

Minutes of the 28 March 2011
Special Meeting of the Yancey County Board of Commissioners
Held at 2:00 o'clock p.m. in the Commissioner's Meeting Room
Yancey County Courthouse, Burnsville, North Carolina

Present at the 28 March 2011 meeting of the Yancey County Board of County Commissioners were Chairman Johnny Riddle, Member Jill Austin, Member Dale England, Member Marvin Holland, Member Michele Presnell, County Manager and Assistant Clerk to the Board Nathan Bennett, County Attorney Donny Laws, County Planner Jamie McMahan, Tax Administrator Jeff Boone, County Property Appraiser Debbie Wilson, Tim Cain President of Assessment Solutions Inc., Steve Pelfrey and Doug Huffman from N.C. Department of Revenue. Also present were members of the local media.

Call to Order and Approval of Agenda

Chairman Riddle called the meeting to order, welcomed and thanked everyone for their attendance. Chairman Riddle then moved to the approval of today's meeting agenda. All items for discussion on today's agenda are consistent with the advertised meeting notice posted pursuant to state law. Commissioner Holland made a motion to approve the agenda as prepared. The motion was seconded by Commissioner Presnell and the vote to approve was unanimous. (Attachment A)

Training Session for duties as Board of Equalization & Review by N.C. Dept. of Revenue

Chairman Riddle addressed the first issue on the agenda, that being a training session for duties as the County Board of Equalization and Review. Chairman Riddle introduced and welcomed staff from the N.C. Department of Revenue, Steve Pelfrey and Doug Huffman, who provided the training. Mr. Pelfrey gave the Board a summary of his background and that of Mr. Huffman, and the role of the Property Tax Division. Mr. Pelfrey advised the Board they were here to provide training, also called "charging of the Board," in regard to their duties as the County Board of Equalization and Review. This training was a page by page review of the Department of Revenue manual entitled "Board of Equalization and Review Handbook." He advised that the state law governing and authorizing the property tax process is contained in the "Machinery Act." The Machinery Act governs all aspects including the oath of office Board of Equalization and Review members must take, as well as defining the mandatory starting period for the appeals process -- convene between the first Monday in April and the first Monday in May. County Tax staff advised the Board there are approximately 70 appeals currently in hand but taxpayers have until the adjournment date to appear and appeal property tax values to the Board of Equalization and Review. Mr. Pelfrey advised the Board that changes in value cannot be made for depreciation of the improvement, inflation, or deflation of the market value. He advised the Board that the County is looking at the market as a whole and not on the basis of an individual transaction to determine market value. In response to a question from Commissioner Holland, Mr. Pelfrey advised the Board that if there is a change made in value, there is no refund of prior tax paid on the previous value -- the value from the point the appeal was made is the basis of payment. An important piece of the process is that once an appeal is heard from the taxpayer, the Board of Equalization and Review has 30 days to issue a "Notice of Decision" to the taxpayer. This notice must include several elements including the date the decision was made and the address of the State Property Tax Commission is the taxpayer wishes to appeal their decision. The Department of Revenue provides county's a form they can use for this notification. There was general discussion between Board members and the Department of Revenue staff regarding topics covered during the training session and the handbook. Training was for informational and edification purposes of the Board.

At the conclusion of the training county tax staff and Department of Revenue left the meeting room to discuss logistics for scheduling Board of Equalization and Review meetings and were not immediately available to address next item of Tax Department Report in order.

Library Construction Update

Chairman Riddle moved to next item on the agenda, Library Construction Update. County Manager Nathan Bennett and County Planner Jamie McMahan reviewed the status of the new county public library construction project. The Board was reminded of the 10-year long history of the project, the many grants and prior phases of construction to save and renovate the historic Yancey Collegiate Institute as the new Yancey County Public Library. Mr. Bennett and Mr. McMahan reviewed the funding source for the current construction which will complete the project and allow the facility to open to the public by June 2011. The funding for this project was secured in 2010 from a federal stimulus bond program called Recovery Zone Economic Development bonds. The County secured a \$990,000 loan from BB&T to finance the completion of the project. The project was bid competitively and the project was awarded to

H&M Constructors from Asheville at a contract amount of \$950,951. The construction project has progressed well and on schedule. However, as anticipated, due to the age and unknowns associated with renovations of a historic structure, there have been several necessary change orders which have exhausted the contingency funds. Few additional change orders are expected from now until completion. There is a need at this point to include a plan for additional parking for the facility. The prior plan only included required handicap parking in the front of the building but at this point, there is a strong desire to expand that parking design to include 12 to 15 spaces. Mr. Bennett requested the Board authorize him proceed with the new parking plan, as well as any potential change orders and authorize him to utilize the funding available from the difference in the contract amount and the loan amount. Commissioner England made a motion to authorize the county manager to spend funds available in the bond financing up to the borrowed amount of \$990,000 for the proposed parking plan and continued library construction requirements. The motion was seconded by Commissioner Austin and the vote to approve was unanimous.

County Property Issue

Chairman Riddle moved to the next item on the agenda, discussion of county property issue. Chairman Riddle recognized County Attorney Donny Laws who advised the Board that the update he would provide should be conducted in closed session as there is an ongoing investigation into allegations for county property. Chairman Riddle asked for a motion to enter into closed session pursuant to N.C.G.S. 143-318.11(a)(7). Mr. Jonathan Austin, member of the press as Yancey County News, objected to the Board entering closed session stating that the investigation by the Sheriff is "complete" and therefore the information the Board would hear should be public. Mr. Laws responded that the internal investigation by Sheriff Banks may be complete but the larger investigation by the District Attorney is not complete and again advised the Board that his counsel would be that this discussion should be held in closed session as provided for by law. Commissioner England made a motion to enter into closed session pursuant to N.C.G.S. 143-318.11 (a)(7), "To plan, conduct, or hear reports concerning investigations of alleged criminal misconduct." The motion was seconded by Commissioner Holland and the vote to approve was unanimous.

Upon hearing information regarding an update on the county property issue, Commissioner Holland then made a motion to return to open session. The motion was seconded by Commissioner England and the vote to approve the motion was unanimous. There being no action related to the closed session the Board then moved to the final agenda item.

Tax Administration Report and Update

Chairman Riddle then moved to the previously skipped item, tax administration report and update by Tax Administrator Jeff Boone and Tim Cain of Assessment Solutions. Mr. Cain was recognized by Chairman Riddle to provide the update. Mr. Cain advised the Board that his company, Assessment Solutions, completed the county's last general reappraisal effective January 1, 2008. He advised his company has three main goals as criteria when doing property revaluation work: transparency, accountability and simplification. Mr. Cain advised the Board that the N.C. Department of Revenue audited the revaluation work and found it to be 99.74% accurate, and with a coefficient of dispersion ratio of 10.88%, the revaluation values were the most accurate in North Carolina. He advised the statistics now show a coefficient of dispersion ratio of 55.34%, which is 5 times increase over 2 years, from the best property valuation in the state to 99th. Mr. Cain advised that there are several issues to consider here, including present use value exemptions. State law requires that one-eighth of properties in a present use value (PUV), such as agriculture or forestry management, are to be audited each year. There is no evidence that the tax department has ever audited these properties. There are approximately 1,000 properties in a PUV and there are missing applications and no substantiating documentation in half of those. Assessment Solutions has been working with the new tax department staff to identify these issues and letters will go out to those properties in PUV to begin a thorough review of these properties to ensure they qualify for the claimed PUV. Mr. Cain advised the Board, in his opinion, should consider two things: consider moving to a four-year general reappraisal cycle up from the statutory minimum eight-year cycle, and implementation of a subdivision ordinance.

Discussion between the Board and Mr. Cain ensued regarding moving to a general reappraisal to a 4-year cycle to be completed and effective by January 1, 2012. Commissioner Presnell questioned how this process could be completed in less than six months given the understanding that the reappraisal process starts two years before it is to be effective and also how the county could afford a \$300,000 reappraisal at this point. Mr. Cain advised that since his company did the last general appraisal and has been involved with the tax department the past year to address other issues, that he and his team could tackle a project of this scope, address all issues, and complete the reappraisal at a cost for approximately \$150,000 and the county would

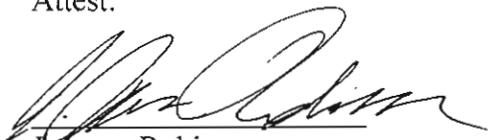
not be required to pay for the work until the finished product is turned over to the county. Commissioner Presnell expressed that she does not support a general reappraisal as that could be a double-edged sword, resulting in lower values reducing the county's much needed revenue stream and cost to the county to complete. Commissioner Holland also questioned doing a reappraisal and suggested that corrections could be made to correct any errors. Mr. Cain responded that there is no way to ensure accuracy and equality by a piece-mill approach, that a reappraisal will allow everyone to start with a clean slate. Commissioner Austin expressed she believes that everyone should pay their fair share of taxes and that this reappraisal process would ensure that philosophy. Commissioner England also stated he is concerned that the county should have a fair and accurate tax process and that given the current property market values the only way to accomplish equality is a general reappraisal. Mr. Cain acknowledged that all Board members raise valid concerns and that he thinks that everyone desires a taxing system that is fair and consistent. At the conclusion of discussion, Commissioner England made a motion that Yancey County should do a property revaluation for 2012. The motion was seconded by Commissioner Austin. Commissioners voting Aye on the motion: Commissioner Austin, Commissioner England and Chairman Riddle. The Commissioners voting No on the motion: Commissioner Holland and Commissioner Presnell. The motion passed with a vote of 3 to 2.

Adjournment

Having no further business Commissioner Holland made a motion to adjourn and the motion was seconded by Commissioner England. The vote to adjourn was unanimous.

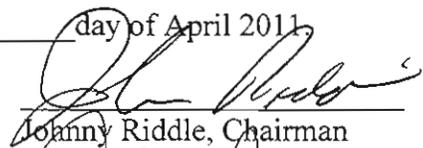
Approved and authenticated on this the 5th day of April 2011.

Attest:



Jason Robinson
Clerk to the Board

(county seal)



Johnny Riddle, Chairman



Jill Austin, Member



Dale England, Member



Marvin Holland, Member



Michele Presnell, Member

COUNTY MANAGER
Nathan Bennett



COMMISSIONERS
Jill Austin
Dale England
Marvin Holland
Michele Presnell
Johnny Riddle

YANCEY COUNTY

110 Town Square, Room 11 • Burnsville, North Carolina 28714
PHONE: (828) 682-3971 • FAX: (828) 682-4301

AGENDA
YANCEY COUNTY BOARD OF COMMISSIONERS
SPECIAL MEETING
March 28, 2011
2:00 P.M.

- I. Call to Order – Chairman Johnny Riddle
- II. Approval of the Agenda
- III. Training Session for duties as Board of Equalization and Review – N.C. Department of Revenue
- IV. Tax Administration Report and Update – Jeff Boone, Tax Administrator and Tim Cain, Assessment Solutions
- V. Library Construction Update – Nathan Bennett, County Manager and Jamie McMahan, County Planner
- VI. Discussion of County Property Issue – Donny Laws, County Attorney
- VII. Adjourn