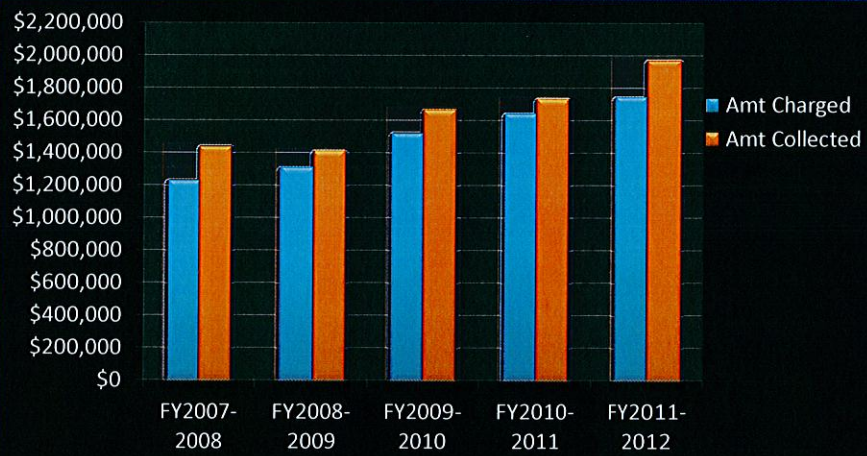
Chapter 7 – No Asset Case – Total Liquidation of Assets
Chapter 13 – Individual Reorganization
Adv – Adversary Proceeding – Creditor has a dispute with Debtor and does not want claim dismissed.
Chapter 11 – Business Reorganization
Chapter 12 – Streamlined Chapter 11 for Farmers and Fishermen
Source: US Bankruptcy Court WNC

Personal Bankruptcy Filing Rate Henderson County

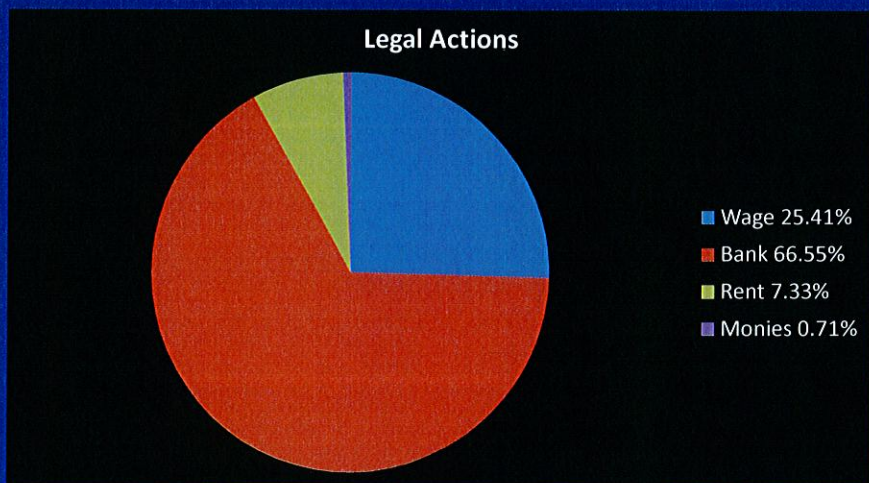


Source: Administrative Office of the U.S. Courts (Economy.com). Includes Chapter 7 and Chapter 13 filings.
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DLQ Collections Activity All Years Cumulative



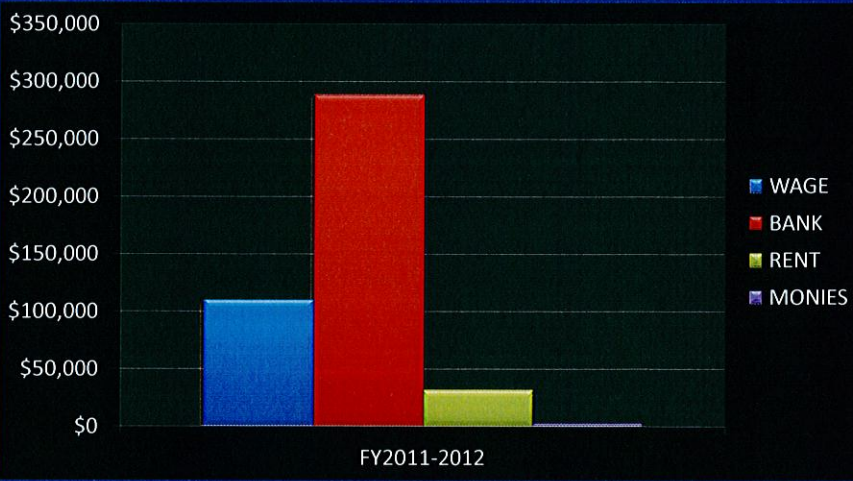
Distribution of Enforced Collection Remedies by Legal Action Type



Distribution of Enforced Collection Remedies by Bill Type



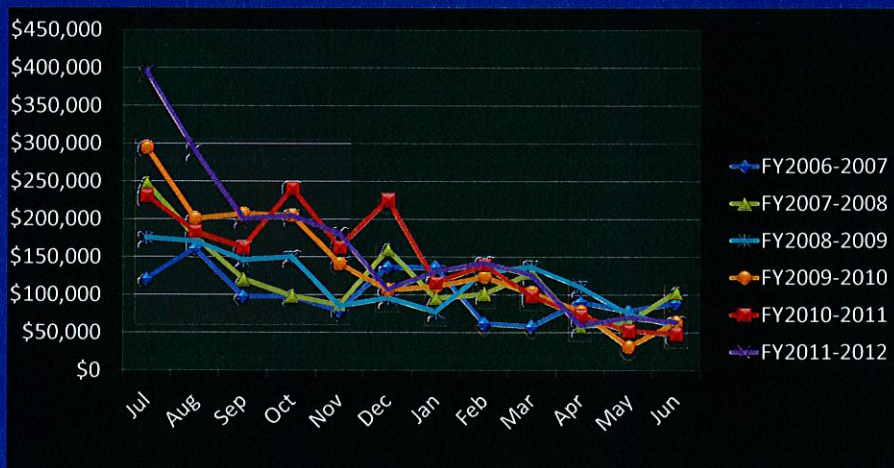
\$ Collected by Enforced Actions



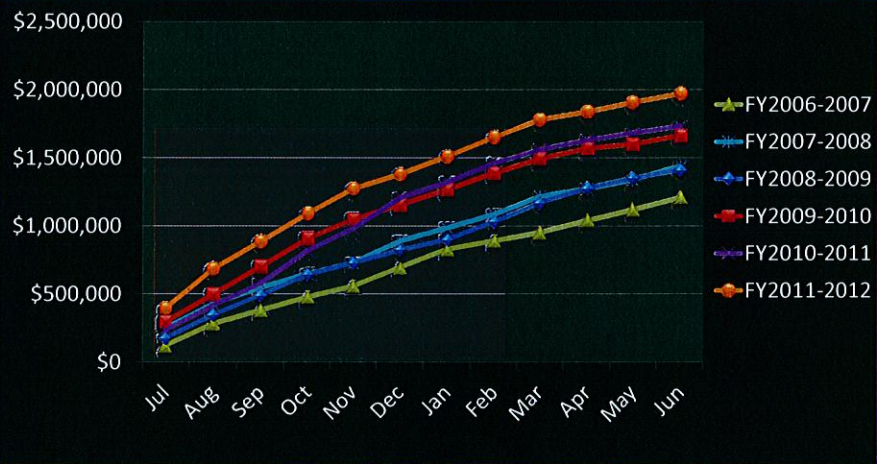
County Tax Foreclosure Statistics

- Parcels in pre-foreclosure FY2011-2012: **485**
- Potential Amount of Taxes to be collected:
\$395,473.64
- Date of Last Tax Sale: **30 November 2011**
- Number of Parcels Sold: **12**
- Amount of Taxes Captured: **\$12,792.25**

DLQ Collections Activity by FY



DLQ Collections Activity All Years Cumulative



Questions?