

June 3, 2026

MINUTES

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

**BOARD OF COMMISSIONERS
WEDNESDAY, JUNE 3, 2026**

The Henderson County Board of Commissioners met for a regularly scheduled meeting at 3:00 p.m. in the Commissioners' Meeting Room of the Historic Courthouse on Main Street, Hendersonville.

Present were: Chairman William Lapsley, Vice-Chair J. Michael Edney, Commissioner Rebecca McCall, Commissioner Sheila Franklin, Commissioner Jay Egolf, County Manager John Mitchell, Assistant County Manager Chris Todd, Public Safety Director Jimmy Brissie, Financial Services Director Samantha Reynolds, County Attorney Russ Burrell, and Clerk to the Board Denisa Lauffer.

Also present were: Budget Manager Sonya Flynn, Budget Analyst Jennifer Miranda, Chief Communications Officer Mike Morgan, Cooperative Extension Director Dr. Terry Kelley, Director of Public Health David Jenkins, Infrastructure Manager Mike McKinney, Parks and Recreation Director Bruce Gilliam, Social Services Director Lorie Horne, Deputy DSS Director Debbie Dunn, County Engineer Marcus Jones, Director of Human Resources Karen Ensley, Tax Assessor Kevin Hensley, Tax Collector Luke Small, Strategic Behavioral Health Director Jodi Grabowski, Planner Austin Parks, Sheriff Lowell Griffin, Sheriff's Office Budget Specialist Anita Pace, Social Media Coordinator Tiffany Lucey, and Finance Director Randall Cox. Deputies Matt Covil and Jesse Blankenship provided security.

CALL TO ORDER/WELCOME

Commissioner Lapsley called the meeting to order and welcomed all in attendance.

INVOCATION

John Mitchell provided the invocation.

PLEDGE OF ALLEGIANCE

West District 4-H President Aaron Askin led the Pledge of Allegiance to the American Flag.

PUBLIC COMMENT *(Comments are the views and opinions of the speaker)*

1. Shuford Edminston spoke on behalf of a group of veterans representing the VFW, American Legion, and Honor Guard who were in attendance. The group requested that the Board erect five signs bearing the designation "Henderson County Veterans Memorial Highway" along the five primary routes entering Henderson County: NC 64 East, NC 64 West, NC 176 (Spartanburg Highway), US 25 South (Greenville Highway), and US 25 North (Asheville Highway).

The request was made to honor and recognize the sacrifices of Henderson County veterans—both living and deceased—who have resided in and served the county.

2. Kirk Hall spoke in opposition to First Contact Men's Recovery Center, which is located adjacent to his property in the Fork Creek community near Saluda. Mr. Hall expressed concerns regarding the facility and requested that the Board discontinue funding for the facility.
3. Ward Sequin, retired NOAA meteorologist, discussed recent storm rainfall reported

Approved:

through the CoCoRaHS volunteer monitoring network. He encouraged additional county volunteers to participate, noting that rainfall data supports stream and river forecasting and assists emergency services in monitoring potential slide and flood-prone areas. He offered information to anyone interested in becoming an observer.

4. Louise Harvey, West Fork Creek community, spoke regarding First Contact Ministries. She expressed opposition to the facility, stated that she lives in fear, and said she does not want county funding provided to the nonprofit.
5. Charles Harvey, West Fork Creek community, spoke regarding First Contact Ministries. He expressed concerns about children's safety at the nearby Orchard Lake Campground, stated that law enforcement response times in the area can take up to 30 minutes, and noted that the facility was unlicensed.
6. Margaret L'Hommedieu spoke about data centers and recent reports that a data center was coming to Laurel Park. She encouraged the Board to be proactive regarding such developments and also inquired whether children learn the Pledge of Allegiance in schools.

DISCUSSION/ADJUSTMENT OF AGENDA

Commissioner Edney added two closed sessions to the agenda: Attorney/Client and Property Acquisition.

Commissioner Lapsley moved to adopt the agenda with the revisions discussed. All voted in favor, and the motion carried.

CONSENT AGENDA

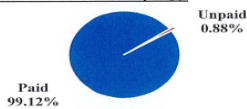
Tax Collector's Report

The following report from the office of the Tax Collector was provided for the Board's information.

Please find outlined below collections information through May 20, 2026 for 2025 real and personal property bills mailed on July 31, 2025. Vehicles taxes are billed monthly by NC DMV.

Henderson County Annual Bills (Real and Personal Property):

2025 Beginning Charge:	\$103,844,885.28
Discoveries & Imm.	\$261,381.42
Releases & Refunds:	(\$158,062.35)
Net Charge:	\$103,948,204.35
Unpaid Taxes:	\$915,364.14
Amount Collected:	\$103,032,840.21



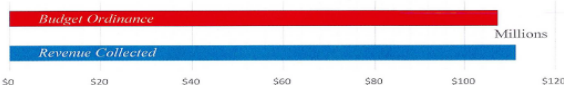
Henderson County Registered Motor Vehicles (As Collected by NC DMV):

Net Charge:	\$7,433,995.48
Unpaid Taxes:	\$20,416.66
Amount Collected:	\$7,413,578.82



Henderson County FY26 Budget Analysis:

Budget Ordinance	Revenue Collected
Ad Valorem: \$106,227,288.00	Ad Valorem: \$110,446,419.03
Prior Years: \$1,030,500.00	Prior Years: \$823,027.91
Budget Total: \$107,257,788.00	YTD Revenue: \$111,269,446.94



2026.055 Pending Releases and Refunds

The pending releases and refunds were reviewed by the Assessor. As a result of that review, the Assessor's opinion was that the findings are in order. Supporting documentation is on file in the County Assessor's Office.

Approved:

These pending release and refund requests were submitted to the Henderson County Board of Commissioners for approval.

Type:	Amount:
Total Taxes Released from the Charge	\$ 3,925.22
Total Refunds as a Result of the Above Releases	\$ 3,116.88

Motion: I move the Board to approve the Combined Release/Refund Report as presented.

County Financial Report and Cash Balance Report – April 2026

The April 2026 County Financial and Cash Balance Reports were presented for the Board's review and approval.

The following are explanations for departments/programs with higher budget to actual percentages for the month of April:

- Governing Body – timing of payment of board approved expenditures.
- Dues/Non Profit Contributions – timing of payment of 4th quarter board approved appropriations.
- County Manager – timing of payment of board approved expenditures.
- Administrative Services – timing of payment of board approved expenditures.
- Tax Collector – timing of payment of board approved expenditures.
- Animal Services – timing of payment of board approved expenditures.
- Rescue Squad – timing of payment of 4th quarter board approved appropriations.
- Planning – timing of payment of board approved expenditures.
- Heritage Museum – timing of payment of board approved expenditures.
- Project Management – timing of payment of board approved expenditures.
- Medical Services – timing of payment of board approved expenditures.
- Mental Health Services – timing of payment of 4th quarter board approved appropriations.
- Juvenile Justice Programs – timing of payment of board approved expenditures.
- Public Education – payment of 10 of 10 annual appropriations made to public school system.
- Interfund Transfers – timing of board approved transfers.

Year to Date Net Revenues under Expenditures for the Emergency Telephone System Fund is due to timing of receipts and disbursements of approved expenditures in FY26.

Year to Date Net Revenues under Expenditures for the Public Transit Fund is due to timing of receipts and disbursements of approved expenditures in FY26.

Year to Date Net Revenues under Expenditures for the Opioid Fund is due to timing of receipts and disbursements of approved expenditures in FY26.

Year to Date Net Revenues under Expenditures for the Hurricane Helene Fund is due to timing of expenditures and receipt of FEMA reimbursements in FY26.

Approved:

Year to Date Net Revenues under Expenditures for the Etowah Community Sewer Fund is due to timing of receipts and disbursements of approved expenditures in FY26.

Motion: I move that the Board of Commissioners approve the April 2026 County Financial Report and Cash Balance Report as presented.

Henderson County Public Schools Financial Report – April 2026

The Henderson County Public Schools April 2026 Local Current Expense Fund / Other Restricted Funds Report was presented for the Board’s review and approval.

Motion: I move that the Board of Commissioners approve the April 2026 Henderson County Public Schools Financial Report as presented.

Notification of Vacancies

The Notification of Vacancies was provided for the Board’s information. They will appear on the next agenda under “Nominations.

1. Agricultural Advisory Board – 3 vacs.
Seats #4, 5, & 6
2. Animal Services Advisory Committee – 1 vac.
Seat #8
3. Environmental Advisory Committee – 2 vacs.
Seats #1 & 2
4. Etowah Sewer Advisory Committee – 2 vacs.
Seats #2 & 4
5. Fire & Rescue Advisory Committee – 2 vacs.
Seats #2 & 6
6. Greater Asheville Regional Airport Authority – 1 vac.
Seat #2
7. Henderson County Board of Equalization and Review – 1 vac.
Seat #5
8. Henderson County Board of Health – 2 vacs.
Seats #5 & 8
9. Henderson County Rail – Trail Advisory Committee – 2 vacs.
Seats #5 & 8
10. Henderson County Transportation Advisory Committee – 1 vac.
Seat #1

Approved:

11. Historic Resources Commission – 2 vacs.
Seats #3 & 5
12. Juvenile Crime Prevention Council – 12 vacs.
Seats #1, 2, 5, 6, 7, 10, 14, 15, 17, 21, 22, & 24
13. Library Board of Trustees – 2 vacs.
Seats #3 & 4
14. Nursing/Adult Care Home Community Advisory Committee – 1 vac.
Seat #4
15. Social Services Committee – 1 vac.
Seat #2

2026.056 Grant Project Resolution – NC Dept. Commerce – Small Business Infrastructure Grant Program

Henderson County is pursuing grant funding for the engineering fees for the Etowah Sewer System. The Small Business Infrastructure Grant Program from the North Carolina Department of Commerce funds recovery and resiliency measures for infrastructure damaged by Hurricane Helene. Staff requested Board permission to apply for the maximum grant of \$1,000,000. No matching funds are required.

This grant would help fund the engineering costs for the Etowah Wastewater Treatment Plant project, which are expected to exceed \$1,000,000. The next funding announcements will be made on June 30, 2026, and are awarded on a first-come, first-served basis.

Motion: I move that the Board adopt the grant project resolution required for the NC Department of Commerce Small Business Infrastructure grant application to fund the engineering of the Etowah Sewer System.

2026.057 Henderson County Historic Resource Landmark Ordinance – Interlocal Agreement with the Town of Mills River

On April 15, 2015, the Board of Commissioners adopted the Historic Resources Landmark Ordinance and associated design guidelines. As part of this adoption the next phase was to reach out to municipalities within the County without an existing Historic Preservation ordinance to determine interest in adopting the County's Ordinance within their jurisdiction. Staff has been working with the Historic Resources Commission's (HRC) appointed Town Representatives since the adoption of the ordinance. The Town of Fletcher and the Town of Laurel Park have adopted the County Historic Resources Landmark Ordinance by resolution, and the Board of Commissioners approved the interlocal agreements for both jurisdictions.

As a result of the HRC's efforts, the Town of Mills River voted to adopt the County Historic Resources Landmark Ordinance at its meeting on April 23, 2026. An interlocal agreement between the County and the Town of Mills River is required for the HRC and staff to enforce the ordinance within the jurisdiction of the Town of Mills River. The ordinance will be implemented and administered by the County through the HRC. The Landmark Ordinance is voluntary and no fees

Approved:

or costs for service are necessary at this time. Staff does not anticipate more than one or two applications per year.

Motion: I move that the Board approve the Interlocal Agreement between Henderson County and the Town of Mills River for the Historic Resources Landmark Ordinance.

Judicial Complex Addition and Renovation – Detention Center Project Change Order

The Board was requested to approve Change Order #14 from Haskell/Cooper for the JCAR: Detention Project. The total value of this Change Order is \$179,145.08, with that amount to be covered by the Owner's Contingency. As this cost is part of the Owner's Contingency, these change orders will have no impact on the budget for the project, and no additional funds are being requested.

Change Order #14 is inclusive of costs associated with the revised deep foundations in Areas A, B, C, D, and the Sally Port resulting from field conditions due to dramatic changes in the required Helical Pier depth. The Change Order amount requested by Haskell/Cooper was \$179,145.08.

Motion: I move the Henderson County Board of Commissioners approve Change Order #14 issued by Haskell/Cooper for the JCAR: Detention Project in the amount of \$179,145.08 with that amount to be covered by the Owner's Contingency.

Commissioner Edney made the motion to adopt the consent agenda as presented. All voted in favor, and the motion carried.

PUBLIC HEARING

Chairman Lapsley made a motion to go into the Public Hearing. All voted in favor, and the motion carried.

2026.058 FY2026-2027 Budget

The Board of Commissioners was requested to hold the Public Hearing on the FY2026-2027 Budget at this meeting. Following the Public Hearing, the Board was requested to continue discussions with regard to the FY2026-2027 Budget.

Public Input:

1. Chris Berg expressed concern about the impact of federal education policies on school districts and said he believed students were becoming overly reliant on artificial intelligence rather than developing critical thinking skills.
2. Robert Cannon requested that the Board fully fund the Henderson County Public Schools (HCPS) budget request. He noted the challenges of recruiting and retaining teachers and advocated for increasing the local teacher supplement from 9% to 10%.
3. Mary Hardvall thanked the Board for its service and recognized Commissioners Franklin and Egolf for their support of public education. She noted that educational programs have been reduced and encouraged the Board to increase the teacher supplement.
4. Charlotte Morgan voiced support for fully funding the HCPS budget request. She noted that many teachers are forced to work second jobs to supplement their income and encouraged the Board and School Board to collaborate on a long-term funding strategy.
5. Clint Holt was in support of increasing the teacher supplement, stating that HCPS must remain competitive with neighboring counties and Upstate South Carolina in attracting and

Approved:

retaining educators. He described education funding as an investment in both educational quality and economic development.

6. Kay Shurtleff spoke on behalf of the Environmental Quality Institute, a nonprofit organization that conducts stream sampling and water quality monitoring. She noted that Henderson County and the City currently sponsor monitoring at eight sites and requested continued funding support to help protect the community's quality of life.
7. Ken Fitch discussed the importance of public transportation and referenced Strive Not to Drive Week. He expressed concern about proposed reductions in transportation funding, noting that many residents depend exclusively on public transit. He advocated for improved transit service, including a route to the airport and better connections to the Asheville transit system, and raised concerns about bus reliability and the safety implications of missed or delayed routes.

Chairman Lapsley made a motion to go out of the Public Hearing. All voted in favor, and the motion carried.

Commissioner Egolf made a motion to go into the Public Hearing. All voted in favor, and the motion carried.

2026.059 Close an Unopened 30 Foot Right-of-Way

Planning and Property Addressing staff received a petition to close an Unopened 30-foot right-of-way. Under North Carolina General Statute 153A-241, counties have the power to close any public road or easement not within a city, except public roads or easements for public roads under the control of the Department of Transportation. To close any road, the Board must:

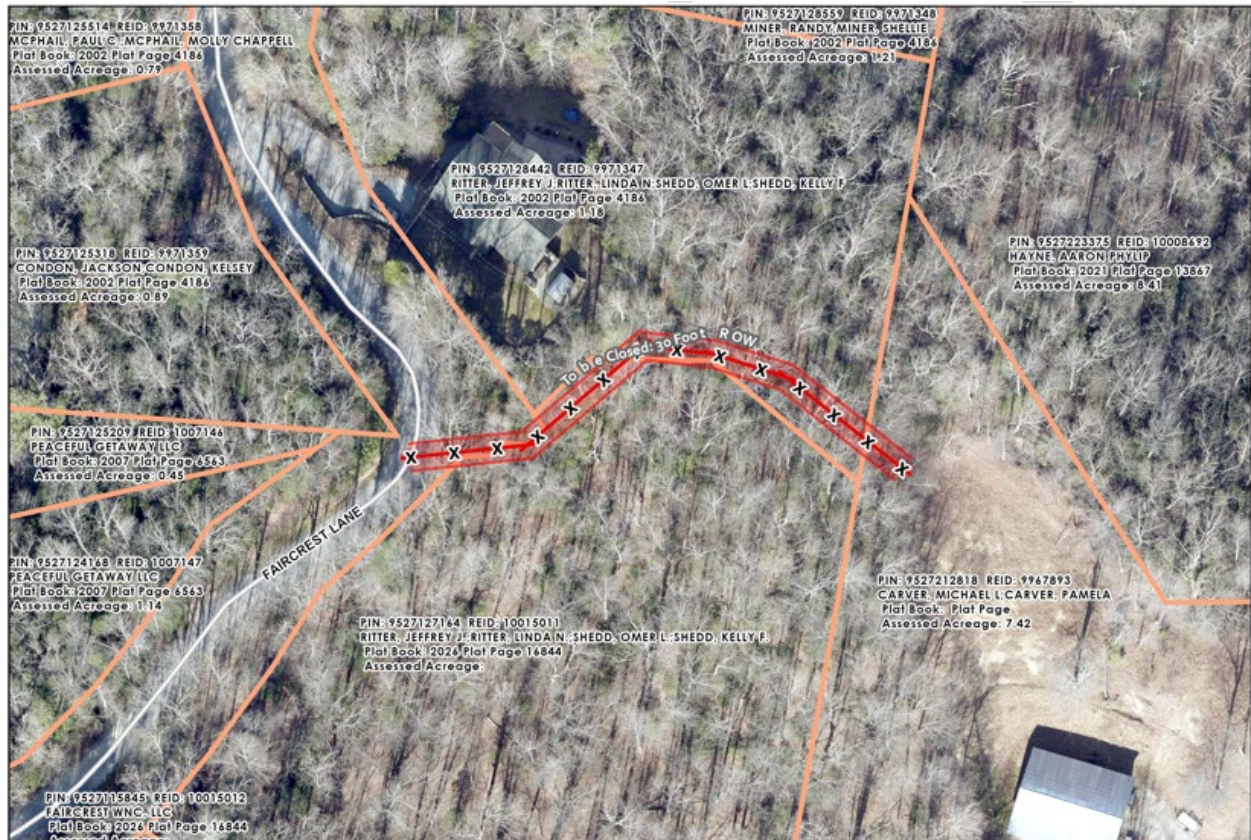
- Vote to adopt a resolution declaring its intent to close the public road or easement.
- Call and notice a public hearing on closing the road or easement, with notice “reasonably calculated to give full and fair disclosure of the proposed closing to be published once a week for three successive weeks before the hearing, a copy of the resolution to be sent by registered or certified mail to each owner as shown on the county tax records of property adjoining the public road or easement who did not join in the request to have the road or easement closed, and a notice of the closing and public hearing to be prominently posted in at least two places along the road or easement.”
- Hold the public hearing, where the Board must “hear all interested persons who appear with respect to whether the closing would be detrimental to the public interest or to any individual property rights.”
- Then, if the Board “is satisfied that closing the public road or easement is not contrary to the public interest and (in the case of a road) that no individual owning property in the vicinity of the road or in the subdivision in which it is located would thereby be deprived of reasonable means of ingress and egress to his property, the Board may adopt an order closing the road or easement.”
- File a copy of the Board’s order with the Register of Deeds.

Approved:



Application Summary

- Request submitted to close an unopened 30ft ROW off Faircrest Ln
- Petitioner is Jeff Ritter and Brian Zmich
- On May 4th, BOC approved resolution of intention to close ROW and set a public hearing
- Public notice of the hearing was given
 - Notice in the Hendersonville Lightning on May 20, 2026, May 27, 2026, and June 03, 2026
 - Notice to adjacent property owners was mailed on May 8th
 - Notice posted on the property on May 8th



Public Input: There was none.

Chairman Lapsley made a motion to go out of the Public Hearing. All voted in favor, and the motion carried.

Vice-Chair Edney made the motion that the Board approve the right-of-way closure for an unopened 30-foot right-of-way and sign the Order of Closure. All voted in favor, and the motion

Approved:

carried.

DISCUSSION

2026.060 FY2026-2027 Budget Ordinance

The Board was requested to continue discussions regarding the FY2026-2027 Budget.

Commissioner Lapsley stated that 26 issues were identified during the Board’s Budget Workshop held in May. He noted that the County Manager’s originally proposed budget would not have required a tax increase; however, many of the issues raised during the workshop could necessitate a tax increase. He stated that these decisions had weighed heavily on the Board for several months. Commissioner Lapsley proposed that the Board review and discuss the issues one by one.

The 26 issues raised are represented in the slides below.

FY2026-2027 BUDGET WORKSHOP Notes and Action Items May 21, 2026						
Fund Balance remaining at close of Budget Workshop - 50						
Item / Issue	Commissioner(s)	Notes	Consensus Reached to Include in FY27 Budget	Additional Revenue	Additional Expenditure	Explanation
HCPS - Supplement	Egolf	Recommends funding for 1% supplement increase for HCPS.			\$ 1,190,000	Based on estimate provided by HCPS staff.
HCPS - Study for Long Range Plan for MRTS projects	Lapsley	Do we need to consider another study for long range planning for MRTS? Consider funding.			\$ 150,000	Per estimate provided by Chris Todd.
HCPS - Longevity Pay	Edney	How much would longevity cost for HCPS if based on Henderson County's retention pay policy?			\$ 1,436,513	In comparison, cost to the County with similar longevity percentages is \$934,370.33 for FY2025.
Sales Tax Revenues	Franklin	Wants to consider 1/4 cent tax increase [Article 46]		\$ 5,000,000		Conservative estimate. Would require voter referendum.
HCSO - Lapsed Salary	Edney	Requests total amount of lapsed salaries for the year.				See attached. Anticipate approximately \$1.2M in lapsed salaries for FY26.
HCSO - Proposed Compensation Plan Increase	Lapsley	Requests information for requests with comparison salary data from similar counties.			\$ 3,946,339	Estimate based on compensation plan increase provided by HCSO.
DSS - Additional staff (SW2 & SW3)	McCall	Cost to add Social Worker II			\$ 86,620	Per budget request.
		Cost to add Social Worker III			\$ 91,973	Per budget request.
		Potential revenue for Social Worker II		\$ -		Very little reimbursement available as the funds available are capped.
		Potential revenue for Social Worker III		\$ 21,755		25% reimbursable (50% Medicaid, which is 50% reimbursable). Would include only salary and fringe costs for the position.
DSS and ROD - Foreign Language Interpreter	Edney	Requests the cost to fund a foreign language interpreter to share with ROD			\$ 68,118	DSS indicates amount could be up to 20% reimbursable depending upon the programs the interpreter is involved in. Some funding could be capped. DSS says workload within their department would be enough to support a full time interpreter. ROD did not request an interpreter in their departmental requests.
Recreation - Security Cameras in County parks	McCall	Requests cost of project.			\$ 166,000	Total capital costs are estimated to be approximately \$166,000 with an additional \$16,000 per year in internet services. This would include a weatherproof cabinet, gateway, and a 1500W UPS. Costs may vary depending on the number of cameras and the existing infrastructure available.
Recreation - Remote Locking Bathroom Doors in County Parks	McCall	Feasibility and cost of having remote locking bathroom doors for Henderson County Parks.			\$ 140,000	Anticipate \$7k to \$8k per door, which includes replacing and rehangng hardware and latching system to allow for remote access controls.
Governing Body - Monitors for Commissioner Boardroom	Edney	Requests screens/monitors for the Board of Commissioners at their seats for use during meetings.			\$ 5,500	Docking station or a port replicator (depending on preference) and a portable monitor for each dais.
Occupancy Tax Revenues - Increase From Additional %	Lapsley, Egolf	Requests information on the increase in revenues due to occupancy tax rate increase in FY2026.				Total Occupancy tax for FY26 YTD (through March) is \$2,877,448.50. The amount attributed to the rate increase is estimated to be \$311,204.77.
Capital Projects Fund - IT Depreciation Fund	Edney	Requests balance of IT Depreciation Fund for future IT projects.				Current Balance - \$2,343,564. To be used for replacement and/or update of IT infrastructure for aging County systems (next up are '95 CH and PSAP). Includes hardware to run the servers, storage system and networking equipment. Funds are necessary in case of any unplanned issues to maintain current levels of operations. Goal funding is to maintain approximately \$2.5M in the fund for any catastrophic events.

Approved:

Item / Issue	Commissioner(s)	Notes	Consensus Reached to Include in FY27 Budget	Additional Revenue	Additional Expenditure	Explanation
Sheriff's Office - Flock Camera Usage	Lapsley	Requests statistics on usage				Since January 1, 2026, to date, the system has identified approximately 2.5 million individual license plates. The result of those plate readings allowed deputies to locate two (2) missing persons and resulted in nineteen (19) arrests. Among the arrests, deputies have recovered cocaine, methamphetamines, pills, and marijuana. Four (4) stolen vehicles were also located during this timeframe as a direct result of FLOCK. In specific instances and with a law enforcement purpose, deputies can query FLOCK for specific plates and determine the last known location and direction of travel of a suspect vehicle. This is only used when the situation warrants criminal investigation and we have specific policy addressing any misuse of that capability. Utilizing this method exponentially benefits law enforcements' ability to rapidly locate fleeing suspects when the vehicle description is known. HCSO staff have personal knowledge of FLOCK pointing officers to the direction of two separate homicide suspects resulting in their capture (one of which was recent).
Transfers - PILT Funds	Lapsley	Requests amount of revenue budgeted for PILT for FY2027.				\$60,000 set aside for PILT revenues. No funding has been budgeted to transfer to fire districts at this time.
AD Valorem Taxes - PUV Taxes	Egolf, McCall	Requests more information on including revenues for properties no longer in the program being recorded in Farmland Preservation Fund.				County-only funds, including tax and interest are: FY26 \$187,844.04 Year to Date FY25 \$67,831.42 FY24 \$119,958.23 FY23 \$156,361.60 PUV funds can be diverted to Farmland Preservation fund beginning in FY2027 if the Board approves. Any amounts diverted will reduce General Fund revenues.
Capital Projects - Berkeley Sports Complex	Lapsley	Can we charge staff time as administrative costs for Berkeley Park projects?				No, current funding sources do not allow for administrative costs to be charged. Any grants received, county-wide are considered for administrative costs.
Economic Development	Lapsley	Postpone Economic Investment Fund match until Airport property, owned by the County, is sold.			\$ (102,000)	Would reduce expenses for FY2027 if match is not paid.
VFW - Charge for Usage	Lapsley	When will we be able to start charging for third parties to use the VFW building?				We may begin charging program income at any time, provided we have remaining unbudgeted project costs to use the funding. Any program income earned before December 31, 2026, would be restricted to use on ARPA eligible projects. Any unused program income would revert back to Treasury if there are no expenditures to apply it to.
Heritage Museum - Fund balance	Egolf	Requests information on current fund balance of the Heritage Museum.				Total Net Assets at 6.30.2024 were \$470,889, per latest audited financial report on file. Total revenues and support were \$106,936, of which the County provided \$100,000. No other grants or funding were reported from other sources.
Governing Body - Professional Services	Lapsley	Requests a conceptual study for Fletcher Library.			\$ 50,000	Cost estimate.
Recreation - Berkeley Park Staffing	McCall	Change start date for new employees for Berkeley Park Sports Complex from January 1, 2026 to October 1, 2025.			\$ 47,378	2 Park Tech I positions and 1 Park Lead position.
Recreation - Ecusta Trail	McCall	Requests signage, trash cans and benches to be provided by the Friends of Ecusta Trail.				

Item / Issue	Commissioner(s)	Notes	Consensus Reached to Include in FY27 Budget	Additional Revenue	Additional Expenditure	Explanation
Recreation - Berkeley Park Event Fees	McCall	Requests an estimate of revenues generated if Complex opens in October (can revenues be charged in 2026 if ARP funds are used?).		\$ 5,000		For synthetic field rental for soccer tournaments. Anticipate tennis and softball will be mostly utilized by public schools [Per Bruce Gilliam]. Revenues can be charged before December 31, 2026, but must be used toward the scope of the project.
Recreation - Repurpose AAC Field	McCall	Cost to repurpose existing soccer fields and install 20 pickleball courts.			\$ 500,000	Very rough estimate.
Budget Workshop Presentation	McCall	Requests that department overview be presented in reverse order for FY28 budget.				Budget staff will make a note to evaluate changing order of departments and how they are presented during the budget workshop.
Communications - Video	McCall	Requests that Mike Morgan create a video on the Early College Program at BRCC.				Staff is working with guidance counselors at HGPS. Planning to coordinate video over the summer for recent graduates who participated in the program.
TOTAL				\$ -	\$ 5,026,755	\$ 7,776,441

**HCSO
Salary and Fringe GL Accounts**

	Budget	Actual	Variance
FY2026	22,829,191.00	19,705,009.28	3,124,181.72 *
FY2025	22,868,992.00	21,451,752.39	1,417,239.61
FY2024	20,124,096.00	20,138,294.98	(14,198.98)
FY2023	18,131,718.00	17,643,054.40	488,663.60
FY2022	16,723,082.00	16,485,419.82	237,662.18
FY2021	15,863,733.00	15,221,959.23	641,773.77
FY2020	15,146,498.00	14,493,849.00	652,649.00

* - 2 payroll cycles remaining. Roughly 825k per pay period.
Anticipated lapsed salary of \$1.2M

Approved:

Below is a synopsis of decisions and revisions made during the FY27 budget deliberations.

**Henderson County
FY 2026-2027 Budget Tally**

					Total Budget	Fund Balance Appropriation
Proposed Budget Revisions following Budget Workshop 5.20.26					\$ 227,187,684	\$ 17,440,979
Proposed Budget Revisions following BOC meeting on 6.3.26		REVENUE		EXPENDITURE		
	Reductions	Additions	Reductions	Additions		
1 HCPS - 1% Local Supplement Increase				\$ 1,190,000	\$ 228,377,684	\$ 18,630,979
2 HCPS - Local Current Expense				\$ 1,898,537	\$ 230,276,221	\$ 20,529,516
3 DSS Social Workers - II and III for Adult Protective Services		\$ 21,755		\$ 178,593	\$ 230,454,814	\$ 20,686,354
4 Governing Body - Professional Services - Fletcher Park study				\$ 50,000	\$ 230,504,814	\$ 20,736,354
5 Recreation - Berkely Park Staffing (October start date)				\$ 47,378	\$ 230,552,192	\$ 20,783,732
6 Recreation - Additional Revenues - Berkeley Park		\$ 5,000			\$ 230,552,192	\$ 20,778,732
7 Rescue Squad - Add unfunded request				\$ 40,982	\$ 230,593,174	\$ 20,819,714
8 Cooperative Extension - Salary Increase				\$ 17,000	\$ 230,610,174	\$ 20,836,714
9 ROD Passport Office		\$ 30,000		\$ 159,904	\$ 230,770,078	\$ 20,966,618
10 ROD Technology costs				\$ 8,525	\$ 230,778,603	\$ 20,975,143
11 Debt Service Increase				\$ 9,122,367	\$ 239,900,970	\$ 30,097,510
12 HCSO and Detention: Proposed Compensation Restructure				\$ 3,946,337	\$ 243,847,307	\$ 34,043,847
13 Reduce fund balance policy from 12% to 10% (amount in cell E63 below)					\$ 243,847,307	\$ 34,043,847
14 Transfer to Solid Waste in lieu of availability fee				\$ 1,000,000	\$ 244,847,307	\$ 35,043,847
15 Capital Reserve Fund - Additional funding available		\$ 2,186,809			\$ 244,847,307	\$ 32,857,038
16 Additional Ad Valorem Tax increase		\$ 11,173,922			\$ 244,847,307	\$ 21,683,116
As of 6.3.26					\$ -	\$ 13,417,486
					\$ -	\$ 17,659,623
					\$ 244,847,307	\$ 21,683,116

Highlights from the discussion included:

The Board discussed MRTS and the 1% supplemental increase for Henderson County Public Schools and reached a consensus to fund the requests.

The Board discussed the proposed compensation plan for the Henderson County Sheriff’s Office. Chairman Lapsley moved to approve the requests; however, Vice-Chair Edney requested that the Board defer action until all other budget matters had been considered and revisit the request later in the meeting.

The Board agreed to fund the DSS request for (2) positions: Social Worker II and Social Worker III. Costs associated with the Register of Deeds’ request to establish a passport office were also approved by the Board.

Following discussion regarding security cameras and remote-locking systems for bathrooms in County parks, the Board directed the County Manager’s staff to evaluate these improvements, develop cost estimates, and create a phased implementation plan over the next three to five years. The Board requested that parks with the greatest need be given priority.

The Board approved an allocation of \$60,000 for Payment in Lieu of Taxes (PILT) for the upcoming budget year, to be distributed as follows: \$50,000 to Mills River Fire & Rescue and \$10,000 to Gerton Fire & Rescue. The funding supports emergency services provided on Federal Lands.

Approved:

Ad Valorem Funds – Present-Use Value (PUV) Taxes: Beginning in FY2027, PUV tax revenues will be diverted to the Farmland Preservation Fund. Samantha Reynolds explained that these revenues are highly variable, making them difficult to budget accurately. After consulting with Tax and Finance Department staff, a plan was developed to place the funds into a dedicated account as they are received. The Board will receive quarterly reports on the fund's activity. The change will take effect July 1 and will not be applied retroactively.

Economic Development: Chairman Lapsley proposed postponing the Economic Investment Fund match until the sale of the County-owned 100-acre airport property. Chairman Lapsley stated that he did not support including the \$102,000 allocation in the budget. Commissioner McCall noted that site improvements are needed to make the property more attractive to potential buyers. Commissioners Franklin, Egolf, and Edney agreed, emphasizing the importance of continuing support for the Partnership for Economic Development. Despite Chairman Lapsley's concerns, a majority of the Board supported retaining the \$102,000 allocation in the budget. Chairman Lapsley asked that the record reflect his efforts to persuade his colleagues to remove the funding and that he was unsuccessful.

A \$50,000 allocation for the Conceptual Study for the Fletcher Library and \$47,378 for a revised start date of October 1, 2026, for Berkeley Park Sports Complex employees were both unanimously agreed upon by the Board. The Board also agreed to charge usage fees at the sports complex, which were estimated to generate approximately \$5,000 in revenue that would go back toward the cost of the project.

The Board discussed repurposing the AAC Field for pickleball courts, and, at the County Manager's direction, the Parks and Recreation Director will present this item to the Recreation Advisory Board for study/discussion.

Commissioner McCall requested consideration of two additional funding requests related to employee cost-of-living adjustments (COLAs) for Rescue Squad and NC Cooperative Extension employees. She noted that Extension employees did not receive a COLA last year due to the absence of a State budget and that low wages have made it difficult to fill vacant positions. Chairman Lapsley expressed concerns about providing additional funding to independent organizations, noting that continued County support could lead to future funding obligations. Following the discussion, the Board reached a consensus to fully fund the Rescue Squad's request of \$40,982 and provide an additional \$17,000 to NC Cooperative Extension.

During the discussion regarding debt service, Commissioner Egolf noted that he and Commissioner Franklin had voted against the courthouse portion of the JCAR project. He stated that, regardless of prior votes, the debt obligation now exists and must be addressed. Commissioner Egolf proposed that the current Board consider funding the debt service during the current budget year rather than placing the burden of a tax increase on a future Board.

Commissioner Franklin noted the number of capital projects currently under consideration and stated that she was not interested in depleting the County's capital reserves. She said the upcoming debt service payment is a significant issue and that delaying action until the next fiscal year would only postpone the inevitable need to address it. Commissioner Franklin further noted that other capital projects would likely face challenges due to the financial impact of this major project.

Approved:

Commissioner Egolf asked for clarification regarding whether, when the Board reconvenes to discuss the next fiscal year's budget, there would be an unfunded debt service obligation of approximately \$9 million. Commissioner Franklin added that, in addition to that obligation, the Board does not yet know the outcome of the November ballot measure related to property taxes and the potential impact it could have on County revenues.

Mr. Mitchell responded that the answer to Commissioner Egolf's question was yes. He explained that liability has been added to the County's books and, as discussed in March, that liability will require a revenue source. Mr. Mitchell stated that addressing the obligation in the next fiscal year will require either a reduction in expenditures or an increase in revenue.

For clarification, Mr. Mitchell noted that the proposed budget for the current fiscal year includes funds set aside to cover the debt service obligation in accordance with the Board's direction. However, he stated that in the following fiscal year, the County will need to identify a means of funding the obligation through a reduction in services, a reduction in expenditures, an increase in revenue, or a combination thereof. Mr. Mitchell emphasized that this issue pertains to the following fiscal year and not the fiscal year currently being discussed.

The discussion then shifted to the Sheriff's Office and Detention Center compensation plan. Following the discussion, the Board reached a consensus to include an additional \$3,946,337 in the proposed budget to cover the associated costs.

Discussion followed regarding the proposed fee schedule, specifically the addition of a proposed Solid Waste Availability fee. Chairman Lapsley and Commissioner McCall opposed the fee. They preferred to cover the costs through the general budget. Mr. Mitchell proposed that staff revisit flow control and return to the Board with allocation suggestions during the year.

Vice-Chair Edney made a motion to go into closed session pursuant to NCGS143-18-11 (3), (5). All voted in favor, and the motion carried.

The meeting was reconvened at 7:05 p.m.

Chairman Lapsley moved board and committee nominations up on the agenda while staff worked to balance the budget in preparation for the Board's vote on budget adoption.

NOMINATIONS AND APPOINTMENTS

1. Environmental Advisory Committee – 2 vacs.

There were no nominations, and this item was carried to the next meeting.

2. Farmland Preservation Task Force – 1 vac.

There were no nominations, and this item was carried to the next meeting.

3. Hendersonville City Zoning Board of Adjustment – 1 vac.

There were no nominations, and this item was carried to the next meeting.

4. Hospital Corporation Board of Directors – 2 vacs.

Approved:

**Vice-Chair Edney made a motion to nominate Laura Leatherwood for reappointment to Seat #1 and Carol Larimore to Seat #3. All voted in favor, and the motion carried.*

*Seat #1 is for a UNC Health nominee, and Seat #3 is for a Hospital Corporation nominee. A letter from UNC Health/Pardee regarding these appointments is attached to these minutes.

5. Juvenile Crime Prevention Council – 2 vacs.

There were no nominations, and this item was carried to the next meeting.

6. Nursing/Adult Care Home Community Advisory Committee – 11 vacs.

There were no nominations, and this item was carried to the next meeting.

Commissioner McCall clarified that the proposed budget would result in an additional tax rate of 4.3 cents, reduce the County's fund balance from the policy level of 12 percent to 10 percent, and leave approximately \$10 million remaining in the Capital Reserve Fund.

Commissioner Egolf stated that he believed the County was doing a good job managing taxpayers' money. He acknowledged that some projects included in the budget were projects he had not supported, but said that the Board functions as a team and must do what is necessary to meet the County's obligations.

Commissioner Edney commented that Henderson County continues to have one of the lowest tax rates in North Carolina and remains lower than many jurisdictions in other states.

Commissioner McCall noted that a 4.3-cent tax increase would amount to approximately \$4 per week for a home valued at \$400,000, which she described as an average home value in the current market. She stated that, when viewed on a weekly basis, the increase appeared less significant and represented a reasonable cost for the services provided by the County.

Commissioner Franklin stated that, based on her review of the County's tax rate history over the past twenty years, the proposed rate falls near the middle of the range rather than at either the highest or lowest level. She said she had not identified any items in the proposed budget that she would recommend removing and believed that most residents would support the services funded through the budget. Commissioner Franklin characterized the decision as a difficult but necessary responsibility of the Board.

Chairman Lapsley agreed, stating that making such decisions is part of the Board's responsibility to represent taxpayers and steward public funds. He added that the Board had reviewed the budget in considerable detail and that he did not see any items he would recommend changing.

Commissioner Edney stated that no single item in the budget could be identified as the reason for the proposed tax increase. He noted that the increase reflects a combination of factors, including the JCAR project, which includes the courthouse expansion and detention center, as well as compensation increases for law enforcement personnel intended to help recruit and retain qualified employees.

Approved:

Chairman Lapsley made the motion that the Board approve the adoption of the FY2026-2027 Budget and further moved that the Chairman be authorized to execute the Budget Ordinance to be effective July 1, 2026. All voted in favor, and the motion passed unanimously.

COMMISSIONER UPDATES:

Commissioner McCall reported that she attended a meeting of the Cooperative Extension Board held at the Apple Variety Research facility, where different apple varieties are tested and evaluated. She stated that she found the meeting informative and learned a great deal about the program's work.

Commissioner McCall noted that one report presented at the meeting indicated there is currently a waiting list of approximately 100 individuals seeking access to community gardens. She explained that many of these individuals would like to grow their own vegetables but do not have suitable space available where they live. While some community gardens already exist within the County, Commissioner McCall expressed that additional community garden space would benefit many residents.

Commissioner McCall suggested that the Board consider, in the future, whether parcels acquired as a result of Hurricane Helene could potentially be used for community garden purposes.

COUNTY MANAGER'S REPORT

The County Manager reported that a significant investment had been committed by the Tourism Development Authority (TDA), with \$1.67 million allocated for lighting improvements at the Berkeley Sports Complex.

The County Manager further noted that, with the commitment of TDA funding, all components of Phase I of the project are now fully funded and no portions of Phase I remain unfunded.

Chairman Lapsley made the motion to adjourn the meeting at 8:10 p.m. All voted in favor, and the motion carried.

ADJOURN

Denisa A. Lauffer, Clerk to the Board

William G. Lapsley, Chairman

Approved: