

MINUTES

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

BOARD OF COMMISSIONERS
APRIL 21, 2010

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

Those present were: Chairman Bill Moyer, Vice-Chairman Mark Williams, Commissioner Larry Young, Commissioner Chuck McGrady, Commissioner Charlie Messer, County Manager Steve Wyatt, Assistant County Manager Selena Coffey and Clerk to the Board Teresa L. Wilson.

Also present were: Associate County Attorney Sarah Zambon, Public Information Officer Christy DeStefano, Finance Director J. Carey McLelland, County Engineer Marcus Jones, Planning Director Anthony Starr, Research/Budget Analyst Amy Brantley, Delinquent Tax Collector Lee King, Listing Coordinator Dee Hill, Sheriff Rick Davis, Construction Manager David Berry, Code Enforcement Director Toby Linville, Planner Autumn Radcliff, Recreation Director Tim Hopkin, Planner Parker Sloan, Planner Matt Cable, Fire Marshall Rocky Hyder, Interim County Extension Director Renay Knapp, and officer David Pearce (as security).

Absent was: Attorney Russ Burrell.

CALL TO ORDER/WELCOME

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

PLEDGE OF ALLEGIANCE

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

INVOCATION

County Manager Steve Wyatt gave the invocation.

Chairman Moyer noted the month of April is County Government Month. Students from Henderson County High Schools and the early college program were in attendance shadowing elected officials and staff. Those in attendance were Zach Schmoll, Paige Nevell, Harrison Sloop, Bri Labbate and Elaine Doten.

Steve Wyatt stated April marks the National Association of Counties observance of National County Government Month. PIO Christy DeStefano has put together several events for the observation of this program which is designed to get people involved with their county government in order to development an awareness of what really happens with county government.

COOPERATIVE EXTENSION – INTRODUCTION OF STAFF

Interim County Extension Direction Renay Knapp introduced the Associate Director for Family and Consumer Science and 4-H Youth Development Dr. Marshall Stewart.

Dr. Marshall Stewart with NC State University and the NC Cooperative Extension thanked all involved in county government for the support shared for the Cooperative Extension. Their mission is to improve the lives of people whether they are in agriculture, youth development, family consumer sciences, etc. For over 100 years they have addressed issues relating to economy, education and health.

Chairman Moyer noted that at most meetings a member of the 4-H has lead the pledge of allegiance.

INFORMAL PUBLIC COMMENT

There were none.

DATE APPROVED: May 3, 2010

DISCUSSION/ADJUSTMENT OF AGENDA

Chairman Moyer noted that Discussion Item I (Human Services Building Security) had already been taken care of and requested that the item be pulled from the agenda.

Commissioner McGrady made the motion to approve the agenda striking discussion item I, Human Services Building Security. All voted in favor and the motion carried.

CONSENT AGENDA

Commissioner McGrady made the motion to adopt the Consent Agenda as presented. All voted in favor and the motion carried.

CONSENT AGENDA consisted of the following:

Minutes

Draft minutes were presented for board review and approval of the following meeting(s):

- February 1, 2010 – Regularly Scheduled Meeting
- March 30, 2010 – Special Called Meeting
- April 5, 2010 – Regularly Scheduled Meeting

Tax Collector’s Report

Deputy Tax Collector Carol McCraw had presented the Tax Collector’s Report to the Commissioners dated April 9, 2010 for information only. No action was required.

Capital / Facilities Status Reports

Internal Auditor Darlene Burgess had provided a status report to the Commissioners for the period ended March 2010 on Capital and Facilities projects.

Relocation of Graves

The City of Hendersonville has presented a request for formal approval from the County to relocate certain graves in Oakdale Cemetery. NCGS §65-106 specifies the process the City must follow to move forward with the grave relocation. Item G of the statute specifies the role of the County Commission as follows: “All disinterment, removal and re-interment under the provisions of this Chapter shall be made under the supervision and direction of the county board of commissioners or other appropriate official, including the local health director, appointed by such board for the county where the disinterment, removal and re-interment take place.”

The Board is requested to review the request from the City, and grant consent for the relocation of certain graves in the Oakdale Cemetery.

Suggested Motion:

I move the Board of Commissioners grant its consent to the relocation of certain graves in Oakdale Cemetery as described by the City, exercising oversight responsibility as conferred in NCGS §65-106.

Emergency Management Budget Amendment Request

Henderson County Emergency Management has received \$16,346.00 in additional funding through the Emergency Management Performance Grant. The department would like to utilize the additional funding to purchase capital equipment to assist with search and rescue operations, access communications sites during inclement weather, EMS Special Trauma and Rescue Team support, and to augment snow removal capabilities at county facilities.

The Board is requested to authorize the County Manager to amend the Emergency Management departmental budget to reflect \$16,346.00 in additional revenue and \$16,346.00 in Capital Outlay - Equipment.

Suggested Motion:

I move the Board authorizes the County Manager to amend the Emergency Management departmental budget to reflect \$16,346.00 in additional revenue and \$16,346.00 in Capital Outlay - Equipment.

Hospital Revenue Bond Financing Request for the Benefit of the Henderson County Hospital Corporation

The Board of Commissioners is being requested to consider approving the attached resolution drafted by our Bond Counsel which directs an application to be made to the Local Government Commission (LGC) for approval of the issuance of Series 2010 Hospital Revenue Bonds and certain related matters by Henderson County for the Margaret R. Pardee Memorial Hospital Project. This is another step to issue bonds that started with the January 21, 2009 reimbursement resolution previously approved by the Board of Commissioners.

The amount of the Bonds to be issued is a not to exceed amount of \$3,500,000 to be used to reimburse the County or the Henderson County Hospital Corporation for the costs of certain previous acquisitions of land and buildings, to pay the costs of improvements to such land and buildings, to pay interest on the 2010 Bonds if necessary and to pay the costs of issuing the 2010 Bonds.

Request that the Board consider approving the attached resolution drafted by our Bond Counsel for the stated purposes.

Motion Suggested:

I move approval of the Resolution of the County of Henderson, North Carolina, directing the application to the Local Government Commission for approval of Hospital Revenue Bonds and requesting Local Government Commission approval of the County's Hospital Revenue Bonds, Series 2010 and certain related matters for the Margaret R. Pardee Memorial Hospital Project.

Approval to surplus two Sheriff Office motorcycles

The Sheriff's Department requests that the Board authorizes the department to surplus two Sheriff's Office motorcycles originally purchased with Drug Funds. The motorcycles will be used as trade-ins on a new motorcycle. The balance owed will be paid from Drug Funds. There are no county funds involved in this request.

The Board is requested to approve the request and authorize the Sheriff and County Manager to proceed with the sale.

Suggested Motion:

I move the Sheriff and County Manager be authorized to surplus the two motorcycles, apply them toward a new motorcycle and proceed with the purchase using Drug Funds.

Fuel and Energy Reduction Plan Status

This agenda item is to update the Board on the status of the County's energy and fuel reduction plan. The data provided is year-to-date as related to the baseline of May 2007 to April 2008 as mandated by the County Manager.

This item is for information only. No Board action is necessary.

Request for Use of Courtroom

A letter and application were received from Col. William T. Stanley, Chairman of the Pearl Harbor Day Commemorative Committee, requesting the use of the Courtroom on December 7, 2010 for a Pearl Harbor

Day Ceremony. Per the Facility Use Policy, the use of the Commissioners' Meeting Room (Courtroom) must be approved by the Board of Commissioners during a regularly scheduled meeting.

Suggested Motion:

I move that the Board approves the use of the Courtroom for the Pearl Harbor Day Ceremony on December 7, 2010.

NOMINATIONS

Commissioner McGrady informed the Board of a vacancy on the Solid Waste Advisory Committee.

Chairman Moyer reminded the Board of the following vacancies and opened the floor to nominations:

1. CJPP (Criminal Justice Partnership Program) – 2 vac.

There were no nominations at this time so this item was rolled to the next meeting.

2. Community Child Protection Team (CCPT) – 1 vac.

There were no nominations at this time so this item was rolled to the next meeting.

3. Downtown Hendersonville, Inc. – 1 vac.

There were no nominations at this time so this item was rolled to the next meeting.

4. Equalization and Review, Henderson County Board of – 2 vac.

There were no nominations at this time so this item was rolled to the next meeting.

5. Governmental Financing Agency - 1 vac.

Commissioner McGrady nominated County Manager Steve Wyatt for reappointment to position #2. *Chairman Moyer made the motion to accept the reappointment of Steve Wyatt to position #2 by acclamation. All voted in favor and the motion carried.*

6. Henderson County Planning Board – 3 vac.

Commissioner Young nominated Marilyn Gordon. Commissioner Messer nominated Wayne Garren and Jim Clayton, Commissioner McGrady nominated Jerry David and Renee Kumor. Chairman Moyer nominated Jonathan Parce. This item was rolled to the May 3, 2010 meeting and the Board will be polled at that time.

7. Historic Resources Commission – 1 vac.

There were no nominations at this time so this item was rolled to the next meeting.

8. Home and Community Care Block Grant Advisory committee – 2 vac.

Commissioner McGrady nominated Renay Knapp for position #9. *Chairman Moyer made the motion to accept the appointment of Renay Knapp to position #9 by acclamation. All voted in favor and the motion carried.*

9. Juvenile Crime Prevention Council – 9 vac.

There were no nominations at this time so this item was rolled to the next meeting.

10. Senior Volunteer Services Advisory Council – 3 vac.

There were no nominations at this time so this item was rolled to the next meeting.

11. WCCA Board of Directors (Western Carolina Community Action) – 1 vac.

Commissioner McGrady nominated Madeline Royes for reappointment to position #2. *Chairman Moyer made the motion to accept the reappointment of Madeline Royes to position #2 by acclamation. All voted in favor and the motion carried.*

PARDEE ANNUAL REPORT

Alan House, Kris Hose, and Board Chairman Bill Lapsley from Margaret R. Pardee Memorial Hospital (Henderson County Hospital Corporation) presented their Annual Report to the Board of Commissioners via a power-point presentation.

Bill Lapsley stated the Board of Directors of Pardee Hospital consists of eleven members appointed by the Board of Commissioners. The chief of the medical staff is elected by the physicians credential to serve at the hospital. Chairman Moyer is an ex-officio member of the board. The board meets monthly and the meetings are open to the public. There are eight committees of the board; three of them meet monthly, and five of them meet quarterly. There are three affiliated boards with the hospital; the Hospital Foundation, Urgent Care Center Board, and Partners in Health Condominium Association. The hospital employees over eleven hundred people and has an annual budget of over \$130,000,000.

President and CEO Kris Hose went over the annual report to the County Commissioners. Last year the process for Accreditation was changed in terms of moving from the Joint Commission to the DNV (Det Norske Veritas). DNV comes every year where the Joint Commission came every three years. The Board granted approval to seek DNV accreditation, and an unannounced survey was conducted by DNV in April, 2009. The final report was received April 28, 2009, and a total of 20 non-conformances were identified. A corrective action plan was submitted within ten (10) days, and data was submitted at a 60 day interval for the two (2) Level 1 non-conformities identified during the survey. Full accreditation for a three year term was granted on May 18, 2009. After achieving DNV accreditation, Pardee terminated its contract with The Joint Commission. Pardee was the first hospital in North Carolina to obtain DNV certification. Currently, there are over 100 US hospitals that are accredited by DNV.

Pardee just received an Outstanding Achievement Award from the Commissioner on Cancer. Every cancer program in the country is accredited and surveyed by the Commission on Cancer. Pardee was the only hospital cancer program in North Carolina to receive the award and only one (1) of eighty-nine across the country.

The Planning Committee, Medical Staff Leadership, and Leadership Team of Henderson County Hospital Corporation spent the majority of 2008 developing a new Strategic Plan for Pardee Hospital. This plan was approved by the Board of Directors at its October 2008 meeting, and specific 2010 system goals were approved in September 2009 that are part of executing the Strategic Plan.

From the analysis completed during the development of the strategic Plan and development of the 2010 System Goals, the following five healthcare priorities were identified for 2010:

1. Mental Health – As is the case throughout the State of North Carolina, the Mental Health system in Henderson County is extremely fragmented and inconsistent. Community Hospitals with Mental Health Units have become the de facto “safety net” for Mental Health services in their respective communities. Pardee has taken a leadership role in Western North Carolina to bring together providers, LME, county leaders, and State Mental Health resources to identify ways to collaborate and improve the Mental Health System. This approach is threatened, however, by the interest of the area LME to pursue a Medicaid Waiver for Mental Health Services.
2. Primary Care Physicians – With the advent of Healthcare Reform, the role of the Primary Care Physician has become even more critical in the healthcare delivery system. This is particularly a concern in Henderson County because a significant portion of the independent community primary care physicians in Henderson County are struggling to make end meet. There appear to be a number of issues contributing to this situation, but none more than the amount of Medicare patients these primary care physicians see. Generally, once a primary care practice hits 50-60% Medicare, their ability to generate an effective margin is challenged.
3. Medical Specialties Along with having a sufficient primary care physician base to serve in our community, there are also medical specialties that are needed. Given our demographics and epidemiology, Henderson County has need for physicians with specialty training in Endocrinology,

Geriatrics, and Spine Surgery. We were successful in jointly recruiting a Spine Surgeon who joined Pardee in late summer 2009.

4. Uncompensated Care – Pare has struggled with the issue of uncompensated care for some time now. Our numbers continue to be some of the highest in the State of North Carolina for our size hospital. In this economic climate, the number of patients needing healthcare with no insurance, or who are uninsured, is only increasing. Seventy-two point five (72.5%) of patients served at Pardee are Medicare, Medicaid or uninsured.
5. Information Technology – To achieve the clinical excellence and operational efficiency needed to deliver exceptional healthcare to our community, we must have seamless information.

In 2009 Pardee Hospital provided over \$20 million in community benefit. This is approximately 14.15% of their overall budget.

Alan House provided the 2009 financial summary for the Henderson County Hospital Corporation (Pardee). Mr. House stated that operating revenues were down 1% and operating expenses were down 4% from 2008 to 2009. One of the things that should be kept in mind with these numbers is that the 2008 numbers included the sale of the Pardee Care Center. A copy of the presentation is hereby attached and incorporated as a part of the minutes.

Commissioner Williams questioned if the drop in operating expenses was sustainable while still providing the same level of care.

Mr. House responded that every day they look for ways to reduce operating expenses. When comparing 2008 to 2009 the sale of the Pardee Care Center's revenues and expenses were included and must be considered.

Chairman Moyer felt the Board and Kris have worked hard to keep doctors and staff involved so that quality of care will not be compromised.

Bill Lapsley stated the Board, since his appointment, has focused hard on close coordination and communication with the physicians and staff utilizing the Medical Executive Committee, the Performance Improvement Committee, along with several other committees. The focus is on quality of care, and efficiency in providing care to patients.

Chairman Moyer stated that the hospital board had come up with a model to look at variables and prepare for the future. He asked Mr. Lapsley to briefly explain the model.

Mr. Lapsley explained that approximately one year prior the board of directors at the hospital, discussing in depth all of the variable items, decided to retain a consultant. They received several proposals to develop for the hospital, what they call their strategic financial planning model. It is a computer model developed with the aid of a professional accounting firm, incorporating all of the components; capital costs, Medicare reimbursements, operating margins, etc. into a computer model that any one of the components can be adjusted instantly and the board can see what the impact would be on the operating margin of the hospital. It took about five (5) months of work by the consultants and cooperation of several board members and staff. The model is finished and is now being utilized.

HENDERSON COUNTY PUBLIC SCHOOLS BUDGET PRESENTATION

Representatives for the Henderson County Public Schools, including Board Chairman Ervin Bazzle, were present to present their FY 2010-2011 budget request to the Board.

Ervin Bazzle, Chairman of the Board of Education, noted that during 2009 no jobs were eliminated. Henderson County is in the top ten in every category in every state when it comes to performance of the students. They are also in the top ten for lowest dropout rate in the state. Balfour School has alternative

education (early college), advancing what he believes is coming in the future of education. Normally Mr. Bazzle discusses school nurses, social workers and positions but with the adverse conditions, the school board is working not only with the Board of Commissioners but also Blue Ridge Health Center and the Health Department. In the school clinics (four in August) an agreement has been worked out where at list in two of the four clinics the nurses in the clinics will be filling the role of nurses in the schools. This allows the nurses already in place to be freed up to go to other schools where they were only part-time. The Department of Social Services is working in conjunction with all of those individuals as well. A social worker is in one of the clinics now at Bruce Drysdale performing that function.

2010-2011 Preliminary Budget County Appropriation
 Mr. Bazzle noted there is no increase in utility or energy costs.

2009-2010 County Appropriation		\$20,392,939
2010-2011 Increase:		
Expansion Budget:		
Uncontrollable Items:		197,491
Potential State-Mandated Salary Increases		\$ <u>305,279</u>
Total Increase in County Appropriation	= 2.47%	\$ 502,770
2010-2011 County Appropriation (96.8% of Total Budget)		\$20,895,709
Add: Other Local Sources of Revenue (3.2% of Total Budget)		691,325
2010-2011 Preliminary Current Expense Budget Total		\$21,587,034

Mr. Bazzle does not believe that salary increases will happen. The total capital budget request is \$3 million; \$2 million in capital projects and \$1 million in maintenance repairs and purchase request.

County Manager Steve Wyatt noted this would be the last budget presentation for Superintendent Dr. Page as he is retiring.

Chairman Moyer requested that Steve Wyatt and Carey McLelland inquire if any of the special bonds previously used would be available for the maintenance projects.

Mr. Bazzle introduced members from the school system present: Rick Wood, Dr. Page, Carey Shannon, David Jones and Bo Caldwell.

COMMUNITY MENTAL HEALTH UPDATE

Judith Long and Jackie Combs from the community’s mental health service providers and members of the mental health roundtable group requested the opportunity to share their perspective on mental health issues in the County. No action was required by the Board of Commissioners on this presentation.

Jackie Combs, Executive Director of Sixth Avenue Psychiatric Rehab Partners, on behalf of the mental health roundtable, stated they have been existence in Henderson County for some time and reemerged in 2007 to try to address what is happening in Henderson County and work collaboratively to reduce duplication of services and the most efficient use of their funding. This meeting is appropriate today as we are approaching May, mental health month.

The objective of the group is...

- With the provision of services to prevent:
 - Hospitalization
 - Incarceration
 - Homelessness

- Each of the above noted outcomes are the most costly to the consumer, the community and to all residents of Henderson County.

The group is made up of mental health organizations representing both for profit entities, non-profit entities, substance abuse organizations, health care organizations, social service organizations, governmental entities, private therapists and the LME.

Mental health in North Carolina is ongoing and continues to be a challenge to all providers across the state of North Carolina. In Henderson County we do not have any gaps in adult services or a waiting list to get an appointment as related to Mental Health and Substance Abuse. Access to those services and communicating access to those services continues to be a challenge that the general community is having some difficulty with. The least restrictive services or basic services include psychiatric services, individual and group therapies. Crisis walk in are the people who are not engaged and now have access to walk in services. Case management and community support was the gate keeper for their services and the State has now eliminated that service. The local provider network has absorbed hundreds of thousands of dollars in non-reimbursable costs because they continue to provide that service to the most vulnerable citizens for whom that service is medically necessary. Without that there would be many gaps in services and much increased cost through the jail, the hospital and the homeless shelters. Community support teams and clubhouse psycho social rehabilitation is in the middle of the continuum care. We are fortunate to have a clubhouse in Henderson County and more than one community support team. Assertive community treatment (ACT) teams and intensive outpatient services are right before hospitalization. There are two (2) ACT teams serving Henderson County. Partial hospitalization is a day service located in a hospital setting. An inpatient stay or inpatient detoxification stay would be the most restrictive service.

Judith Long, Executive Director of Free Clinics, stated that the network meets monthly to look at possible gaps and access is the biggest challenge. Funding Restrictions and Reductions in Mental Health and Substance Abuse:

- Consumers with Medicare/Medicaid have limited providers due to the poor reimbursement rate for services.
- Consumers with no insurance and IPRS dollars have a very limited array of services available to them.
- Due to the reduction in reimbursement for a large portion of services, many services are no longer sustainable without support from other funding systems.

The request of the Mental Health roundtable is for the MOE monies to be utilized to sustain existing provider network services. As demonstrated there is a full continuum of care for adult consumers in Henderson County.

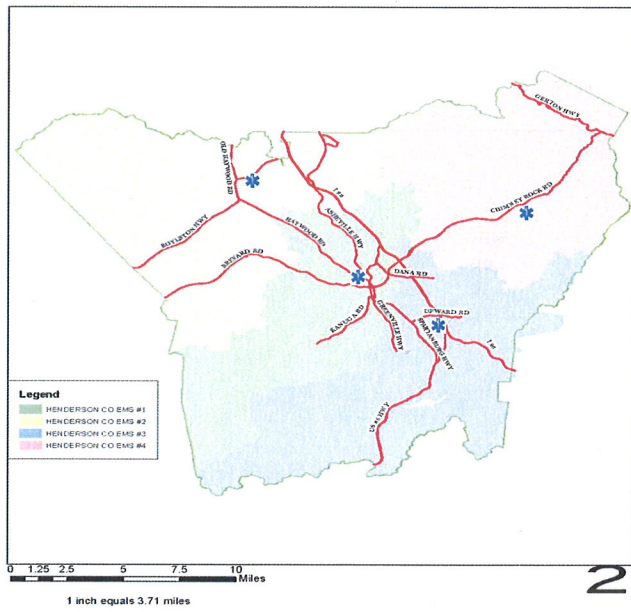
EMS SYSTEM ACCREDITATION

Henderson County Emergency Services Director Rocky Hyder provided a brief presentation on the County EMS system and the recent accreditation by the North Carolina Medical Care Commission. In 1973 the Federal Government mandated that States provide an Emergency Medical Services within their particular jurisdiction. This process usually takes a couple of years to determine exactly what the Government is asking for and to find the funding.

History

- 1975 Henderson county EMS was established (Basic EMT Level Service)
- 1977 EMT – Intermediate program
- 1980 Paramedic program (9th in NC)
- 1980 to Present – Protocol updated annually with system-wide update every 5 years
- 2007 – Pilot program for NC PREMIS which has developed into US NEMIS

HENDERSON COUNTY EMS DISTRICTS



EMS Main Station

Justice Street at Pardee Hospital



EMS Station 2

Vance Hill Drive



EMS Station 3

Upward Road and I-26



EMS Station 4

Edneyville Fire Department



How the System Works

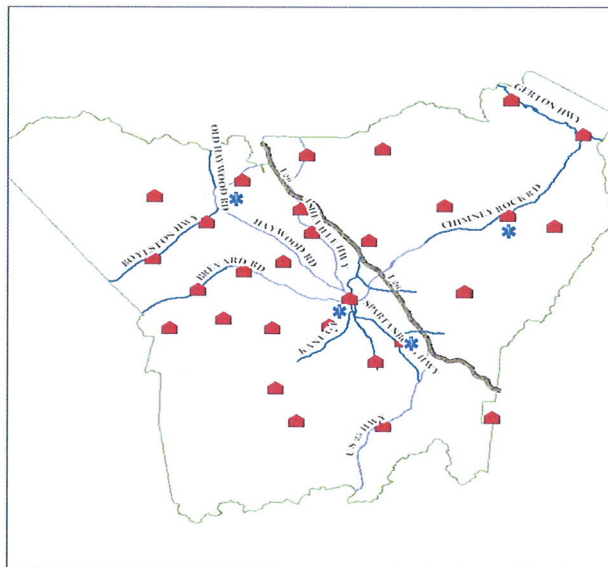


First Responders

All City and County Fire and Rescue Departments are in the EMS Program



Henderson County Fire Departments



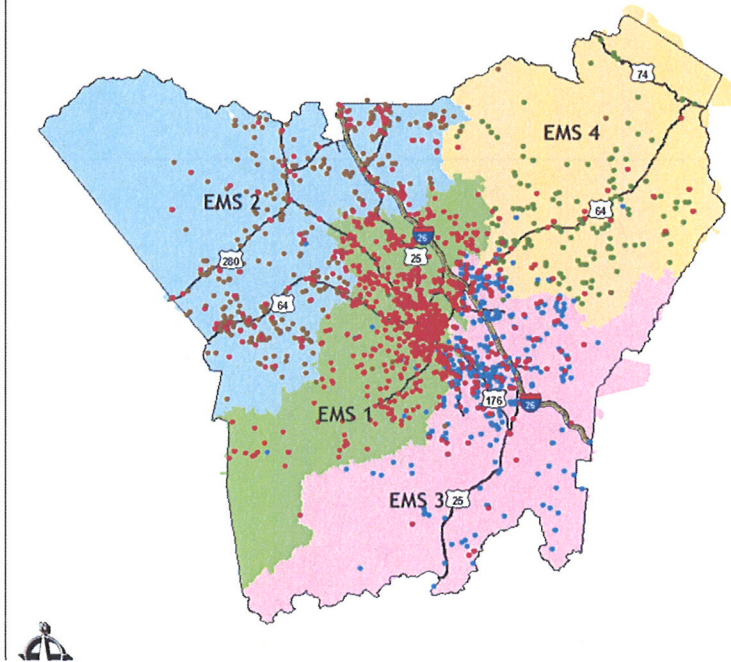
Anderson County 911
All EMS Units
Sept-Dec 2009



- Station 1 Units
- Station 2 Units
- Station 3 Units
- Station 4 Units

Legend

- Interstate
- Major Highway
- Thoroughfare



EMS Calls

- Total calls for 2009 – 9,671 (>26 per day)
 - Motor Vehicle Accidents - 12%
 - Cardiac (Heart Condition) - 11%
 - Sudden Illness - 27%
(Stroke, Trauma, Diabetic, Seizures, etc...)
 - Routine Transport to ER - 25%
 - Refused Treatment - 25%

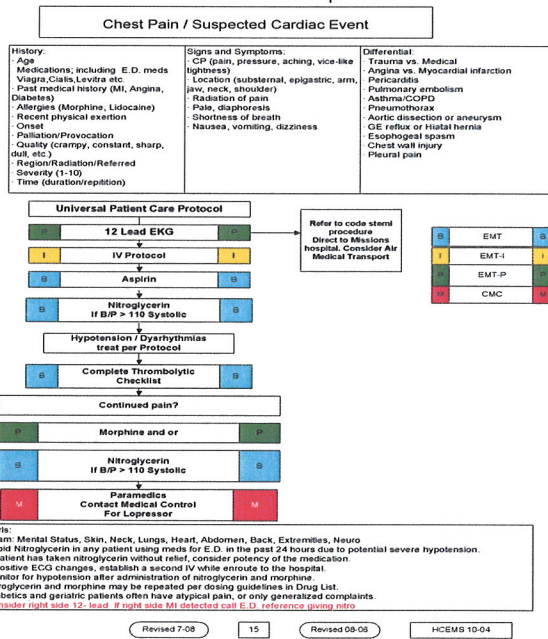
60% are for patients 65 yrs old or older.

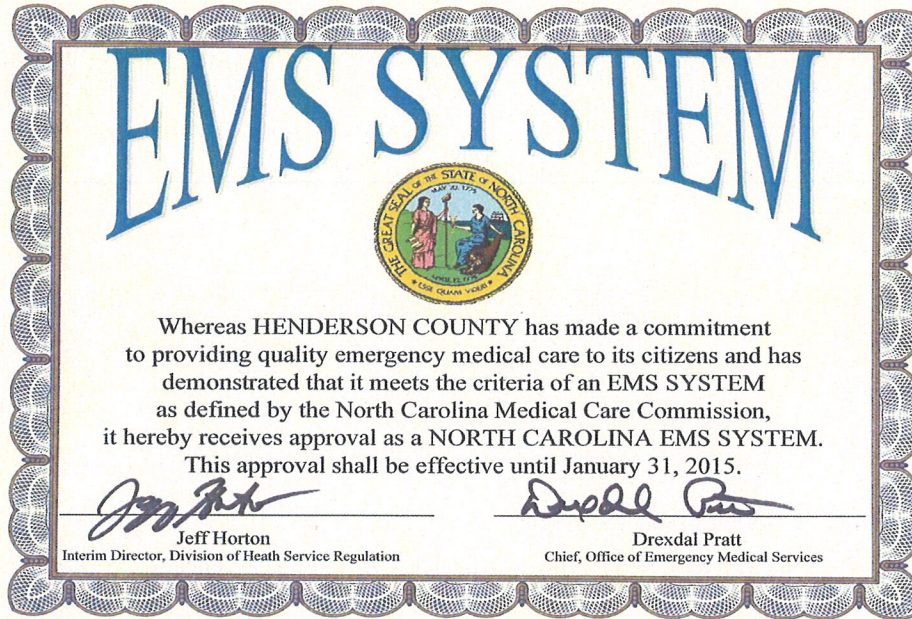
3% of EMS calls are for patients 12 yrs or younger

Who regulates EMS

- North Carolina Office of Emergency Medical Services
- Henderson County Board of Commissioners
- Henderson County EMS Quality Management Committee
- Henderson County EMS Medical Director

Chest Pain Protocol 1 of 58 different protocols





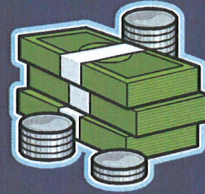
BREAK

A break was taken to change video tapes.

FY2010 THIRD QUARTER FINANCIAL UPDATE

Finance Director Carey McLelland gave a short PowerPoint presentation to update the Board of Commissioners on the County's financial position for the quarter ended March 31, 2010 in preparation for upcoming FY2011 budget deliberations. Any expenditure revisions that have taken place have been approved by the Board through March 31, 2010 and are shown along with associated revenue revisions tied to the expenditure budget amendments. At this point we are 9 months into the budget or the 75% mark. Grant categories may show over 75% which is normal. All departments are doing well so far managing their budgets.

FY 2009-2010 Financial Update as of March 31, 2010



- FY 2009-2010 Expenditures
- FY 2009-2010 Revenues
- FY 2009-2010 Sales Tax Collections
- FY 2009-2010 Other Revenues

FY 2009-2010 County Expenditures

County Department	BOC Adopted	Expenditure Revisions <small>(As of 3.31.10)</small>	Revenue Revisions <small>(As of 3.31.10)</small>	Total Revised	\$ Expended <small>(As of 3.31.10)</small>	% Expended <small>(As of 3.31.10)</small>
Governing Body	\$1,216,224	\$0	\$0	\$1,216,224	\$461,299	37.9%
Dues & Non-Profits	\$417,004	\$0	\$0	\$417,004	\$278,561	66.8%
County Administration	\$794,145	\$0	\$0	\$794,145	\$461,229	58.1%
Human Resources	\$415,308	\$0	\$0	\$415,308	\$281,099	67.7%
Elections	\$806,758	\$22,779	\$22,779	\$829,537	\$377,802	45.5%
Finance	\$723,381	\$0	\$0	\$723,381	\$531,199	73.4%
Assessor	\$1,731,188	\$0	\$0	\$1,731,188	\$1,043,579	60.3%
Tax Collections	\$563,621	\$0	\$0	\$563,621	\$363,064	64.4%
Legal	\$632,791	\$846	\$0	\$633,637	\$425,362	67.1%
Register of Deeds	\$986,186	\$20,330	\$20,330	\$1,006,516	\$659,364	65.5%
Engineering & Facility Serv.	\$1,232,996	\$17,000	\$0	\$1,249,996	\$813,383	65.1%
Court Facilities	\$190,000	\$0	\$0	\$190,000	\$110,420	58.1%
Information Technology	\$584,746	\$0	\$0	\$584,746	\$406,713	69.6%

FY 2009-2010 County Expenditures

County Department	BOC Adopted	Expenditure Revisions (As of 3.31.10)	Revenue Revisions (As of 3.31.10)	Total Revised	\$ Expended (As of 3.31.10)	% Expended (As of 3.31.10)
Sheriff	\$13,224,544	\$427,746	\$410,380	\$13,652,290	\$9,756,561	71.5%
Detention Facility	\$5,126,605	\$15,000	\$15,000	\$5,141,605	\$3,151,671	61.3%
Emergency Management	\$210,135	\$18,822	\$18,822	\$228,957	\$132,160	57.7%
Fire Marshal	\$361,040	\$0	\$0	\$361,040	\$267,014	74.0%
Building Services	\$1,044,029	(\$17,000)	\$0	\$1,027,029	\$625,623	60.9%
Wellness Clinic	\$351,573	\$0	\$0	\$351,573	\$213,127	60.6%
Emergency Medical Services	\$3,874,838	\$0	\$0	\$3,874,838	\$2,870,535	74.1%
Animal Services	\$521,477	\$18,715	\$18,715	\$540,192	\$345,888	64.0%
CJPP	\$101,745	\$0	\$0	\$101,745	\$66,325	65.2%
Rescue Squad	\$106,650	\$0	\$0	\$106,650	\$78,921	74.0%
Property Addressing	\$142,809	\$0	\$0	\$142,809	\$93,251	65.3%
Forestry Services	\$49,872	\$0	\$0	\$49,872	\$25,029	50.2%
Soil & Water Conservation	\$280,717	\$77,372	\$77,372	\$358,089	\$195,592	54.6%

FY 2009-2010 County Expenditures

County Department	BOC Adopted	Expenditure Revisions (As of 3.31.10)	Revenue Revisions (As of 3.31.10)	Total Revised	\$ Expended (As of 3.31.10)	% Expended (As of 3.31.10)
Utilities	\$194,379	\$0	\$0	\$194,379	\$140,128	72.1%
Planning	\$574,411	\$0	\$0	\$574,411	\$388,213	67.6%
Code Enforcement	\$292,587	\$1,316	\$0	\$293,903	\$206,460	70.2%
Soil and Sedimentation	\$152,067	\$0	\$0	\$152,067	\$107,929	71.0%
Cooperative Extension	\$421,830	\$0	\$0	\$421,830	\$286,200	67.8%
HOME Program	\$100,000	\$0	\$0	\$100,000	\$39,800	39.8%
Economic Development	\$467,405	\$0	\$0	\$467,405	\$235,843	50.5%
Public Health	\$3,092,937	\$35,646	\$35,911	\$3,128,583	\$1,836,017	58.7%
Health Programs	\$3,309,839	\$650,207	\$649,942	\$3,960,046	\$2,401,510	60.6%
Environmental Health	\$1,059,793	\$0	\$0	\$1,059,793	\$653,878	61.7%
Home/Community Care Grant	\$716,598	\$0	\$0	\$716,598	\$459,559	64.1%
DSS - Foster Care	\$498,851	\$0	\$0	\$498,851	\$323,014	64.8%
Mental Health	\$578,624	\$0	\$0	\$578,624	\$295,801	51.1%

FY 2009-2010 County Expenditures

County Department	BOC Adopted	Expenditure Revisions (As of 3.31.10)	Revenue Revisions (As of 3.31.10)	Total Revised	\$ Expended (As of 3.31.10)	% Expended (As of 3.31.10)
ROAP (Rural Operating Assistance)	\$249,440	\$0	\$0	\$249,440	\$160,787	64.5%
Social Services	\$12,330,109	\$0	\$0	\$12,330,109	\$8,173,457	66.3%
DSS – Smart Start	\$470,637	\$0	\$0	\$470,637	\$393,923	83.7%
DSS – WF Demo Grant	\$139,900	(\$139,900)	(\$139,900)	\$0	\$0	0.0%
DSS – Federal & State	\$7,884,922	\$111,152	\$111,152	\$7,996,074	\$5,996,750	75.0%
DSS – General Assistance	\$57,000	\$0	\$0	\$57,000	\$22,811	40.0%
Juvenile Justice Grant	\$209,672	\$0	\$0	\$209,672	\$131,286	62.6%
Veteran's Services	\$40,186	\$0	\$0	\$40,186	\$22,402	55.7%
Public Library	\$3,277,147	\$74,736	\$74,736	\$3,351,883	\$2,247,082	67.0%
Recreation	\$1,523,924	\$35,405	\$26,205	\$1,559,329	\$1,065,802	68.4%
Transfers/Non-Departmental	\$1,967,710	\$(28,728)	\$0	\$1,938,982	\$1,303,276	67.2%
TOTAL	\$75,300,350	\$1,341,444	\$1,341,444	\$76,641,794	\$50,926,699	66.4%

FY 2009-2010 Education Expenditures

	BOC Adopted	Expenditure Revisions (As of 3.31.10)	Revenue Revisions (As of 3.31.10)	Total Revised	\$ Expended (As of 3.31.10)	% Expended (As of 3.31.10)
HC Public School System						
Current Expense	\$20,392,939	\$0	\$0	\$20,392,939	\$15,294,704	75.0%
Capital Expense	\$449,889	\$0	\$0	\$449,889	\$169,103	37.6%
Debt Service	\$9,437,123	\$0	\$0	\$9,437,123	\$6,127,859	64.9%
TOTAL	\$30,279,951	\$0	\$0	\$30,279,951	\$21,591,666	71.3%
Blue Ridge Community College						
Operational Expenses	\$2,314,409	\$0	\$0	\$2,314,409	\$1,735,807	75.0%
Capital Expense	\$90,724	\$0	\$0	\$90,724	\$68,043	75.0%
Debt Service	\$1,559,889	\$0	\$0	\$1,559,889	\$328,789	21.1%
TOTAL	\$3,965,022	\$0	\$0	\$3,965,022	\$2,132,639	53.8%

FY 2009-2010 Total Expenditures

	BOC Adopted	Expenditure Revisions (As of 3.31.10)	Revenue Revisions (As of 3.31.10)	Total Revised	\$ Expended (As of 3.31.10)	% Expended (As of 3.31.10)
GENERAL FUND TOTAL	\$109,545,323	\$1,341,444	\$1,341,444	\$110,886,767	\$74,651,004	67.3%

Mr. McLelland explained there is some debt service which will happen in the months of May and June which skew the numbers a little. He feels comfortable that we will remain within our budget for the year.

County Manager Steve Wyatt noted that during the last couple of months we will tighten down the expenditures and purchasing with an even higher level of scrutiny.

FY 2009-2010 Revenues

Revenue Source	BOC Adopted	Revisions (As of 3.31.10)	Total Revised	\$ Received (As of 3.31.10)	% Received (As of 3.31.10)
Ad Valorem Taxes – Current Yr	\$ 57,832,467	\$ 0	\$ 57,832,467	\$ 57,279,211	99.0%
Ad Valorem Taxes – Prior Yrs	\$ 1,520,000	\$ 0	\$ 1,520,000	\$ 1,656,691	108.9%
Local Option Sales Taxes	\$ 16,978,971	\$ 0	\$ 16,978,971	\$ 8,759,795	51.6%
Other Taxes and Licenses	\$ 976,548	\$ 0	\$ 976,548	\$ 591,205	60.5%
Unrestricted Intergovernmental	\$ 71,162	\$ 0	\$ 71,162	\$ 29,335	41.2%
Restricted Intergovernmental	\$ 19,616,639	\$ 1,175,919	\$ 20,792,558	\$ 13,770,919	66.2%
Permits and Fees	\$ 1,165,800	\$ 0	\$ 1,165,800	\$ 853,980	73.3%
Sales and Services	\$ 5,562,376	\$ 0	\$ 5,562,376	\$ 3,897,769	70.1%
Investment Earnings	\$ 800,000	\$ 0	\$ 800,000	\$ 219,564	27.4%
Other Revenues	\$ 2,521,518	\$ 103,990	\$ 2,625,508	\$ 807,874	30.8%
Transfers from Other Funds	\$ 1,779,064	\$ 41,205	\$ 1,820,269	\$ 1,376,618	75.6%
Total General Fund Revenues	\$ 108,824,545	\$ 1,321,114	\$ 110,145,659	\$ 89,242,961	81.0%
Fund Balance Appropriated	\$ 720,778	\$ 20,330	\$ 741,108	\$ 0	0.0%

We are six month below the \$800,000 budget.

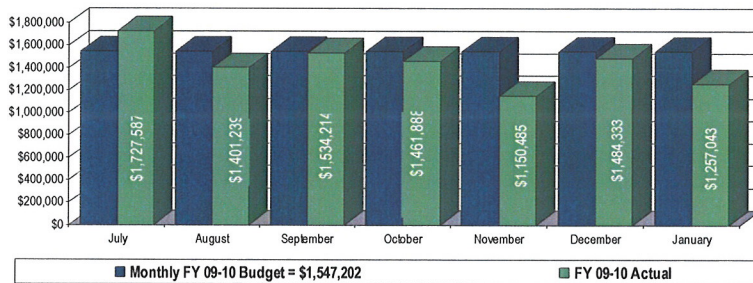
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Fund Balance Appropriated	\$ 720,778	\$ 20,330	\$ 741,108	\$ 0	0.0%

Carey McLelland noted that we have exceeded the budget in Ad Valorem Taxes. Lee King, Stan and staff are doing a great job on those prior year collections and we will have excess money there as well. Investment earnings are down.

FY 2009-2010 Sales Tax Revenues

- Local Option Sales Tax = \$ 16,978,971
- Intergovernmental Reimbursement (Fire Department Agreement) = \$ 1,587,450
- Total Revenue tied to Sales Tax proceeds = \$ 18,566,421
- Year to Date Variance = (\$ 813,625)
- * Municipality hold harmless payments resulting from Medicaid Relief paid out of Article 39 Sales Tax Receipts



One additional distribution has been received since March. To make monthly budget \$1,547,000 is needed, which is down in the latest distribution by \$290,000. July was the only month in which we reached budget on sales tax revenues. A reduction of \$1 million has already been plugged in for next year's budget.

Register of Deeds (60% of budget)

	FY 2009 (As of 3.31.09)	FY 2010 (As of 3.31.10)	Variance	% Variance
Deed Stamp Excise Tax	\$654,864	\$567,721	(\$87,143)	(13.3%)

Building Services (75% of budget)

	FY 2009 (As of 3.31.09)	FY 2010 (As of 3.31.10)	Variance	% Variance
Inspection Fees	\$525,937	\$503,272	(\$22,665)	(4.3%)

Lottery Revenues

	FY 2010 Budget	FY 2010 Received	Variance	% Variance
Lottery	\$ 800,000	\$ 1,044,093	\$244,093	130.5%

The Governor did give Henderson County credit (\$400,000+) for money that was withheld which was then carried over into our current fiscal year.

Steve Wyatt felt it was possible to break even without spending the \$743,000 of fund balance. The way sales tax is going it may finish \$1,500,000 off. A decision was made last year to cut back on sales tax projections, which was opposite what most folks did. We are positioned well. Mr. Wyatt feels this will be the most difficult year to try to bring things in at level.

TUXEDO MILL

Henderson County's Enforcement Department has given repeated notice of nuisance violation to the owners of the former Tuxedo (originally Blue Ridge) Mill.

The record owner of the property is Brittain Holdings, Inc., an Indiana Corporation. No record exists of any corporate bankruptcy. However, the Southern District of Indiana shows bankruptcy filings for Richard W. and Etta S. Brittain (file 08-08943-AJM-7, S.D. in. 2008). In their schedule of debts, they claim to be co-debtors with Brittain Holdings, Inc., in a debt owed to GE Capital Small Business Finance (of indeterminate amount). Mr. and Mrs. Brittain claim no interest in either the Tuxedo property or Brittain Holdings, Inc.

Neither Brittain Holdings, Inc., nor Mr. Brittain, nor the record lien holder has responded to requests to clean up the property.

Henderson County Enforcement officials have inspected the property, and have obtained proposals for the demolition and carting required.

Chairman Moyer stated this mill has been abandoned for quite a while. We have had a lot of complaints from the area with respect to the condition of it; an eye sore, trespassing with vandalism, and other issues associated with the site. Our legal department has been looking at this for some time to see what we could possibly do to get anyone to take responsibility for the site and work with the County to clean it up. Finally months ago after not getting anyone to help we looked for alternatives way to go after the site. He asked Ms. Zambon to explain how the legal department is using a provision in the law which allows us to give notice.

Associate County Attorney Sarah Zambon explained there are three avenues for the County to take action.

1. Henderson County Code Nuisance Ordinance
126-12 Violations and penalties

D. Repeated Nuisance Violations. Based on MCGS 153A-140.2, the county may without further notice remedy a violation and charge the expense of the clean-up action as a lien against the chronic violator's property. The county may decide whether to remedy the violation based on the cost of clean-up, the type of violation, and the availability of other remedies possible under this ordinance. A chronic violator is a person who has been cited for nuisance violations at least three times in one calendar year.

2. North Carolina General Statutes
§153A-140 Abatement of public health nuisances

A county shall have authority, subject to the provisions of Article 57 of Chapter 106 of the General Statutes, to remove, abate, or remedy everything that is dangerous or prejudicial to the public health or safety. Pursuant to this section, a board of Commissioners may order the removal of a swimming pool and its appurtenances upon a finding that the swimming pool or its appurtenances is dangerous or prejudicial to public health or safety. The expense of the action shall be paid by the person in default, and, if not paid, shall be a lien upon the land or premises where the nuisance arose, and shall be collected as unpaid taxes. The authority granted by this section may only be exercised upon adequate notice, the right to a hearing, and the right to appeal to the General Court of Justice. Nothing in this section shall be deemed to restrict or repeal the authority of any municipality to abate or remedy health nuisances pursuant to G. S. 160A-174, 160A-193, or any other general or local law. This section shall not affect bona fide farms, but any use of farm property for nonfarm purposes is subject to this section. (1981 (Reg. Sess., 1982), c. 1314, s. 1; 2002-116, s 2.)

3. North Carolina General Statutes
§153A-140.2 Annual notice to chronic violators of public nuisance ordinance

A county may notify a chronic violator of the county's public nuisance ordinance that, if the violator's property is found to be in violation of the ordinance, the county shall, without further notice in the calendar year in which notice is given, take action to remedy the violation, and the expense of the action shall become a lien upon the property and shall be collected as unpaid taxes. The notice shall be sent by certified mail. A

chronic violator is a person who owns property whereupon, in the previous calendar year, the county gave notice of violation at least three times under any provision of the public nuisance ordinance. (2009-287, s.2)

Notice has been given to the violator on the following dates in 2009:

- January 09
- February 09
- August 09
- September 09
- December 09

The main issue here is ownership. The entity that is the property owner is a corporation set in Indiana where the two principals for that corporation have both filed bankruptcy. In addition the corporation had an SBA loan that may be foreclosed on and the rest of the assets are currently in liquidation. The property owners are unable or unwilling to pay for the cost of cleanup. The lender is unwilling to foreclose at this time pending further investigation of environmental issues. The lender is also not willing to proceed at this time with the investigation issue and allowing it to just sit.

Staff requested direction from the Board as to whether they feel that funding a cleanup and assessment is appropriate and if so if they wish to fund the project in the current fiscal year or budget and fund it in the next fiscal year 2010/2011. The demolition and cleanup will cost about \$80,000.00. An assessment would be important if the Commissioners decided to move forward and put a lien on the property. Because of foreclosure matters, Henderson County could end up with the property. The property taxes on the property are in arrears.

Chairman Moyer asked the County Manager to look at when and how to fund the project and bring back recommendations to the Board as the budget is being prepared. The County has been looking for a site for a park and/or library in that end of the County and this would be an ideal site.

Code Enforcement Director Toby Linville provided pictures of the site and details of the condition of the property. Most of the buildings are in bad shape as most of the metal support beams have been stolen, one building has burned and one has a collapsed roof. The main building has wooden floors that are rotting and buckling. Brittain Holdings was a recycling company recycling plastics, metals and different types of textiles and the buildings and courtyard are filled with the materials.

Mr. Lee King stated that approximately \$15,000 plus 6% interest in taxes are in arrears but due to bankruptcy they have not proceeded with foreclosure. With bankruptcy you must wait for the federal court to discharge the bankruptcy before you can proceed with a foreclosure.

Ms. Zambon stated that a phase I assessment would be in the range of \$4,000 - \$5,000.

Steve Wyatt stated additional assessments could be rather costly and offered to get real figures for the Board. With the issues of past use he recommended looking at the soil and ground water at the site.

Commissioner Williams felt the Board should proceed cautiously until the environmental surveys were completed.

Commissioner Young questioned if there were any grants available for the cleanup.

Chairman Moyer agreed it should be looked into and also the possibility of doing the assessment through someone like Land-of-Sky.

Commissioner McGrady would like to see the Board proceed and do the initial environmental assessment. If the environmental assessment reveals this is something the County would not want to own, quickly back away.

After further discussion, *Chairman Moyer made the motion to move forward with the cleanup and the environmental assessment at a phase II level with a cost not to exceed \$100,000 unless it is brought back before the Board, and further have the County Manager research available funding. All voted in favor and the motion carried.*

County Manager Steve Wyatt stated that it would be funded out of reserves. Both Capital Reserves and Fund Balance would be available at the Board's discretion.

U.S. 2010 CENSUS UPDATE

Planner Parker Sloan stated in mid March, the U.S. Census Bureau mailed the 2010 Census questionnaires to Henderson County households. As of April 13, 2010, 70% of questionnaires mailed to Henderson County residential homes have been completed and returned. The County's participation rate can be viewed at www.blueridgencensus.com.

Residents that did not receive a Census form in the mail or those with a post office address can pick up a census form at a designated "Be Counted" site until April 16th. These "Be Counted" sites are located throughout the County at various locations including county office buildings, libraries and some private businesses. County staff distributed a number of census forms to various businesses, non-profits, and religious groups. Census forms that were received by residents from "Be Counted" sites would not be reflected in the current participation rate as shown above. This will result in an overall higher participation rate for the County to date.

Beginning in May and continuing through the end of July, census workers will be visiting any household that did not return a 2010 Census questionnaire. This effort will ensure that every resident of Henderson County is counted.

In addition, informational flyers and promotional materials were distributed to County building and other private locations throughout the County. Other promotional materials including t-shirts, hats, bags and brochures were distributed to county residents through county departments and staff, census workers and by local non-profit groups.

As of this morning, 75% of questionnaires mailed to Henderson County residential homes have been completed and returned. This participation rate does not include the census forms that were received by residents from the "Be Counted" sites. So far the participation rate is ten points higher than the 2000 census, ten years prior, where the percentage rate was 65% of questionnaires returned.

DRAFT RESOLUTION FOR PROPOSED WATER SUPPLY INTAKE ON THE FRENCH BROAD RIVER FOR THE CITY OF HENDERSONVILLE

Planner Autumn Radcliff stated at its meeting on December 7, 2009, the Board of Commissioners discussed the City of Hendersonville's request to the N.C. Department of Environment and Natural Resources (DENR) Division of Water Quality (DWQ) to consider a new proposed surface water intake on the French Broad River. DWQ (Division of Water Quality) indicated that the proposed intake requires an expansion of the Water Supply Watershed Boundary. The expanded regulated area, as originally proposed by DWQ, did not account for the relocation of an existing drainage ditch.

The Board directed the Planning Director to send a letter to DWQ to request that the State reconsider the proposed WS-IV boundary based on the local engineering data. DWQ considered the County's request and accepted the boundary proposed by Henderson County. The State has provided a map showing the proposed WS-IV boundary. A small addition (approximately 13 acres) requires expansion of the WS-IV critical area for the proposed intake. Due to the location of the City's current intake on the Mills River and the City of

Asheville's intake on the French Broad River, most of this area is already classified as a water supply watershed and is currently regulated. These regulations are state mandated and are enforced at the county level through the Land Development Code. DWQ is responsible for determining the type and the extent of the water supply watersheds and it requires that the existing WS-IV boundary be expanded for this new intake. In addition the public water supply of DENR must also approve the plans of construction for the intake. Part of the Board's discussion back in December resulted in a fact that the public water supply section was requiring that the City move an existing agriculture drainage ditch down from the intake.

The City's project is contingent upon a grant awarded to the City of Hendersonville. The grant deadline was February 2010 and as a result the City has bid a portion of the pipeline construction and is awaiting final approval by the State to begin construction. The State requires a resolution of support by the County prior to approving the new raw water intake. If the Board supports the proposed intake on the French Broad River by the City of Hendersonville, a draft resolution of support (as required by the State) has been provided for the Board's consideration. The County Attorney's office reviewed the draft resolution.

Approval of the intake by the State requires County action to amend the County Water Supply Watershed Boundary Map. The map change would occur at a later date using a standard "rezoning" process with a public hearing.

The City of Hendersonville has an existing surface water intake on the Mills River and as a result of some of the droughts that happened back in 2008, they have started the process of looking at doing an additional intake which initially started as an emergency line. They have permitted for a permanent intake. In response to these conditions, this intake would draw directly from the French Broad River.

Commissioner McGrady made the motion that the Board approves the resolution of support for the City of Hendersonville's raw water intake on the French Broad River based on the proposed watershed boundary map. All voted in favor and the motion carried.

HUMAN SERVICES BUILDING SECURITY

This item was removed from the agenda.

PARKS AND RECREATION MAINTENANCE PROJECTS

County Manager Steve Wyatt provided updates to the Board on Parks and Recreation maintenance projects at existing Henderson County Parks. This update is a follow-up to questions on this issue from the Board's January planning workshop, and the survey of facilities completed by Staff. Mr. Wyatt asked the Board to retain this information from their packet for later use in the budget workshop.

Projects by Park

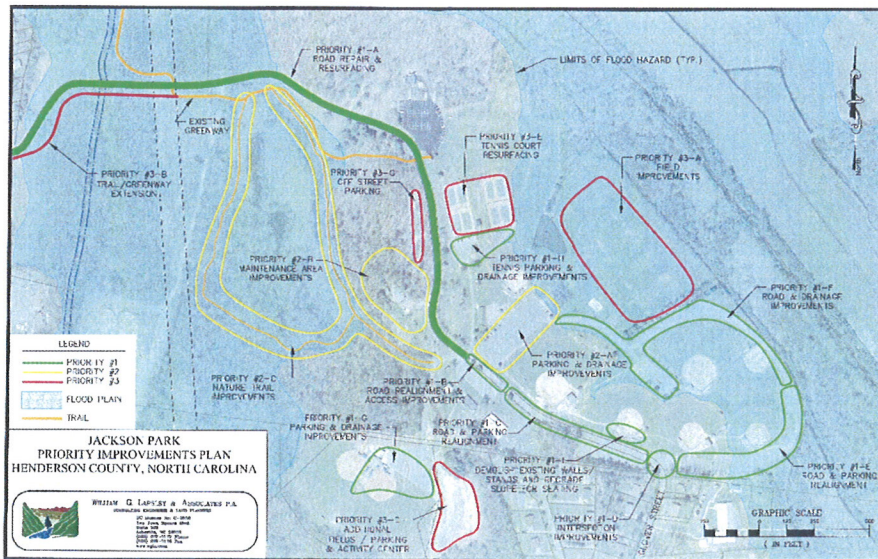
At the Board of Commissioner's direction the following prioritizes the maintenance needs of Henderson County Parks and Recreation:

- Jackson Park
- Stoney Mountain Activity Center
- Etowah Park
- New Edneyville Park
- Old Edneyville Park
- East Flat Rock Park
- Dana Park
- Westfeldt Park

Maintenance Prioritization
Not Capital Improvements
Repair and Maintenance Needs
(Similar to the Schools and Community College Repairs)

- Priority 1
 - Immediate repair needs due to deterioration, damage, age.
 - Safety priorities.
- Priority 2
 - Impending repair needs due to ongoing and future deterioration, damage, age.
 - Safety priorities.
- Priority 3
 - "Issues for the radar screen"

Jackson Park



Jackson Park - Priority 1 Road and Drainage improvements

1-F Area between soccer fields and ball fields floods regularly--\$155,000.00



1-G Drainage and Parking area around fields 8 & 9 --\$20,000.00

1-H Drainage and parking around tennis courts needs to be improved--\$45,000.00

Jackson Park - Priority 1 Road Repair and Resurfacing



- 1-A Full depth patching and resurfacing--\$120,000.00
- 1-B Road alignment and parking access improved to provide more efficient traffic flow and improve pedestrian safety--\$85,000.00
- 1-C Road and parking realigned along Glover Street to improve traffic flow and pedestrian safety--\$175,000.00
- 1-D Glover Street Intersection Improvements--\$35,000.00
- 1-E Parking and road realignment at Glover Street entrance--\$188,000.00

Jackson Park - Priority 1 Existing Walls, Stands and Seating

1-I--demolish existing wall and regrade slope for seating



Jackson Park - Priority 2

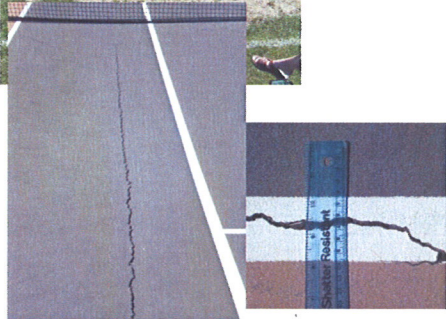
2-B Maintenance area improvements, adding restroom facilities for employees -- \$95,000.00



2-A Parking and Drainage Improvements in Main Parking area --\$95,000.00

2-C Nature Trail Repair and Improvements --\$15,000.00

Jackson Park - Priority 3



3-A Soccer Field regraded and drainage improved --\$75,000.00

3-C Capitalize off-street parking at picnic area--\$35,000.00

3-E Tennis court repair and resurface -- \$60,000.00

Jackson Park Projects

Priority 1

Project ID	Project/Project Description	Project Budget
1-A	Road Repair & Resurfacing - From 4th Avenue entrance past office Road in this area will require some full depth patching and resurfacing	\$120,000
1-B	Road Realignment & Access Improvements Road alignment and parking access may be improved to provide more efficient	\$85,000

	traffic flow and improve pedestrian safety	
1-C	Road/Parking Realignment - From main parking area to Glover Street entrance Road and parking may be realignment to improve traffic flow and pedestrian safety	\$175,000
1-D	Intersection Improvements - Glover Street entrance Intersection improvements at the entrance to the park	\$35,000
1-E	Road/Parking Realignment - From Glover Street entrance to the east Road and parking may be realignment to improve traffic flow and pedestrian safety	\$188,000
1-F	Road/Drainage Improvements - Area between soccer and ball fields This area needs to be evaluated since flooding is a regular occurrence and the road is damaged	\$155,000
1-G	Drainage/Parking Improvements - Fields 9 & 10 The drainage and parking area needs to be improved in this area	\$20,000
1-H	Tennis Parking and Drainage Improvements Drainage needs to be improved around the tennis courts and the parking area needs to be improved	\$45,000
1-I*	Demolish Existing Wall/Stands and Regrade Slope for Seating The existing walls in this area have failed and need to be removed and regraded	\$30,000
1-J	Planning, Engineering, Design, Permitting and Bid Assistance for Projects 1-A through 1-H	\$50,000
TOTAL PRIORITY 1 JACKSON PARK PROJECTS		\$903,000

Jackson Park Projects

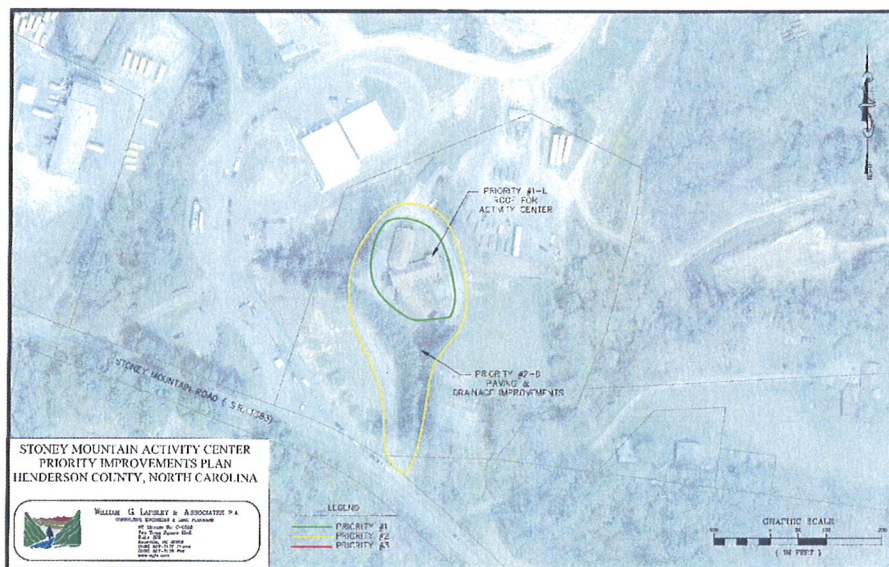
Priority 2

Project ID	Project/Project Description	Project Budget
2-A	Parking and Drainage Improvements - Main parking area The existing parking area may be improved to provide more efficient traffic flow and provide drainage improvements	\$95,000
2-B	Maintenance Area Improvements The maintenance area needs to be improved/expanded and a building with restroom facilities are needed	\$95,000
2-C	Nature Trail Repair and Improvements The existing nature trail in Jackson Park needs to be widened, resurfaced and relocated in some areas	\$15,000
TOTAL PRIORITY 2 JACKSON PARK PROJECTS		\$205,000

Jackson Park Projects
Priority 3

Project ID	Project/Project Description	Project Budget
3-A	Soccer Field Improvements Field needs to be regraded and leveled, drainage improved and irrigation need to be provided	\$75,000
3-B	Trail/Greenway Improvements Construct a trail/greenway from 4th Avenue to the existing greenway trail to provide improved pedestrian access	\$37,500
3-C	Off-street parking at picnic area Off-street parking is needed at the picnic area	\$35,000
3-D	Tennis Court Repair/Resurfacing Upper tennis court requires repair and resurfacing	\$60,000
3-E	Planning for Area Adjacent to Fields 9 & 10 This area could be utilized as additional fields, parking or an activity center	\$15,000
3-F	Sewer Extension to Main Park Office and Shelter at Picnic Area (not shown on map) These two facilities in the Park still utilize septic systems for wastewater treatment and disposal	\$125,000
TOTAL PRIORITY 3 JACKSON PARK PROJECTS		\$347,500
TOTAL JACKSON PARK PROJECTS		\$1,455,500

Stoney Mountain Activity Center



Stoney Mountain Improvements



1-L-- Structural repairs and new metal roof-- \$50,000.00

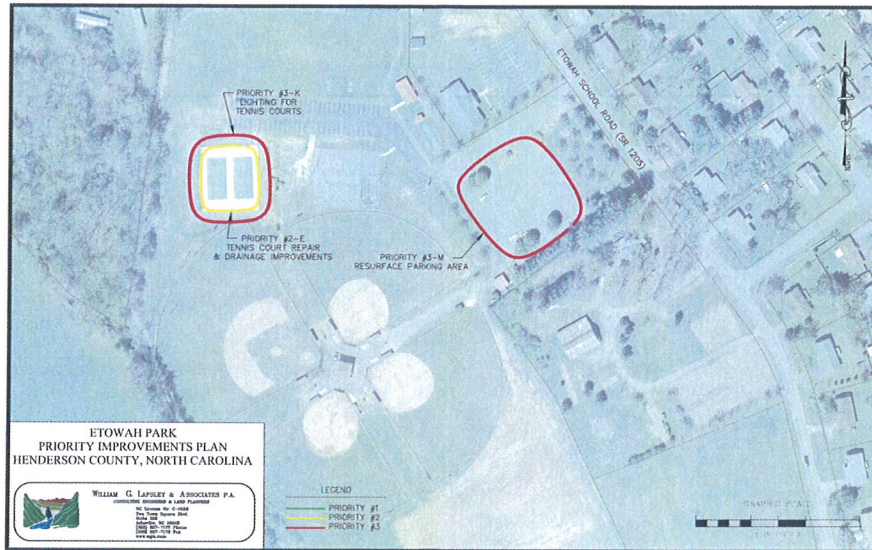


2-D Paving and Drainage Improvements at Stoney Mountain Activity Center --\$50,000.00

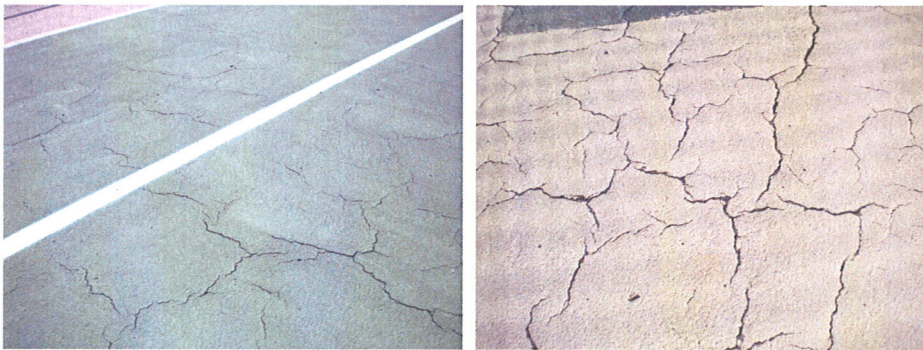
Stoney Mountain Activity Center Projects Priority 1 and 2

Project ID	Project/Project Description	Project Budget
Priority 1		
1-L	Roof for Activity Center	\$50,000.00
	Structural repairs and new metal roof for Activity Center	
	TOTAL PRIORITY 1 STONEY MOUNTAIN PROJECTS	\$50,000
Priority 2		
2-D	Paving and Drainage Improvements	\$50,000.00
	Entrance and parking area requires drainage improvements and paving	
	TOTAL PRIORITY 2 STONEY MOUNTAIN PROJECTS	\$50,000
	TOTAL STONEY MOUNTAIN PROJECTS	\$100,000

Etowah Park



Etowah Park



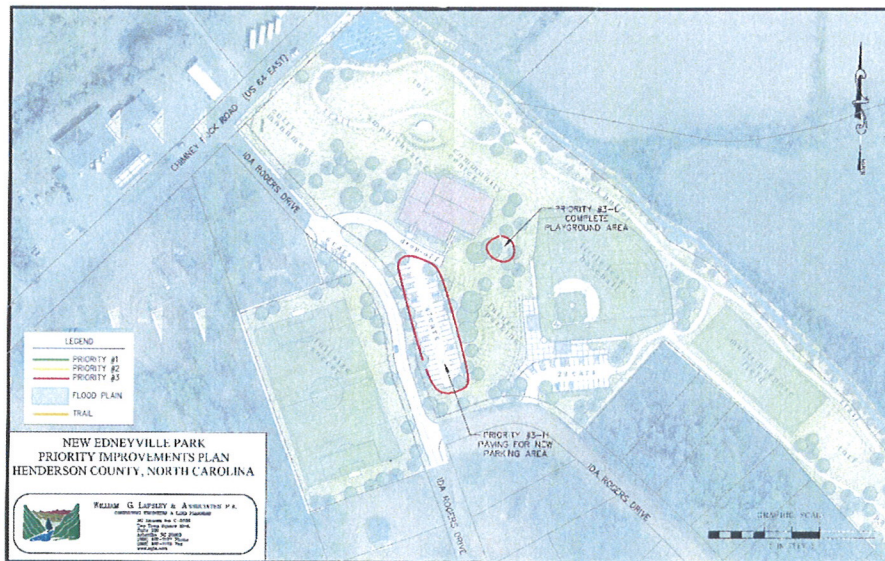
2-E Tennis Court repair at Etowah Park--
\$45,000.00

Etowah Park Projects Priority 2 and 3

Project ID	Project/Project Description	Project Budget
Priority 2		
2-E	Tennis Court Repair	\$45,000
	Drainage improvements and court repair/resurfacing	

TOTAL PRIORITY 2 ETOWAH PROJECTS		\$45,000
Priority 3		
3-K	Lighting for Tennis Courts Provisions for lighting at the Etowah Tennis Courts	\$17,500
3-M	Resurface Parking Area Parking area need to be resurfaced and drainage provided	\$60,000
TOTAL PRIORITY 3 ETOWAH PROJECTS		\$77,500
TOTAL ETOWAH PROJECTS		\$122,500

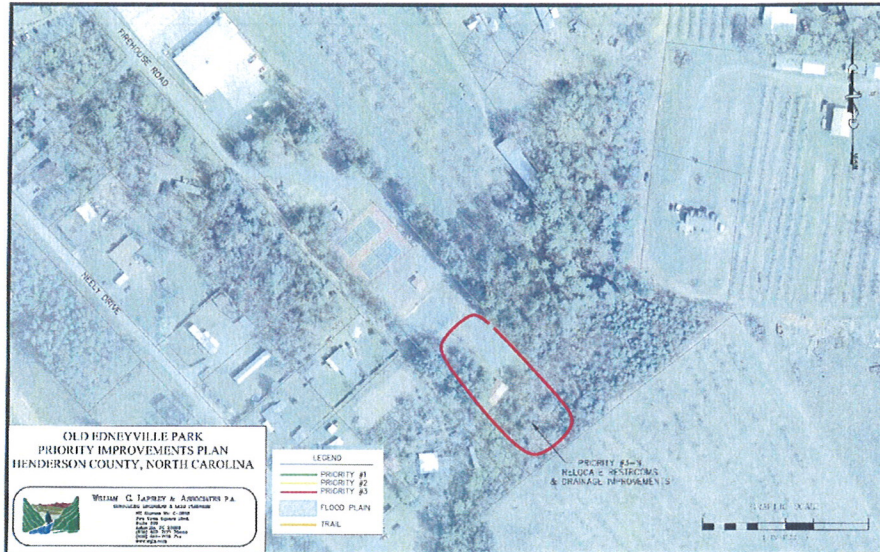
New Edneyville Park



New Edneyville Park Projects Priority 3

Project ID	Project/Project Description	Project Budget
3-H	Paving for New Parking Lot Need Parking area requires paving	\$25,000
3-L	Complete Playground Area Complete proposed playground area and provide fencing as necessary	\$5,000
TOTAL PRIORITY 3 NEW EDNEYVILLE PROJECTS		\$30,000
TOTAL NEW EDNEYVILLE PROJECTS		\$30,000

Old Edneyville Park



Dana Park Projects Priority 3

Project ID	Project/Project Description	Project Budget
3-O	Remodel Existing Facility The existing restrooms need to be brought up to code and the building painted	\$9,200
TOTAL PRIORITY 3 DANA PROJECTS		\$9,200
TOTAL DANA PROJECTS		\$9,200

Projects by Priority

At the Board of Commissioner's direction the following prioritizes the maintenance needs of Henderson County Parks and Recreation:

- Details of Priority 1 projects
- Details of Priority 2 projects
- Details of Priority 3 projects for Jackson Park
- Details of Priority 3 projects for all other parks

Maintenance and Repair Projects

Location	Project ID	Project Description	Project Budget
Jackson Park	1-A	Road Repair & Resurfacing - From 4th Avenue entrance past office Road in this area will require some full depth patching and resurfacing	\$120,000

Jackson Park	1-B	Road Realignment & Access Improvements	\$85,000
		Road alignment and parking access may be improved to provide more efficient traffic flow and improve pedestrian safety	
Jackson Park	1-C	Road/Parking Realignment - From main parking area to Glover Street entrance	\$175,000
		Road and parking may be realignment to improve traffic flow and pedestrian safety	
Jackson Park	1-D	Intersection Improvements - Glover Street entrance	\$35,000
		Intersection improvements at the entrance to the park	
Jackson Park	1-E	Road/Parking Realignment - From Glover Street entrance to the east	\$188,000
		Road and parking may be realignment to improve traffic flow and pedestrian safety	
Jackson Park	1-F	Road/Drainage Improvements - Area between soccer and ball fields	\$155,000
		This area needs to be evaluated since flooding is a regular occurrence and the road is damaged	
Jackson Park	1-G	Drainage/Parking Improvements - Fields 9 & 10	\$20,000
		The drainage and parking area needs to be improved in this area	
Jackson Park	1-H	Tennis Parking and Drainage Improvements	\$45,000
		Drainage needs to be improved around the tennis courts and the parking area needs to be improved	
Jackson Park	1-I*	Demolish Existing Wall/Stand and Regrade Slope for Seating	\$30,000
		The existing walls in this area have failed and need to be removed and regraded	
Jackson Park	1-J	Planning, Engineering, Design, Permitting and Bid Assistance for Projects 1-A through 1-H	\$50,000
Stoney Mountain	1-L	Roof for Activity Center	\$50,000
		Structural repairs and new metal roof for Activity Center	

*Note that project 1-I should be incorporated into project 1-C due to proximity and coordination of improvements. Total Priority 1 \$953,000

Maintenance and Repair Projects

Priority 2

Location	Priority ID	Project Description	Project Budget
Jackson Park	2-A	Parking and Drainage Improvements - Main parking area	\$95,000
		The existing parking area improved to provide more efficient traffic flow and provide drainage improvements	
Jackson Park	2-B	Maintenance Area Improvements	\$95,000
		The maintenance area needs to be improved/expanded and a building with restroom facilities is needed	
Jackson Park	2-C	Nature Trail Repair and Improvements	\$15,000

The existing nature trail in Jackson Park needs to be widened, resurfaced and relocated in some areas

Stoney Mountain	2-D	Paving and Drainage Improvements	50,000
Entrance and parking area requires drainage improvements and paving			
Etowah	2-E	Tennis Court Repair	\$45,000
Drainage improvements and court repair/resurfacing			
TOTAL PRIORITY 2 PROJECTS			\$300,000

Maintenance and Repair Projects
 Priority 3
 Jackson Park

Location	Priority ID	Project Description	Project Budget
Jackson Park	3-A	Soccer Field Improvements Field needs to be regraded and leveled, drainage improved and irrigation installed	\$75,000
Jackson Park	3-B	Trail/Greenway Improvements Construct a trail/greenway from 4th Avenue to the existing greenway trail to provide improved pedestrian access	\$37,500
Jackson Park	3-C	Off-street parking at picnic area Off-street parking is needed at the picnic area	\$35,000
Jackson Park	3-D	Planning for Area Adjacent to Fields 9 & 10 This area could be utilized as additional fields, parking or an activity center	\$15,000
Jackson Park	3-E	Tennis Court Repair/Resurfacing Upper tennis court requires repair and resurfacing	\$60,000
Jackson Park	3-F	Sewer Extension to Main Park Office and Shelter at Picnic Area (not shown on map) These two facilities in the Park still utilize septic systems for wastewater treatment and disposal	\$125,000

Maintenance and Repair Projects
 Priority 3
 Edneyville, East Flat Rock, Etowah, Dana Parks

Location	Priority ID	Project Description	Project Budget
New Edneyville	3-H	Paving for New Parking Lot Need Parking area requires paving	\$25,000
Old Edneyville	3-I	Planning for Connectivity	\$10,000

Study and plan ways to connect the Old Edneyville Park with the New Edneyville Community Center

East Flat Rock	3-J	Planning for Handicap Accessible Playground	\$10,000
Study and planning is required for a handicap accessible playground at the park			
Etowah	3-K	Lighting for Tennis Courts	\$17,500
Provisions for lighting at the Etowah Tennis Courts			
New Edneyville	3-L	Complete Playground Area	\$5,000
Complete proposed playground area and provide fencing as necessary			
Etowah	3-M	Resurface Parking Area	\$60,000
Parking area needs to be resurfaced and drainage provided			
Old Edneyville	3-N	Relocate Restrooms and Improve Drainage	\$16,000
The existing restrooms should be modified to improve the function of the park and drainage improvements are needed			
Dana	3-O	Remodel Existing Facility	\$9,200
The existing restrooms need to be brought up to code and the building painted			
TOTAL PRIORITY 3 PROJECTS			\$500,200

Priority 3



Parks Maintenance and Repair Needs Assessment

- Priority 1 \$ 953,000
- Priority 2 \$ 300,000
- Priority 3 \$ 500,200
- Total \$ 1,753,200

Artificial Turf Information

- Cost – average \$7.50/sq. ft.
- Includes installation, all site work, drainage system, sub base (6"-8" cut and build up) and the actual field mat
- Area big enough for soccer (multiple field sizes, regulation and modified) and football field. Area 270ft x 390 ft (105,300sq. ft.) = \$789,750.00

Artificial Turf – Benefits

- 1 synthetic soccer field provides the usage of 4-5 grass fields.
- Life of a field is 10-15 years
- Minimal maintenance (no mowing, irrigation, fertilization, aeration)
- Weather does not affect play
- Can sustain play 24/7 (if lights are provided)
- Better and more true playing surface
- Cost effective over time

Artificial Turf – Deterrents

- High up-front cost
- Playing surfaces can be warmer than grass fields during hot weather
- There is no place at Jackson Park that would not flood for a full size artificial field. There is space for 2 modified (U12) size fields near ball fields 8-9.

UPDATES ON PENDING ISSUES**Alliance for Human Services**

Assistant County Manager Selena Coffey stated since the last update to the Board the Alliance for Human Services has held two meetings on the issue of the alliance. They have received a "white paper" on the issue from McCray Benson who is basically provided some objectives for the group and what will need to be looked at at future meetings, and how we want to go about meeting our goals; meaning the County, the Community Foundation, and United Way. All three of those who were previous funders of the alliance have been a part of these meetings and have been actively involved in the meetings. During the next meeting they will discuss the common objectives for a group to begin meeting. This year we have the alliance recommendations on Human Services, not for profits, which is a major issue that we would want them to continue to look at in the fall for the next budget process. The next meeting is in May.

IMPORTANT DATES**Schedule FY2010-2011 Budget Workshop and Public Hearing**

Chairman Moyer made the motion that the Board schedules a budget workshop on the FY 2010-2011 Budget for Tuesday, June 1, 2010 at 3:00 p.m. All voted in favor and the motion carried

Chairman Moyer made the motion that the Board schedules the Public Hearing on the FY 2010-2011 Budget for Tuesday, June 1, 2010 at 7:00 p.m. The motion passed 4-1 with Commissioner McGrady voting nay.

Reschedule May 19, 2010 Regularly Scheduled Meeting

Commissioner McGrady made the motion that the Board reschedules the May 19, 2010 Board Meeting, to be held on Thursday, May 20, 2010 at 9:00am and reschedules the Public Hearing to discuss the proposed road name assignments for US 25 Highway Connector Project to May 20, 2010 at 11:00 a.m. All voted in favor

and the motion carried.

Cancel June 16, 2010 Regularly Scheduled Meeting

Commissioner Williams made the motion that the Board cancels the regularly scheduled June 16, 2010 Board meeting. All voted in favor and the motion carried.

CLOSED SESSION

Commissioner McGrady made the motion for the Board to go into closed session as allowed pursuant to NCGS 143-318.11 for the following reason(s):

1. (a)(4), to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body.
2. (a)(5), to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange or lease.
3. (a)(6), to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee.

All voted in favor and the motion carried.

ADJOURN

Commissioner McGrady made the motion that the Board go out of Closed Session and adjourn at 1:30 p.m. All voted in favor and the motion carried.

Attest:

Teresa L. Wilson, Clerk to the Board

William L. Moyer, Chairman



A Resolution of Support for the City of Hendersonville's Surface Water Intake on the French Broad River

WHEREAS, the City of Hendersonville has requested the N.C. Department of Environment and Natural Resources to allow for a new surface water intake to be located on the French Broad River; and

WHEREAS, the new surface water intake would serve the citizens of Henderson County and would provide raw water to the Hendersonville Water Treatment Facility; and

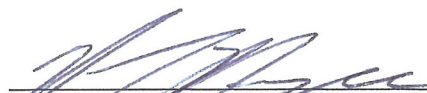
WHEREAS, the need for the new intake is necessary based on environmental issues and population growth in the service area as show during the latest drought when the existing intake on the Mills River was insufficient to provide water to the City of Hendersonville and the Citizens of Henderson County; and

WHEREAS, the Environmental Program Supervisor for the Division of Water Quality, Planning Section acknowledged in a letter dated January 12, 2010 and a map dated February 16, 2010, that the relocated ditch will require a limited expansion of the water supply watershed boundary and minimally impacts the Water Supply Watershed Boundary Map;

NOW, THEREFORE, BE IT RESOLVED THAT:


1. The Henderson County Board of Commissioners support the City of Hendersonville's effort to locate a surface water intake on the French Board River in the County of Henderson, North Carolina as approved by the N.C. Department of Environment and Natural Resources (DENR) Public Water Supply Section and Division of Water Quality (DWQ).
2. This support is contingent on the following:
 - a. Approved reclassification of approximately 22 acres to a WS-IV Critical Area (approximately 13 additional acres will be reclassified to WS-IV Critical Area and approximately 9 acres will be reclassified from a WS-III Critical Area to a WS-IV Critical Area); and
 - b. Appropriate relocation of the existing agricultural drainage ditch as required by the Public Water Supply Section to ensure the drainage area of this ditch flows downstream of the proposed intake.

Adopted this 21st Day of April, 2010.

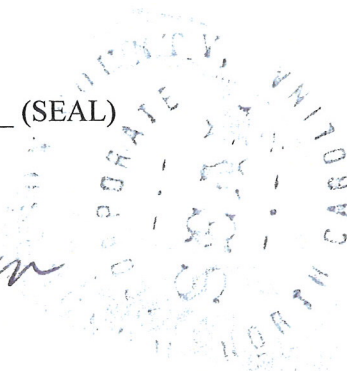


William L. Moyer, Chairman
Henderson County Board of Commissioners

(SEAL)



Teresa L. Wilson, Clerk to the Board



A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on April 21, 2010 at 9:00 a.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. William L. Moyer, Chairman presiding.

* * *

The following members were present: William L. Moyer, Chairman, Mark Williams, Vice Chairman, Chuck McGrady, Charlie Messer, Larry Young.

The following members were absent: None.

Also present: Steve Wyatt, County Manager, Selena Coffey, Assistant County Manager, J. Carey McLelland, Finance Director, Sarah Zambon, Deputy County Attorney, Teresa Wilson, Clerk to the Board, Kris Hoce, CEO, Margaret R. Pardee Hospital, Alan House, CFO, Margaret R. Pardee Hospital.

* * *

Commissioner McGrady moved that the following resolution (the "*Resolution*"), a copy of which was available with the Board and which was read by title:

**RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA,
DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION
FOR APPROVAL OF HOSPITAL REVENUE BONDS;
REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF
THE COUNTY'S HOSPITAL REVENUE BONDS (MARGARET R. PARDEE MEMORIAL HOSPITAL
PROJECT), SERIES 2010 AND CERTAIN RELATED MATTERS**

WHEREAS, the Board of Commissioners (the "*Board*") of the County of Henderson, North Carolina (the "*County*") hereby desires to (a) reimburse itself or the Henderson County Hospital Corporation (the "*Corporation*") for certain previous acquisitions of land and buildings for the Margaret R. Pardee Memorial Hospital (the "*Hospital*") and (b) pay the costs of improvements to such land and buildings (collectively, the "*Project*"); and

WHEREAS, the Board approved a reimbursement resolution for the Project on January 21, 2009 and this resolution is the next step in the process for issuing bonds for the Project; and

WHEREAS, the Board is considering the issuance of not to exceed \$3,500,000 Hospital Revenue Bonds, (Margaret R. Pardee Memorial Hospital Project), Series 2010 (the "*2010 Bonds*"), either through the issuance of tax-exempt bonds, "Build America Bonds," or any combination thereof that the Authorized Officers (hereinafter defined) may determine to be in the best interest of the County, to (1) pay or reimburse the costs of the Project, (2) to pay interest on the 2010 Bonds, if necessary, and (3) pay the costs of issuing the 2010 Bonds; and

WHEREAS, the Board wishes to retain Parker Poe Adams & Bernstein LLP of Raleigh, North Carolina, as bond counsel; retain First Tryon Advisors, as financial advisor for the 2010 Bonds; and retain Prince, Youngblood & Massagee, PLLC, as counsel to the Corporation; and

WHEREAS, the Board desires that the Finance Director or the County Manager of the County or the Vice President Finance/Chief Financial Officer of the Corporation (such officers being herein called the "*Authorized Officers*") file with the Local Government Commission of North Carolina (the "*Commission*") an application for its approval of the 2010 Bonds, on a form prescribed by the Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the 2010 Bonds to a financial institution (the "*Purchaser*") to be determined by the Authorized Officers through a private placement and (B) the County's use of Parker Poe Adams & Bernstein LLP, as bond counsel for the County, First Tryon Advisors, as financial advisor for the 2010 Bonds; and Prince, Youngblood & Massagee, PLLC, as counsel to the Corporation and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2010 Bonds and to the County, the Corporation and their financial condition as may be required by the Commission, and to take all other action necessary to the issuance of the 2010 Bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, AS FOLLOWS:

Section 1. That the 2010 Bonds are to be issued by the County for the purpose of providing funds to (1) finance, or reimburse funds previously used to finance, the Project, (2) fund interest on the 2010 Bonds, if necessary, and (3) pay the costs of issuing the 2010 Bonds, all as set out fully in the document attached to the County's application to the Commission.

Section 2. That Parker Poe Adams & Bernstein LLP; First Tryon Securities and Prince, Youngblood & Massagee, PLLC are hereby retained and approved.

Section 3. That the Authorized Officers are hereby authorized, directed and designated to file an application with the Commission for its approval of the issuance of the 2010 Bonds and are hereby authorized to request bids from financial institutions for the purchase of the 2010 Bonds. Any applications and communications previously undertaken with the Commission are hereby ratified, approved and affirmed. Any requests for bids from financial institutions and the acceptance of any such bids are hereby ratified, approved and affirmed.

Section 4. That the Board finds and determines, and asks the Commission to find and determine, from the County's application and supporting documentation the following:

- (a) that the issuance of the 2010 Bonds is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2010 Bonds will be sufficient but is not excessive, when added to other moneys available to the County or Corporation, for the proposed Project;
- (c) that the Project is feasible;
- (d) that the County's and the Corporation's debt management procedure and policies are excellent; and
- (e) that the 2010 Bonds can be sold at a reasonable interest cost to the County.

Section 5. That the Authorized Officers, Chairman, Vice-Chairman and Secretary of the Board are hereby authorized to do any and all other things necessary to complete the steps necessary for the issuance of the 2010 Bonds.

Section 6. That the Board requests that the Commission sell the 2010 Bonds through in a private placement to the Purchaser on such terms as may be agreed on but at a true interest cost (after taking account any federal interest subsidy, if applicable) not to exceed 6.5%.

Section 7. That this Resolution is effective on the date of its adoption.

On motion of Commissioner McGrady, the foregoing resolution entitled "RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA, DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF HOSPITAL REVENUE BONDS; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE COUNTY'S HOSPITAL REVENUE BONDS (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT), SERIES 2010 AND CERTAIN RELATED MATTERS" was duly adopted by the following vote:

AYES: William L. Moyer, Chairman, Mark Williams, Vice Chairman, Chuck McGrady, Charlie Messer, Larry Young.

NAYS: None.

HENDERSON COUNTY TAX DEPARTMENT

Collector's Office
200 North Grove Street
Suite 66
Hendersonville, NC 28792

Phone: 828/697-5595

Fax: 828/698-6153

www.hendersoncountync.org/tc/

Stan C. Duncan
County Assessor & Tax Collector

Sandy Allison
Administrative Assistant II

April 9, 2010

Re: Tax Collector's Report to Commissioners: 04/21/10 Meeting

Please find outlined below collections information through April 8th for the 2009 bills mailed out on August 5th, as well as registered motor vehicle bills. As a point of reference, we also have included collections information as of the same date last year.

Annual Bills G01 Only:

2009 Total Charge \$57,024,352.18
Payments & Releases: 54,889,513.73
Unpaid Taxes: 2,134,838.45
Percentage collected: 96.26%
(through 04/08/10)

2008 Total Charge: \$55,850,131.09
Payments & Releases: 53,925,228.09
Unpaid Taxes: 1,924,903.00
Percentage Collected: 96.55%
(through 04/08/09)

Motor Vehicle Bills G01 Only:

2009 Total Charge: \$3,528,031.17
Payments & Releases: 2,854,904.25
Unpaid Taxes: 673,126.92
Percentage collected: 80.92%
(through 04/08/10)

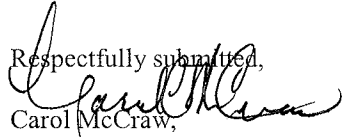
2008 Total Charge: \$3,834,212.70
Payments & Releases: 3,068,160.88
Unpaid Taxes: 766,051.82
Percentage collected: 80.02%
(through 04/08/09)

Fire Districts All Bills

2009 Total Charge: \$6,548,673.19
Payments & Releases: 6,241,667.63
Unpaid Taxes: 307,005.56
Percentage collected: 95.48%
(through 04/08/10)

2008 Total Charge: \$6,504,219.86
Payments & Releases: 6,184,368.25
Unpaid Taxes: 319,851.61
Percentage collected: 95.26%
(through 04/08/09)

Respectfully submitted,


Carol McCraw,
Deputy Tax Collector

Stan C. Duncan,
Tax Collector

Henderson County Hospital Corporation
Excerpts From Audit Communication To Board

- Operating revenues down 1%
- Operating expenses down 4%
- Significant improvement in operating profitability:

	2009	2008
Operating Income	\$ 6,484,683	\$ 2,774,181
Non-Operating Income	<u>1,128,313</u>	<u>3,740,900</u>
Excess Revenues over Expenses	<u>\$ 7,612,996</u>	<u>\$ 6,515,081</u>

Henderson County Hospital Corporation (Pardee)

Annual Report To The
County Commissioners
April 21, 2010

Henderson County Hospital Corporation
Excerpts From Audit Communication To Board

- Improved Liquidity:

	2009	2008
Total Cash and Investments	<u>\$ 55,827,354</u>	<u>\$ 47,873,210</u>
Days Cash on Hand	<u>156</u>	<u>130</u>

- Relatively low amount of debt:

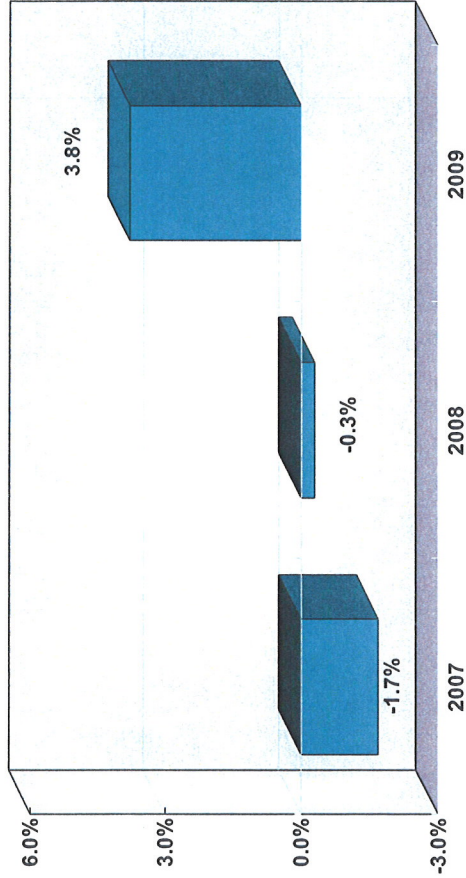
	2009	2008
Debt-to-Equity	<u>10.5%</u>	<u>12.2%</u>

Henderson County Hospital Corporation
Excerpts From Required Auditor Communication To Board

- ✓ Unqualified opinion on financial statements
- ✓ No significant changes in accounting policies
- ✓ No management bias in estimates
- ✓ One adjustment increased operating income \$269,000
- ✓ No disagreements between auditors & management
- ✓ No difficulties encountered in the audit
- ✓ No material weaknesses
- ✓ No significant deficiencies

Henderson County Hospital Corporation Hospital Operating Margin (GASB Presentation)

Increase due to a focus on improving operations and managing bad debts.
Does NOT include gain on sale of PCC in 2008.

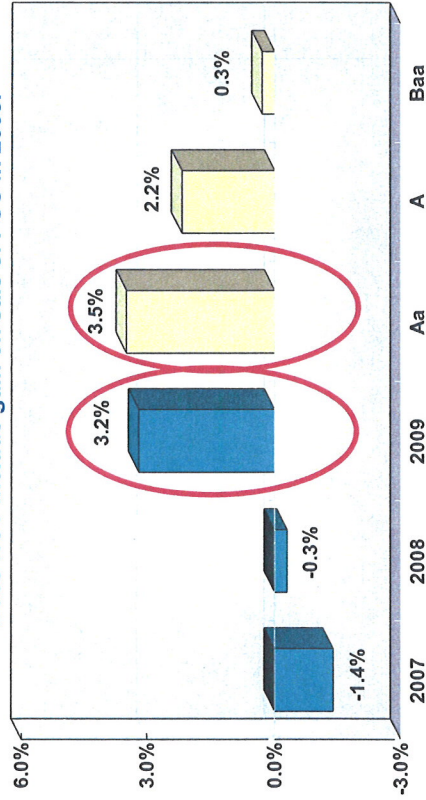


Henderson County Hospital Corporation Combined Statements of Revenues & Expenses

	2009	2008
OPERATING REVENUES		
Net Patient Service Revenues	\$ 124,891,856	\$ 124,708,539
Other Operating Revenues	4,211,957	5,721,324
Total Operating Revenues	-1% 129,103,813	130,429,863
OPERATING EXPENSES		
Salaries, Wages and Benefits	65,970,594	67,230,104
Supplies	23,327,489	23,204,193
Contract Labor and Physician Fees	10,309,440	12,194,375
Facility Costs	10,779,021	11,591,063
Depreciation, Amortization and Other	12,232,586	13,435,947
Total Operating Expenses	-4% 122,619,130	127,655,682
OPERATING INCOME (LOSS)	134% 6,484,683	2,774,181
NONOPERATING INCOME (EXPENSE)		
Investment Income (Loss)	1,376,372	(1,059,579)
Interest Expense	(639,364)	(602,387)
Gain on Sale of Assets Held for Sale	-	4,933,831
Other Nonoperating Income	391,305	469,035
Net Nonoperating Income	-70% 1,128,313	3,740,900
REVENUES OVER EXPENSES BEFORE CAPITAL CONTRIBUTIONS	17% \$ 7,612,996	\$ 6,515,081

Henderson County Hospital Corporation Hospital Operating Margin (FASB with Moody's Data*)

Increase due to a focus on improving operations and managing bad debts.
Does NOT include gain on sale of PCC in 2008.



Note that Moody's benchmarks trail by one year, and they estimate that 2009 performance indicators (released later in 2010) will be down.

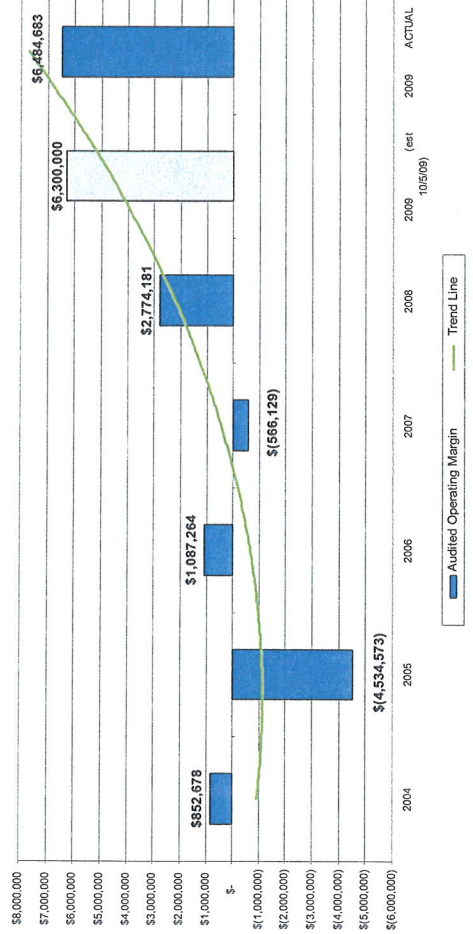
Henderson County Hospital Corporation Combined Balance Sheets

	2009	2008
ASSETS		
Cash and Cash Equivalents	\$ 8,911,373	\$ 5,769,361
Patient Receivables, Net	23,584,042	21,078,081
Other Current Assets	4,841,414	5,338,117
Total Current Assets	16% 37,336,829	32,185,559
Restricted Investments	3,506,421	2,932,870
Pledges Receivable, Net	242,955	279,612
	3,749,376	3,212,482
Capital Assets, Net	68,233,617	69,679,100
Investments Designated by Board	43,409,560	39,170,979
Other Assets	133,175	137,084
Total Assets	6% 152,862,557	\$ 144,385,204
LIABILITIES AND NET ASSETS		
Current Portion of Long-Term Debt	\$ 1,327,115	\$ 1,247,167
Accounts Payable and Accrued Expenses	15,736,185	14,199,194
Estimated Third-Party Payor Settlements	4,086,758	3,874,164
Total Current Liabilities	21,150,058	19,320,525
Long-Term Debt, Net of Current Portion	-10% 12,058,264	13,373,530
Total Liabilities	33,208,322	32,694,055
Net Assets	7% 119,654,235	111,691,149
Total Liabilities and Net Assets	6% \$ 152,862,557	\$ 144,385,204

Audited Operating Margin With 11 Months Estimate 2009

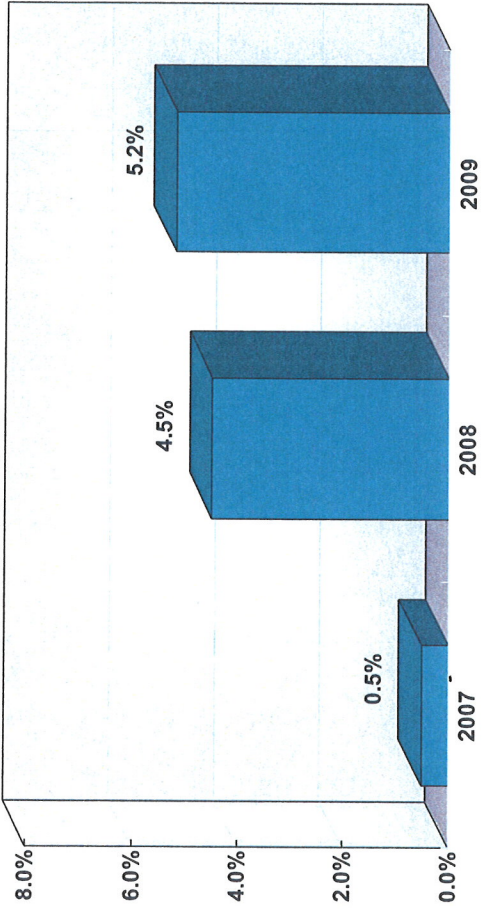


Henderson County Hospital Corporation Audited Consolidated Operating Margins By Year



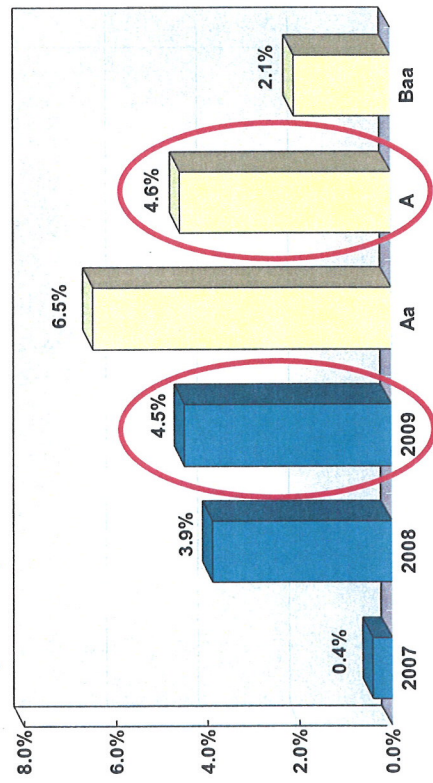
Henderson County Hospital Corporation Bottom Line (GASB Presentation)

The margin improved in 2008 and 2009 due to improved results from operations. 2008 was also impacted by the one-time gain from the sale of Pardee Care Center.



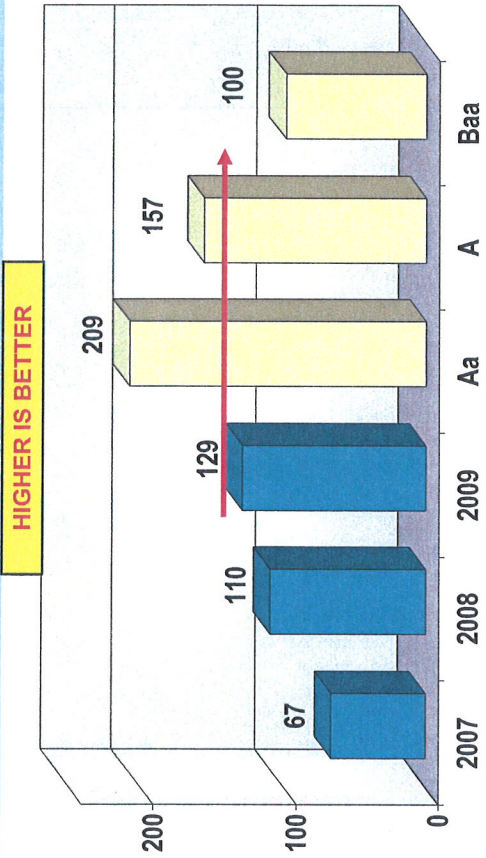
Henderson County Hospital Corporation Bottom Line (FASB Presentation with Moody's Data)

The margin improved in 2008 and 2009 due to improved results from operations. 2008 was impacted by the one-time gain from the sale of Pardee Care Center.



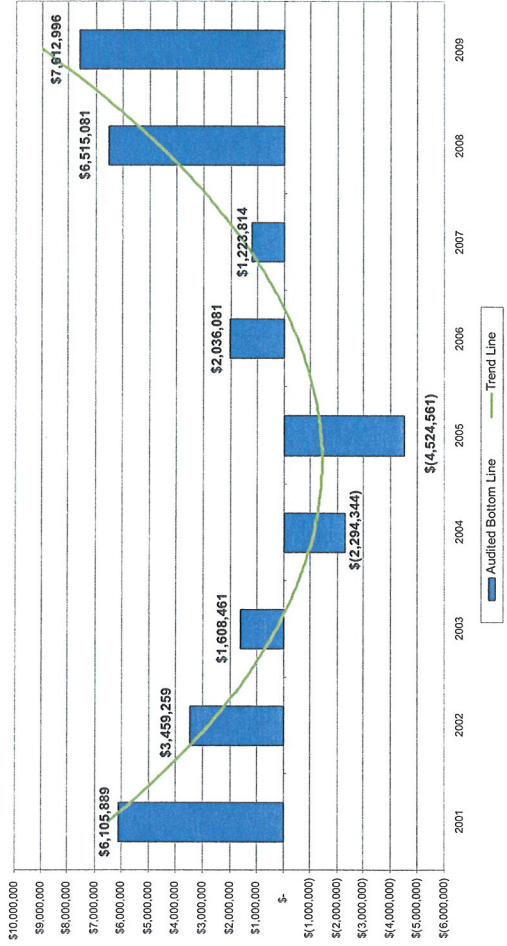
Note that Moody's benchmarks trail by one year, and they estimate that 2009 performance indicators (released later in 2010) will be down.

Henderson County Hospital Corporation Days Cash On Hand (FASB Presentation with Moody's Data)

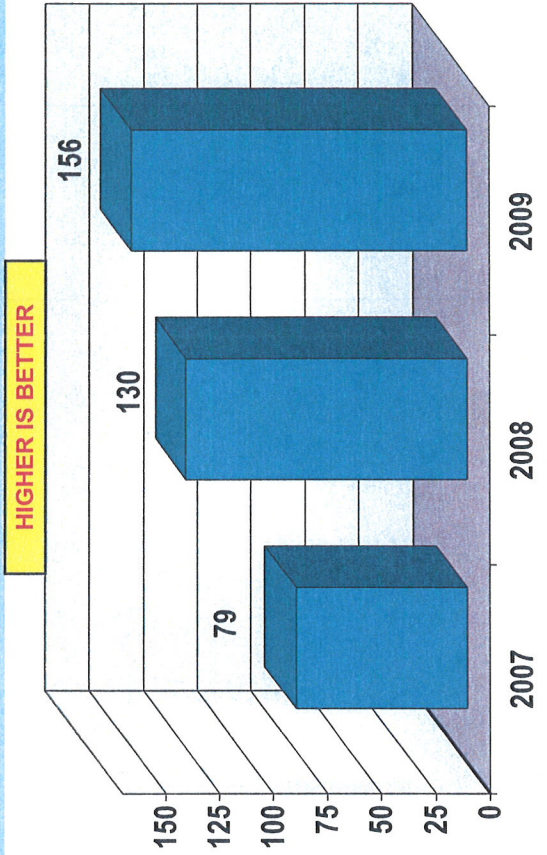


Note that Moody's benchmarks trail by one year, and they estimate that 2009 performance indicators (released later in 2010) will be down.

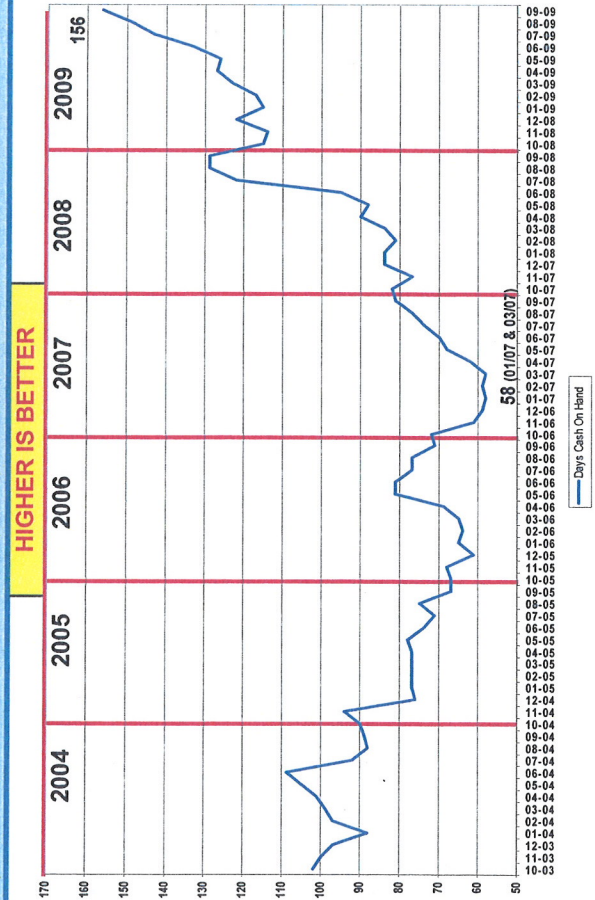
Henderson County Hospital Corporation Audited Consolidated Bottom Lines By Year



Henderson County Hospital Corporation Days Cash On Hand (GASB Presentation)



Henderson County Hospital Corporation Days Cash On Hand Six Year Trend

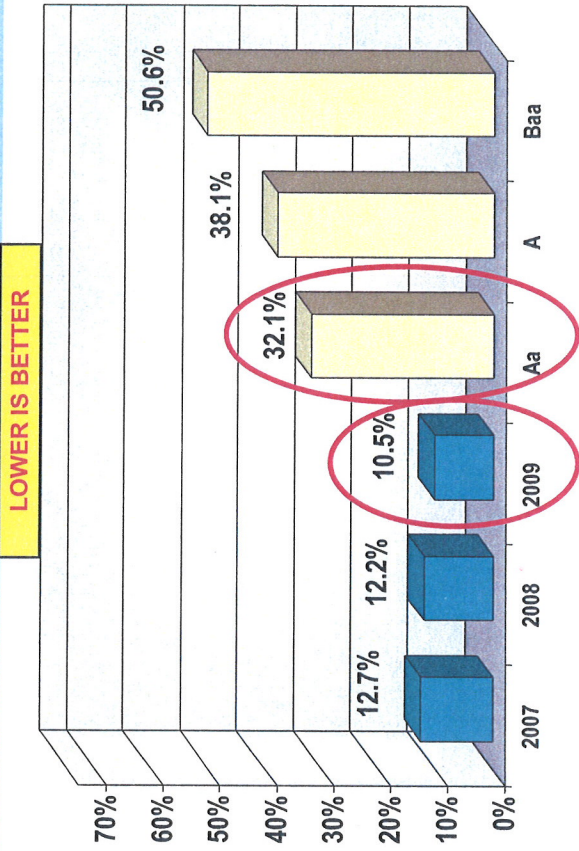


Henderson County Hospital Corporation
Health Care Reform

“Hospitals will receive lower annual inflation updates for the next 10 years and significant reductions in disproportionate share (DSH) payments.”

PricewaterhouseCoopers
April 2010 Report

Henderson County Hospital Corporation
Long Term Debt To Capitalization (GASB & FASB Presentation)



Henderson County Hospital Corporation
Health Care Reform

“Some of these reductions may be offset because an estimated 32 million uninsured Americans will have coverage by 2019”

PricewaterhouseCoopers
April 2010 Report

Henderson County Hospital Corporation
First Five Months of FY 2009 (2/28/09): Operating Margin

YTD Operating Margin Actual: \$572,202
YTD Operating Margin Budget: 273,342
Better: \$298,860

YTD Bottom Line Actual: \$1,422,018
YTD Bottom Line Budget: 835,922
Better: \$586,096

Henderson County Hospital Corporation
Health Care Reform

DSH Reductions by fiscal year (75% by 2014):

FY 2014	\$500,000,000
FY 2015	\$600,000,000
FY 2016	\$600,000,000
FY 2017	\$1,800,000,000
FY 2018	\$5,000,000,000
FY 2019	\$5,600,000,000
FY 2020	\$4,000,000,000

Pardee DSH
payments per
year =
\$1,600,000
75% =
\$1,200,000

PricewaterhouseCoopers
April 2010 Report

Henderson County Hospital Corporation
Health Care Reform

Medicare Market Basket reductions by fiscal year:

FY 2014	\$11,300,000,000	(Billions)
FY 2015	\$15,300,000,000	
FY 2016	\$19,500,000,000	
FY 2017	\$25,400,000,000	
FY 2018	\$32,300,000,000	
FY 2019	\$40,500,000,000	

PricewaterhouseCoopers
April 2010 Report

Henderson County Hospital Corporation
Health Care Reform

“Medicare value-based purchasing program (VBP) will begin to measure hospitals on efficiency, patient satisfaction and the quality of care around five conditions and procedures”

1% to
Pardee =
~\$500,000

FY 2013	1.00%
FY 2014	1.25%
FY 2015	1.50%
FY 2016	1.75%
FY 2017	2.00%

THESE ARE POTENTIAL INCREASES OR DECREASES TO HOSPITALS BASED UPON THE HOSPITAL'S PERFORMANCE IN THESE MEASURES.

PricewaterhouseCoopers
April 2010 Report

Henderson County Hospital Corporation
Health Care Reform

Medicare Market Basket by % by fiscal year:

HISTORICAL	PROJECTED	Cumulative
FY 2007	FY 2011	(0.25%)
FY 2008	FY 2012	(0.50%)
FY 2009	FY 2013	(0.75%)
FY 2010	FY 2014	(1.05%)
	FY 2015	(1.25%)
	FY 2016	(1.45%)
	FY 2017	(2.20%)
	FY 2018	(2.95%)
	FY 2019	(3.70%)

1% to
Pardee =
~\$500,000

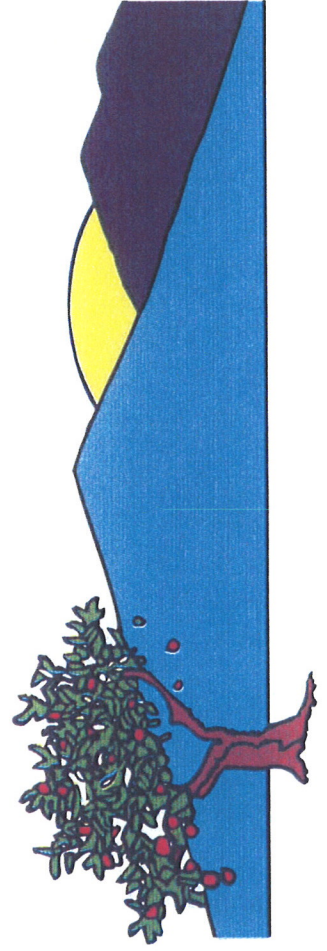
**SCHEDULE E
COUNTY APPROPRIATION**

Ref.*

2009-2010 County Appropriation	C	\$20,392,939
2010-2011 Increase:		
Expansion Budget:		
Uncontrollable Items:		
<i>Potential</i> State-Mandated Salary Increases	F	197,491
State-Mandated Benefit Increases	F	305,279
Total Increase in County Appropriation		\$502,770
2010-2011 County Appropriation (96.8% of Budget)		20,895,709
Add: Other Local Sources of Revenue (3.2% of Budget)	D	691,325
2010-2011 PRELIMINARY CURRENT EXPENSE (TOTAL)	C	\$21,587,034

**HENDERSON COUNTY PUBLIC SCHOOLS
2010-2011 PRELIMINARY LOCAL BUDGET
LOCAL CURRENT EXPENSE FUND
CAPITAL-OUTLAY FUND**

“Where Tomorrow Begins”



Expenditures	Estimated Capital Budget 2010-2011	Percent of Capital Budget
ADA	\$ 50,000	2.5%
Building Repair	800,000	40.0%
Ceiling Repair	25,000	1.3%
Covered Walks / Canopies	40,000	2.0%
Door Replacement / Partitions	25,000	1.3%
Energy Management	15,000	0.8%
HVAC	315,000	15.8%
Lighting	40,000	2.0%
Paving	185,000	9.3%
Roof Repair	475,000	23.8%
Security Locks	15,000	0.8%
Site Prep	15,000	0.8%
Total	\$ 2,000,000	100%

TOTAL EXPENDITURES \$ 2,000,000

J-2 (p. 26-27) are details of projects by category / J-3 (p. 28-32) are details of projects in the five year plan

**2009-2010 Budget Review
Capital Projects**

Expenditures as of 3/1/2010

Expenditures	Capital	Percent of Capital Budget
ADA	\$ 135,927	3.4%
Building Repair	986,967	24.7%
Ceiling Repair	10,534	0.3%
Covered Walks / Canopies	61,739	1.5%
Door Replacement / Partitions	39,045	1.0%
Energy Management	30,022	0.8%
HVAC	631,850	15.8%
Lighting	274,800	6.9%
Paving	175,694	4.4%
Roof Repair	1,568,340	39.2%
Security Locks	2,652	0.1%
Total	\$ 3,917,570	97.9%

Building Repair, HVAC, and Roof Repair, combine for 80% of the expenditures

Schedule G-2 (p.15-19) are project expenditures

2009-2010 Budget Review Maintenance Projects

G-1
Page 14

Expenditures	Expenditures as of 3/1/2010	
	Maintenance, Repairs and Purchases	Percent of Maintenance Budget
Carpet & Vinyl	\$ 17,484	2.9%
Custodial Equipment	25,912	4.3%
Furniture	29,056	4.9%
Insurance projects	144,632	24.2%
Painting	-	0.0%
Technology*	153,255	25.7%
Vehicles & Equipment	107,586	18.0%
Waste Water Disposal	-	0.0%
Wood Floor Care	18,075	3.0%
TOTAL	\$ 496,000	83.1%

Schedule G-3 (p. 20-21) are project expenditures

*Purchase order being completed on \$150,000 for new computers the week of 4/12/2010

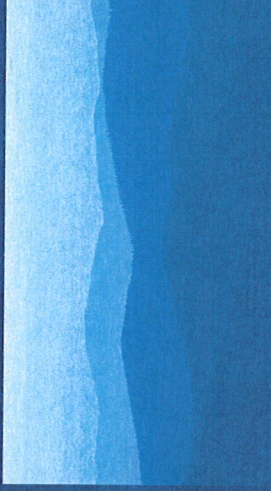
G-1
Page 14

2009-2010 Budget Review Maintenance Projects

REVENUES AND EXPENDITURES - MAINTENANCE, REPAIRS AND PURCHASES

Revenues	2009-2010
County Appropriation	\$ 449,889
Insurance	126,899
Sales tax	19,800
Total Revenues	\$ 596,588

HENDERSON COUNTY PUBLIC SCHOOLS "Where Tomorrow Begins"



HENDERSON COUNTY PUBLIC SCHOOLS
2010-2011 PRELIMINARY CAPITAL MAINTENANCE, REPAIRS, PURCHASES BUDGET: Expenditures Page 33

J-4

Expenditures	Estimated Capital Maintenance, Repairs, & Purchases Budget 2010-2011	Percent of Maintenance Budget
Carpet & Vinyl	\$ 340,000	34%
Custodial Equipment	40,000	4%
Furniture	20,000	2%
Painting	160,000	16%
Technology	200,000	20%
Vehicles & Equipment	200,000	20%
Wood Floor Care	40,000	4%
TOTAL EXPENDITURES	\$ 1,000,000	100%
TOTAL EXPENDITURES	\$ 1,000,000	

J-5 (p. 34) are details of projects by category / J-6 (p. 35-36) are details of projects in the five year plan