

STATE OF NORTH CAROLINA

COUNTY OF VANCE

The Vance County Board of Commissioners and the Henderson City Council met in special joint session on Thursday, July 26, 2007 at 3:00 p.m. in the Bank of America Conference Room, Garnett Street, Henderson, NC. Those Commissioners present were as follows: Chairperson Deborah F. Brown, Commissioners Danny W. Wright, Dan Brummitt, Terry E. Garrison, A. Scott Hughes, J. Timothy Pegram, and Eddie L. Wright. Those City Council Members present were as follows: Mayor Pro-Tem Ranger Wilkerson, Lonnie Davis, Jr., Mary Emma Evans, Bobby B. Gupton, Lynn Harper, and Elissa Yount.

Absent: Mayor Donald C. Seifert, Jr., Council Member D. Bernard Alston, and Council Member Garry D. Daeke.

Also present were Assistant County Attorney Jonathan S. Care, County Manager Jerry L. Ayscue, Finance Officer Jerry L. Tucker, City Manager Jerry Moss, and Assistant City Manager Mark Warren.

Before addressing any agenda topics, Council Member Lonnie Davis introduced the idea of setting a schedule for quarterly joint meetings between the City and the County. Chairperson Deborah F. Brown suggested that since this issue is not an agenda item, it should be addressed at the end of the meeting if time permits.

The first agenda item discussed was the funding of joint City/County programs. City Manager Jerry Moss began by stating that the City had surprised the County during the recent budget process with a proposal by the City of a 12.5% cut in its share of funding joint programs; however, this proposal was not approved by the City Council. Although contracts exist between the two governing bodies for jointly funded programs, a sound solution needs to be worked out on this matter. Mr. Moss noted that it may be necessary to appoint a committee to review the existing contracts and make recommendations back to each respective Board possibly before next year's budget process begins. He stated that it is the City's hope to phase out its share of funding for all jointly funded programs over time, specifically the Library, 911, and Recreation. This would reduce the amount of property taxes for city residents and would increase property taxes for county residents.

Commissioner A. Scott Hughes stated that he could agree to the City phasing out the funding

for the Library and Recreation, but Elections and 911 should be funded according to workload.

Commissioner Deborah F. Brown stated that the Joint Intergovernmental Committee should review this matter and report back to its respective Boards. Further, she stated that Vance County is too small for the City and County to be divided on any issue. She recommended that the two governing bodies should look into the matter of merging together to form one government. Council Member Bobby Gupton echoed these remarks.

Commissioner Dan Brummitt agreed with Commissioner Hughes in that funding arrangements should be based on usage. For example, he noted that a recent library survey revealed that 81% of computer users are city residents. He also suggested that commercial property located within the city limits be considered alongside residential property when discussing property taxes. Commercial properties are most likely paying in more of the total ad valorem tax base, which are supported by city and county residents alike.

After further discussion, motion was made by Commissioner Danny W. Wright, seconded by Commissioner A. Scott Hughes, vote unanimous, that the County refer the matter to the Joint Intergovernmental Committee in order to discuss the funding of joint City/County programs and report back to the full Board of Commissioners with a recommendation. The Joint Intergovernmental Committee consists of the County's Intergovernmental Committee and the City's FAIR Committee. The members of the County's Intergovernmental Committee include Commissioner Terry E. Garrison, Commissioner A. Scott Hughes, and Commissioner J. Timothy Pegram.

Motion was made by Council Member Lonnie Davis, Jr., seconded by Council Member Bobby B. Gupton, vote unanimous, that the City also refer the matter to the Joint Intergovernmental Committee to discuss the funding of joint City/County programs and report back to full City Council with a recommendation. The members of the City's FAIR Committee include Council Member Bobby B. Gupton, Council Member Lynn Harper, and Council Member Ranger Wilkerson.

Chairperson Deborah F. Brown requested that the joint committee also discuss Animal Control inasmuch as approximately 50% of animal control calls are within the city limits.

Tax collections were discussed next. City Manager Jerry Moss stated that he would like to see a more aggressive approach to tax collections. He suggested placing levies against bank accounts, foreclosure, and selling delinquent properties at public auction. According to the tax

collection contract between the City and the County dated 1986, all real property taxes delinquent for a period of two years shall be reported to a delinquent tax attorney.

County Manager Jerry L. Ayscue explained that the County has implemented several procedures to collect delinquent taxes. The foreclosure process has been accelerated; debt set-off was implemented approximately three years ago, which sets a claim on State tax refunds; attachments have been made to bank accounts, and wages have been garnished. All of which have generated significant revenues.

Sam Jones, Tax Administrator, was present and stated that property tax account currently delinquent over four years old is pursued through foreclosure proceedings. He noted that 173 parcels have been given to the foreclosure attorney over the past two years, of which, 53 have been settled, which leaves 120 currently in progress - half of which are within the city limits.

Commissioner Dan Brummitt suggested that the appropriate County committee review the tax collection process and bring it in accordance with the joint City/County agreement. Commissioner A. Scott Hughes echoed these remarks.

Chairperson Brown stated that there may be a need to update or amend joint City/County agreements and suggested that the Joint Intergovernmental Committee address this issue during its upcoming meeting along with any other joint agreements between the City and County. She further stated that the City and County attorneys should also be a part of this process.

Council Member Elissa Yount stated that the City is not asking the County to change its policy as far as collecting County taxes, just to adhere to the agreement and pursue delinquent taxes over two years.

After further discussion, the group directed the Joint Intergovernmental Committee to address the contract provision during its upcoming meeting.

The next item discussed was the disposition of the armory, the former library building, and the former Southern National Bank building. Mr. Ayscue noted that the two governmental entities equally own the armory, former library and former Southern National Bank buildings. He explained that decisions have been made on how to proceed with disposition as indicated below. Now that the budget process has been completed, staff are working on selecting real estate firms and appraisers.

Armory. The City and County have agreed to place this property on the market and divide the net proceeds equally. A real estate firm needs to be selected.

Former Library. The City and County have agreed to secure another appraisal from an outside firm. After doing so, the property will be offered at the new appraisal price to the County for purchase. The original appraisal was \$205,000. An outside appraisal firm must be selected.

Southern National Bank Building. The City and County have also agreed to obtain an appraisal of this property and sell it, with the net proceeds to be reserved for relocating the Historical Society's artifacts, displays, etc. to McGregor Hall. This is contingent upon the Historical Society obtaining advance approval of its relocation plan. An appraisal firm and a real estate firm must be selected.

Council member Elissa Yount stated that she would like to see the former Southern National Bank building to be used as a stop for the future highspeed rail station.

Commissioner Terry E. Garrison replied that the Board of Commissioners has already taken action to sell the building with the proceeds to be used to relocate museum artifacts and displays.

Commissioner Danny W. Wright suggested that the building be appraised by a local appraiser.

Council member Bobby Gupton stated that the City has voted to do whatever the County voted to do. He questioned why the building needs to be appraised since it is likely that the cost of relocating will be more than the actual sale of the building.

Motion was made by Commissioner Dan Brummitt to direct the County Manager and City Manager to engage the services of a real estate firm that is needed for the Armory, an outside appraisal firm for the former library, and an appraisal firm and a real estate firm for the Southern National Bank building. The Managers are to give a progress report to their respective Boards within thirty (30) days. This motion was seconded by Commissioner Terry E. Garrison.

County Manager Jerry L. Ayscue noted that there may not be a need to engage the services of a real estate firm for the Southern National Bank building if there is a buyer for the building after the appraisal is completed.

Vote on the motion by the Board of Commissioners was unanimous.

At this time, motion was made by Council Member Lonnie Davis, Jr., seconded by Council Member Mary Emma Evans, vote unanimous by the Henderson City Council, to direct the City Manager and County Manager to engage the services of a real estate firm that is needed for the Armory, an outside appraisal firm for the former library, and an appraisal firm and a real estate firm

for the Southern National Bank building. The Managers are to give a progress report to their respective Boards within thirty (30) days.

The group then discussed potential water sales to Vance County. City Manager Jerry Moss explained that the Town of Creedmoor is negotiating with the City of Oxford, which is in turn negotiating with the City of Henderson for the sale of water to the Town of Creedmoor. The Town of Creedmoor has requested 1.67 million gallons of water and is willing to pay the City of Henderson to reserve this water.

According to correspondence between Jerry Moss and Jerry Ayscue, Vance County has projected a need for 500,000 to 700,000 gallons of water by the year 2010. Mr. Moss requested the County to officially request the City to reserve this water. He suggested that this would need to be discussed further during the joint committee meeting.

Council Member Elissa Yount stated that if the water meter in Middleburg is moved, Middleburg residents would be receiving water from Henderson rather than Warrenton. This would affect the number of gallons needed by the County. She also stated that the City's IBT permit is up for negotiation at this time which currently allows 10 million gallons per day to be processed. There is currently a state bill which has been introduced that will prevent Inter Basin Transfer. If this bill passes, it will prevent the City of Henderson to sell water which would take away the regional concept of water. Ms. Yount reported that the City will be requesting the exemption of the Kerr Lake Regional Water System from this bill.

Jerry Ayscue asked if it would be appropriate for the County to send a letter to the appropriate legislators in support of the City's efforts in this regard. Elissa Yount and Jerry Moss both indicated that this would be very helpful.

Commissioner Danny W. Wright suggested that the issue of potential water sales to Vance County be reviewed and discussed during the joint committee meeting.

After further discussion, Commissioner Deborah F. Brown clarified that the issue of water sales would be discussed during the joint committee meeting and that the Board of Commissioners directs the County Manager to coordinate with the City Manager in order to produce a letter of support of the City's efforts regarding the IBT bill.

City Manager Jerry Moss thanked those present for coming together to meet on joint issues.

The group then discussed meeting quarterly if needed. The Board of Commissioners, by

consensus, agreed to meet with the City of Henderson quarterly if necessary.

As there was no further business, motion was made by Commissioner J. Timothy Pegram, seconded by Commissioner Terry E. Garrison, vote unanimous, that the meeting be adjourned.

Approved and signed August 6, 2007.

Chairperson