

MITCHELL COUNTY BOARD OF COMMISSIONERS

MINUTES

REGULAR SESSION

APRIL 4, 2011

NORTH CAROLINA

MITCHELL COUNTY

The Mitchell County Board of Commissioners met in regular session on April 4, 2011 at 6:00 p.m. in the Commissioner's Conference Room, Administration Building, Bakersville, NC. Those present for the meeting were: Marvin Miller, Chairman; Lee Roy Ledford, Vice-Chairman; Ken Hollifield, Member; Bill Slagle, Member; Joe Street, Member; Charles Vines, County Manager and Kathy Young, Clerk to the Board. Also present were Mavis Parsley, Finance Officer; Mitzi Moody with the Avery Post and Corey Hoilman, Reporter with the Mitchell-News Journal.

1. **CALL TO ORDER** – Chairman Miller called the meeting to order at 6:00 p.m.
2. **INVOCATION** – Commissioner Slagle gave the invocation.
3. **ADDITIONS OR CHANGES TO THE AGENDA** – Commissioner Slagle moved to remove Items 10 A, B, C, D, E, F, G, and J to Items for Discussion. Commissioner Hollifield seconded the motion and it carried unanimously.
4. **ADOPTION OF AGENDA** – Commissioner Ledford moved to adopt the agenda. Commissioner Street seconded the motion and it carried unanimously.
5. **APPROVAL OF MINUTES** – Commissioner Street moved to approve the Minutes for February 7, 2011, Regular Session, February 14, 2011, Special Session, February 24, 2011, Emergency Session and March 7, 2011 Regular Session. Commissioner Ledford seconded the motion and it carried unanimously.
6. **PUBLIC COMMENTS** –None.
7. **REPORTS/PRESENTATIONS**
 - A. **Library Update** – Dr. Daniel Barron provided the Board with and update on the Mitchell County Public Library. A copy of his update is hereby attached and becomes a part of the minutes as Attachment A.
8. **ITEMS FOR DISCUSSION**
 - A. **Schedule for Board of Equalization and Review** – The following is the schedule for the Board of Equalization and Review.

On Thursday, April 7, 2011 Commissioner's Miller and Hollifield will serve from 12:30 p.m. until 8:00 p.m. Commissioner Street will serve from 12:30 p.m. until 4:30 p.m. Commissioner Slagle will serve from 4:30 p.m. until 8:00 p.m.

On Monday, April 11, 2011 Commissioner's Ledford and Hollifield will serve from 12:30 p.m. until 8:00 p.m. Commissioner Street will serve from 12:30 p.m. until 4:30 p.m. Commissioner Slagle will serve from 4:30 p.m. until 8:00 p.m.

- B. Revaluation** – Chairman Miller informed the Board they needed to make a decision whether to do to the Reval at four years or at five years. Chairman Miller asked Commissioner Slagle to tell the Board what his opinion was on the Reval.

Commissioner Slagle asked what the existing condition is with the company that did the last Reval. He stated he was not sure why we were looking at a four or five year Reval.

Chairman Miller stated the Board had talked about the possibility of having a Reval every four years instead of every eight to try to keep the values more current. He informed Commissioner Slagle the previous Board had entered into an agreement with Wampler & Eanes Associates to do a Reval either in the fourth or fifth year at the same price as they did the last one. If the Board chooses not to do that, then it will go to the eighth year and the price will be up for negotiations. Chairman Miller stated that if the Board was going to do a four-year Reval, they would have to get moving on it.

Commissioner Slagle asked the price of the contract. Clerk to the Board Young informed the Board the price of the contract was \$18.50 per parcel for a total price not to exceed \$338,550.

Chairman Miller stated the issue the Board needed to deal with is if we do a Reval the values will probably decline some, because of the sales that are on the books. Then the next issue that comes into play is the financing for Mitchell County. If the values drop then the revenues will drop at the current mileage rate. So, there has to be some way to be able to finance Mitchell County. If the values drop will the mileage rate have to be increased? So those are the two cases we are caught between.

Commissioner Slagle asked Assessor Hyder what he would anticipate the reduction being based on current sales versus where the values are currently. Assessor Hyder stated currently fifteen percent. Commissioner Slagle asked what kind of sales and splits are we having in the tax office. He asked if there was a lot of turn over in property. Assessor Hyder stated it was not as robust as it once was, but there is still a good bit of turn over.

Commissioner Ledford said that it seemed to be picking up from what he is hearing. Commissioner Ledford said the issue is to him; property is probably over valued right now. Commissioner Hollifield stated it was way over valued. Commissioner Ledford stated that if we proceed with a Reval then it should bring it back more in line to what it is worth. When we lower your worth if you maintain your services then your tax rate has to go up. This is not whether or not we are going to be able to decrease people's taxes, it doesn't matter what it is appraised at you have to set the mileage rate to collect x amount of dollars.

Chairman Miller stated that the Board would have to do that or we would have to cut some expenditures and services. Commissioner Hollifield stated that would not be out of reason either. Chairman Miller explained the Board would have to look at what to cut, because those had to be real dollars.

Commissioner Slagle asked what kind of services did Wampler and Eanes give us? Are we satisfied with it? Assessor Hyder explained the Sales Ratio out of the gate was around ninety-seven percent, so they recognized

there was a decline in values and their appraisal reflected that decline. As far as the accuracy goes, he could tell the Board he did see more than one fee appraisal that reinforced what they had done. They were within a couple thousand dollars of the fee appraisal for the same time frame. Last year's Sales Ratio was at 102 percent and he expects this years to be at 115 to 116 percent. Tax Assessor Hyder stated he believed their values were good.

Commissioner Slagle asked if there was a way to do a partial Reval. He said it would cost a lot to do three percent of the properties in Mitchell County. He stated that if they are going to charge us per parcel and nothing has changed why do it. Commissioner Slagle stated that if there was some way to do a lateral adjustment. Assessor Hyder informed the Board that option had been removed from the General Statutes several years ago.

Commissioner Slagle asked if there were any special values on properties such as wetlands, access issues or properties with a view. Assessor Hyder explained those are used as attributes to properties to meet State and Federal regulations. He stated that views do drive values. Commissioner Ledford stated there had to be objectivity and that is where you get your professional outside appraiser. He stated he didn't want it left up to him to decide on view values. Chairman Miller stated it was both objective and subjective, but there is some objectivity to the value of the location of a piece of property. Commissioner Slagle stated he felt the Board needed to be fair and save money.

Commissioner Street asked if every single county used an outside evaluator. He asked if consideration had been given to handling this internally. Chairman Miller stated he did not have the time. Commissioner Ledford stated it would take another department. Assessor Hyder stated that Avery County has eight people on staff. Commissioner Ledford said it becomes a money issue and you couldn't hire my first cousin who is a good old boy. Chairman Miller stated they would have to have credentials.

Commissioner Hollifield asked the Board to remember back in the time the Board did the revaluation itself. He said JD Hollifield, Monroe Buchanan, Fred Pitman took their time and divided the county up. They put the land back in the right prospective. Commissioner Ledford stated he rested his case. Commissioner Hollifield stated that if it came down to this Board having to do that looking at the fairness of this county... this revaluation has left a bad taste in people's mouth. He stated it was not done fair and it was not a good thing to have the same bunch reevaluate it every time. He stated he felt they would go back and do it exactly like they did the last time. Commissioner Hollifield stated he had some issues with the reval and Assessor Hyder plainly told him that your house does not depreciate that it was an investment. He said it was an investment if he invested in it, but if you don't invest in it depreciates. Commissioner Hollifield stated common sense tells you if you have a \$500,000 house and you don't do anything to it in twenty (20) years it will go down to nothing. He stated people don't want a revaluation every four years. Commissioner Hollifield said chances are that if we do it again in four years it will go up instead of down. He stated that the taxes go up again. Commissioner Ledford stated not necessarily, you set the tax rate based on the appraisal and the valuation of the entire county. Commissioner Hollifield stated that it was not a sin to raise the tax rate up if that is what it takes as long as everybody is satisfied with his or her values. He said they were getting away from the Machinery Act and we are getting away from where a piece of land is based on the buyer and seller. It doesn't matter about a view. If you take a poor farmer that because there is a housing development up on the hill his values goes up it is fair. Chairman Miller informed Commissioner Hollifield that the housing developments were segregated.

Commissioner Hollifield asked what had happened to timberland and what has happened to the flood zone. He stated that when Wal Mart came out there he wishes it was built in Bakersville. He said when it came to Grassy Creek everything out there that was in a flood zone is no longer in a flood zone. It is all prime property.

Chairman Miller suggested that the Board; if they forgo the reappraisal, take a close look at the County budget and establish our mileage rate based upon what we choose to finance. If there is something Mitchell County does not need cut it out and base the mileage rate strictly on the needs of Mitchell County. Commissioner Slagle asked Chairman Miller if he was suggesting a 4 or 8 year reval. Chairman Miller stated an 8-year reval.

Commissioner Hollifield stated he felt the majority of the people in Mitchell County would go along with that. It kind of burnt them up when it came out in the paper that we were going to do this again in 4 years. Commissioner Street agreed that we want to have the fairest appraised tax values we can. He said that we need to set the budget first. Then based on the budget we will know what we need to operate.

Commissioner Street stated that if you have a low value then you will have a high tax rate and people would not want to hear that. Chairman Miller stated that the Sales Ratio was so close presently that we are not going to be swayed by a drastic difference there. Assessor Hyder stated that currently Mitchell County was 15 percent over. He explained that real estate is only a portion of the tax value. Assessor Hyder pointed out that when your sales ratio declines below 90% the public utilities start paying less. In Mitchell County there is 66 million dollars in public utilities. Assessor Hyder stated that as of January 1 this year he would estimate the sales ratio to be at 115 %.

Commissioner Ledford stated that property and houses right now are on the tax books for more than they are worth generally speaking. He explained that if we don't do a reappraisal then that is going to stay there. Commissioner Ledford stated where and he and Commissioner Hollifield didn't agree was on the appraisal that this group did was fair. Certainly, mistakes were made. Commissioner Ledford stated he would go to his grave stating it was fair and above board. He said that if we agree that property is too high, and he thinks that it is, then let to a reappraisal and bring it down to where it should be.

Further discussion was held. Chairman Miller suggested that the Board bypass the 4-year reval and look at it again for the 5th year. Commissioner Slagle stated that the Board had to notify the company that Mitchell County would not be doing a 4-year reval and would look at again at the 5th year. By consensus the Board agreed not to do a 4-year Revaluation and to give consideration to a 5-year Revaluation. The Board requested County Attorney Harrison to develop a resolution stating that Mitchell County would not be doing a 4-year reval to send to the NC Department of Revenue. Commissioner Hollifield moved to adopt the resolution (a copy is hereby attached and becomes a part of the minutes). Commissioner Street seconded the motion and it carried unanimously.

- C. Date for Budget Workshop** – By consensus the Board agreed to meet on April 12, 2011 at 5:00 p.m.
- D. Budget Request for the Mitchell County Sesquicentennial** – Chairman Miller stated he has requested County Manager Vines to contact Becky Anderson, EDC Director to see if the EDC would help fund the Mitchell County Sesquicentennial. Commissioner Slagle stated he did not feel this would be a good use of the taxpayer's money. Commissioner Street

moved to fund \$10,000 for the Mitchell County Sesquicentennial and to request EDC to fund \$5,000 for the project. Commissioner Ledford seconded the motion and it carried 3 to 2. Commissioners Slagle and Hollifield opposed the motion.

- E. Hazard Mitigation Plan Resolution**
- F. Resolution to Adopt the Toe River Regional Hazard Mitigation Plan**
- G. Resolution Opposing North Carolina General Statute 87-97**
- H. Resolution Opposing the Loss of County School Construction Dollars and the Shift of State Funding Responsibilities to Counties**
- I. Nationwide 457 Deferred Compensation Plan**
- J. Lease Agreement Between Mitchell County and the State Employees Credit Union**
- K. Western Highlands 2nd Quarter Fiscal Monitoring Report Ending December 31, 2010 for FY 2011**
- L. Resolution for Environmental Assessment**

Commissioner Slagle moved to approve Items 10. E-L as presented (a copy of each item is hereby attached and becomes a part of the minutes as Attachment C-J). Commissioner Hollifield seconded the motion and it carried unanimously.

9. APPOINTMENTS

- A. DSS Board Appointment** – Commissioner Slagle moved to appoint Commissioner Hollifield to the DSS Board. Commissioner Ledford seconded the motion and it carried unanimously.
- B. Mitchell County Transportation Advisory Board** – By consensus the Board tabled this item.

10. CONSENT AGENDA

- A. Releases for March 2011**
- B. Discoveries for March 2011**

Commissioner Slagle moved to approve the Consent Agenda (a copy of the Consent Agenda are hereby attached and becomes a part of the Minutes as Attachment K-L). Commissioner Street seconded the motion and it carried unanimously.

- 11. COUNTY MANAGER'S REPORT** – County Manager Vines informed the Board he would be in Raleigh on April 7 – 8 to meet with Representative Frye and Senator Hise and he would be attending the County Manager's Budget Forum. He reminded the Board of their invitation to Mayland Community College on April 26 at 5:30 p.m.

- 12. BOARD COMMENTS** – Commissioner Slagle stated he felt the consent agenda items needed to be moved to Items for Discussion. Commissioner Street agreed with Commissioner Slagle. By consensus the Board agreed not to have a Consent Agenda.

- 13. ADJOURNMENT** – Commissioner Hollifield moved to adjourn the meeting. Commissioner Ledford seconded the motion and it carried unanimously.

The meeting adjourned at 8:45 p.m.

MITCHELL COUNTY BOARD OF COMMISSIONERS

Marvin Miller, Chairman

Lee Roy Ledford, Vice-Chairman

Ken Hollifield, Member

Bill Slagle, Member

Joe Street, Member

ATTEST:

Kathy Young, NCCCC Clerk to the Board