

STATE OF NORTH CAROLINA

COUNTY OF VANCE

The Vance County Board of Commissioners met in special session on Monday, February 18, 2008 at 6:00 p.m. in the Commissioners' Conference Room, Vance County Administration Building, 122 Young Street, Henderson, NC. Those Commissioners present were as follows: Chairman Danny W. Wright, Commissioners Dan Brummitt, Deborah F. Brown, Terry E. Garrison, J. Timothy Pegram, and Eddie L. Wright.

Absent: Commissioner A. Scott Hughes.

Also present were County Manager Jerry L. Ayscue and Assistant County Attorney Jonathan S. Care.

Chairman Danny W. Wright gave the invocation.

Chairman Wright stated that the purpose of the special meeting was to address County Water Project-Bond Referendum Matters and Property Revaluation Matters.

Assistant County Attorney Jonathan S. Care stated that the first order of business is to file an application with the Local Government Commission. The application must be signed by the County Finance Officer. Inasmuch as the finance officer position is vacant due a recent retirement, Attorney Care recommended that the Board adopt a resolution appointing Jerry L. Ayscue as the Interim Finance Officer of the water district.

Motion was made by Commissioner Eddie L. Wright and seconded by Commissioner Dan Brummitt to adopt the following resolution naming Jerry L. Ayscue as the Interim Finance Officer of the District.

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**Resolution Naming Jerry L. Ayscue
as the Interim Finance Officer
of the Vance County Water District**

BE IT RESOLVED by the Board of Commissioners (the "Board") for the Vance County Water District (the "District"):

Section 1. The Board does hereby find and determine as follows:

(a) The District has heretofore been established for purposes of developing a District wide water system, financing such water system through the issuance of general obligation bonds of the District.

(b) It is now appropriate to commence proceedings for the authorization of such bonds, and it is now necessary that the District name a Finance Officer to perform certain duties in connection with such authorization.

Section 2. Jerry L. Ayscue is hereby appointed as the Interim Finance Officer of the District.

Thereupon, the resolution was passed by the following vote:

Ayes: Chairman Danny W. Wright, Commissioners Dan Brummitt, Deborah F. Brown, Terry E. Garrison, J. Timothy Pegram, and Eddie L. Wright.

Noes: None

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Attorney Care then introduced the following resolution and stated that the adoption of said resolution is the next step to authorize the application to the Local Government Commission for the issuance and approval of the issuance of the bonds.

Commissioner Deborah F. Brown referred to item (e) of the resolution and expressed her concerns with the open-ended language that is used. The word “excessive” could be interpreted in different ways. Mr. Ayscue responded that the language is consistent with the requirements in the application by the Local Government Commission.

Motion was made by Commissioner Dan Brummitt and seconded by Commissioner Terry E. Garrison to adopt the following resolution making certain findings and determinations, authorizing the filing of an application with the Local Government Commission and appointing bond counsel in connection with the proposed issuance of water system bonds by the district.

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**Resolution Making Certain Findings and Determinations,
Authorizing the Filing of an Application with the Local Government Commission
and Appointing Bond Counsel in Connection with the Proposed Issuance
of Water System Bonds by the District**

BE IT RESOLVED, by the Board of Commissioners (the “Board”) for the Vance County Water District (the “District”):

Section 1. The Board does hereby find and determine as follows:

(a) Studies have been completed to demonstrate the need for the construction, installation and equipping of a District wide water system.

(b) The Board wishes to commence the procedures for the authorization of general obligation water bonds to provide financing for such project.

(c) The project to be funded by the proposed bonds is necessary and expedient, and the amount of proposed bonds is adequate and not excessive to fund said project.

(d) The debt management and the budgetary and fiscal management policies of the District have been carried out in compliance with applicable law.

(e) The increase in taxes, if any, necessary to serve the proposed debt will not be excessive.

Section 2. The Interim Finance Director of the District is hereby authorized and directed to file an application of the District with the North Carolina Local Government Commission for approval of not exceeding \$27,000,000 Water Bonds of the District, and any action heretofore taken to file such application is hereby approved, ratified and confirmed. The Clerk to the Board is hereby authorized to publish a notice of intent to file such application in the manner provided by law, and any action heretofore taken to publish such notice is hereby approved, ratified and confirmed.

Section 3. The law firm of Womble Carlyle Sandridge & Rice, PLLC is hereby appointed to serve, but solely at the pleasure of the Board, as bond counsel for the District.

Section 4. May 6, 2008 is hereby established as the date of the referendum to be held on the issuance of said water bonds, subject to the adoption of a bond order duly providing for the issuance of the bonds, subject to approval at a referendum.

Section 5. The appropriate officers of the District are hereby authorized and directed to do any and all things necessary, appropriate or convenient to carry into effect the provisions of this resolution.

Section 6. This resolution shall take effect immediately upon its passage.

Thereupon, the resolution was passed by the following vote:

Ayes: Chairman Danny W. Wright, Commissioners Dan Brummitt, Deborah F. Brown, Terry E. Garrison, J. Timothy Pegram, and Eddie L. Wright.

Noes: None

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Attorney Care then suggested that another meeting be scheduled for next week for approval of the next few items necessary. Chairman Wright requested any information for these meetings be distributed to the Board a couple of days ahead of the meeting. Commissioner Deborah F. Brown questioned why additional items could not have been addressed during the present meeting. She also requested an outline or schedule of upcoming proceedings. Mr. Ayscue replied that the application must be submitted to the Local Government Commission before any further action may be taken.

Motion was then made by Commissioner Dan Brummitt to schedule a special called meeting for Wednesday, February 27 at 4:00 p.m. This motion was seconded by Commissioner Deborah F. Brown and unanimously approved.

The next item addressed related to the property tax revaluation process. Mr. Ayscue stated that the Properties Committee, along with Michael Brown with the Department of Revenue, had met to discuss an error that was discovered on one page of the Schedule of Values which had been previously approved by the Board. The page in question references an acreage factor table which had mistakenly not been updated from the previous revaluation process in 2000. However, reappraisals were actually computed based on the correct 2008 table.

During the Committee meeting, Mr. Brown presented two options. The first option was to change the factor table and go through the hearing process again which would take about 60 days. Because of time sensitivity, Mr. Brown did not recommend this option. The second option, which was recommended by Mr. Brown, was to allow the Schedule of Values to remain as is, and to send adjusted notices to the property owners whose tracts of land were affected. The notices would reflect a reduction in the reappraised value of those parcels.

Sam Jones, Tax Administrator, and Bob Pearson, Pearson Appraisal Services, Inc., were present to explain those options further. Mr. Pearson stated that if the Board decides to proceed with the second option, the amount of reduction would be approximately 0.7% of the total tax base.

Commissioner Deborah F. Brown expressed her displeasure with this option because of its unfairness to the property owners that were not affected by this error. She suggested that the first option be implemented and start the process over with the correct factor table.

Mr. Pearson stated he would support whatever decision the Board made and explained the first option in more detail. After the revised Schedule of Values is submitted and approved by the Board, a public hearing will need to be held two weeks later. Then for four consecutive weeks a notice would be published in the newspaper informing the public of the appeals process for the actual Schedule of Values. If any appeals are made protesting the Schedule of Values, they would be heard by the Property Tax Commission.

After further discussion of the matter, motion was made by Commissioner Deborah F. Brown to correct the acreage factor table in the Schedule of Values and begin the process over and proceed as expeditiously as possible. This motion was seconded by Commissioner Terry E. Garrison and unanimously approved.

Commissioner Brummitt requested a calendar of procedures from this point forward. Mr. Pearson replied that he would distribute that information along with the new schedule of value books next week.

As there was no further business, at 6:50 p.m. motion was made by Commissioner Dan Brummitt, seconded by Commissioner Eddie L. Wright, vote unanimous, that the meeting be adjourned.

Approved and signed March 10, 2008.

Chairman