

Regular Session, September 8, 2014, 7:00 p.m.
Catawba County Board of Commissioners

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The Catawba County Board of Commissioners met in regular session on Monday, September 8, 2014 at 7:00 p.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Vice-Chair Randy Isenhower and Commissioners Dan Hunsucker, Lynn M. Lail and Barbara G. Beatty. Chair Katherine W. Barnes was absent.

Also present were County Manager J. Thomas Lundy, Assistant County Managers Dewey Harris and Mary Furtado, County Attorney Debra Bechtel, and County Clerk Barbara Morris.

1. Vice-Chair Randy Isenhower called the meeting to order at 7:00 p.m., noted there was a quorum present and Chair Barnes was absent.
2. Commissioner Dan Hunsucker led the Pledge of Allegiance to the Flag.
3. Vice-Chair Isenhower offered the invocation.
4. Commissioner Hunsucker made a motion to approve the minutes from the Board's Regular Meeting of August 18, 2014. The motion carried unanimously.
5. Recognition of Special Guests: Vice-Chair Isenhower welcomed everyone and recognized Commissioner Candidate Ed Ide.

6. Public Comments for Items Not on the Agenda:
Amelia Kennedy and Martha Carrillo presented a letter from the Consul General of Mexico for North Carolina which acknowledged and congratulated the County's initiative to reflect Catawba County's multicultural population during the Soldiers Reunion Day Parade.
7. Presentation:
Commissioner Hunsucker presented Assistant Emergency Services Director Mark Pettit with a proclamation recognizing October 5-11, 2014, as Fire Prevention Week, urging Catawba County citizens to protect their homes and families by installing smoke alarms, testing those alarms every month and by having a home fire escape plan in place. This year's theme, "Working Smoke Alarms Save Lives: Test Yours Every Month" is to remind the public that they need working smoke alarms to give them time to get out safely if a fire occurs.
8. Public Hearing:
Planning Director Jacky Eubanks came forward and requested the Board hold a public hearing to receive citizens' comments on the Highway 150 Corridor Plan and approve the Plan and accompanying maps as recommended by the Planning Board, with the exception of not including all of the approved Village Center in the Mixed Use Corridor-Overlay.

Over the past fifteen years, Catawba County has adopted long-range planning initiatives for the purpose of providing the framework for coordinated growth and development. These plans included a countywide comprehensive plan, referred to as VisionQuest 2010 (1996), Future Forward (2003), and smaller focused plans referred to as "Small Area Plans" or SAPs. The plan most associated with the Highway 150 corridor is the Sherrills Ford SAP (February 2003).

The purpose of the Highway 150 Corridor Plan is to build on the foundation of the existing plans and develop a more detailed set of implementation strategies with measurable outcomes and timelines. The planning process also allows for reexamination of policies, given current economic conditions and recent developments within the plan boundary. Most notably is the increased activity around the Highway 150 corridor as a major link between Charlotte and Hickory. Similarly, the area between Denver and Terrell will most likely experience high growth in the next several decades. The Highway 150 Corridor plan is divided into five different topic areas including: economic development, land use and community design, transportation, public services and community facilities, natural/cultural resources and open space. Each area highlights current conditions, plan principles (carried over from the Sherrills Ford Small Area Plan), plan goals, and Plan Actions Strategies, which are the implementation components of the Plan.

Following are some of the key goals highlighted in the Highway 150 Plan based on existing plans and citizens' input: pursue well planned developments offering amenities, services, and jobs designed to attract a wide ranging population at strategic locations within the corridor; modify land area for mixed use, commercial, and multi-family development so it is clustered at strategic intersections to allow for increased access to goods and services, while minimizing associated traffic congestion; allow for additional flexibility within the Mixed Use Corridor-Overlay, through additional uses, roof design and placement of structures within developments; promote the route for Highway 150 through the Terrell Historic District, and the intersection alignments of Sherrills Ford Road/Slanting Bridge Road, Highway 150/Mt. Pleasant Road, and Highway 150/Greenwood Road; construct a multi-purpose lane and bike path during the widening of the Highway 150 corridor; request that the North Carolina Department Of Transportation (NCDOT) consider designing an elevated Lake Norman bridge in order to provide greater access to larger boats; work with Iredell County and Mooresville to coordinate Highway 150 development regulations; and include the Community Oriented Schools concept, which uses a collaborative process that involves the community, key stakeholders, planning, and school officials as one of the factors in new school facility site selection; preserve open space by encouraging farmers to participate in the Voluntary Agricultural District program and work with developers to include open space within their projects; and encourage and support the Catawba County Historical Association and North Carolina Historical Society to preserve historic properties and help identify adaptive reuse opportunities to ensure sustainability.

The Highway 150 Corridor Plan includes a future land use map that reflects the recent development within the plan boundary and identifies areas that may be appropriate for future development. The map is broken down into several categories: Residential-High Density (R-20), Residential-Medium Density (R-30), Office-Institutional, Mixed use/Commercial/Multi-family, and Industrial/Infrastructure. Residential-Medium density areas (R-30) are located near the lake to help protect the environmental quality of the area and allows for 1.33 dwelling units per acre and limited non-residential development (churches, schools). Residential-High Density (R-20) applies to areas with proximity to commercial districts and amenities, but farther from the lake. The mixed-use areas are limited to properties adjacent to or within a short distance from the intersections of Highway 150/16, Highway 150/Mt. Pleasant Road, Highway 150/Slanting Bridge Road, Highway 150/Sherrills Ford Road, and where existing commercial uses exist near the lake on the eastern end of the corridor. Mixed-use development can include higher density residential, commercial, and office-institutional uses. The industrial areas are limited to areas currently zoned Industrial.

The Plan was drafted by the Catawba County Planning staff with information from several agencies in Catawba County and regional information from Lincoln County, City of Mooresville, and Iredell County which touch the study areas. A public informational forum was held on November 21, 2013, to gather public comments on the plan. Approximately 250 people attended the meeting. There were several written comments received from the attendees. Generally speaking, most wanted commercial activities along the corridor, but wanted them somewhat consolidated with joint access to avoid commercial sprawl and congestion. Most wanted bike lanes; many felt infrastructure should be installed before more development occurred. Plan strategies were considered by the Catawba County Planning Board at its February 24, 2014 meeting.

A follow-up forum was held on May 8, 2014, to give the public an opportunity to view the draft plan and offer comments. The majority of comments were consistent with those expressed at the November 21 forum. Additional comments included consideration for connection of Highway 150 with Burris Road to help with emergency traffic. Raising the proposed Highway 150 bridge over the lake to allow for larger boat access was expressed as well. Approximately 80 people attended the meeting.

The Planning Board held a public hearing on May 27, 2014, to consider the plan. No one from the public was present to speak for or against the plan. Board discussion after the public hearing included the following observations/requests: it would be advantageous to reserve additional right-of-way during the Highway 150 design phase to include space for a multi-modal path, even if trails cannot be built at this time; revise the Public Facilities & Utilities Map to show which of the sewer lines are gravity fed (if applicable) versus pressurized lines; request that NCDOT look at possible realignment or warrant study for a signal light at the Grassy Creek Road/Highway 150 and Mt. Pleasant intersection; and request that NCDOT consider the costs and benefits of raising the main Highway 150 bridge at Lake Norman. (Note: Each of these observations/requests are covered in the Plan.)

By a vote of 9-0, the Planning Board recommended the Highway 150 Corridor Plan and accompanying maps to the Board of Commissioners for its consideration for approval. Since the Planning Board public hearing, staff prepared a comparison chart reflecting current requirements and proposed changes to Mixed Use Corridor-Overlay (MUC-O) standards for the Board of Commissioners. Staff also revised the map entitled Highway 150 Corridor Study Future Zoning Overlay by removing the expanded MUC-O for the proposed Village Center and leaving the existing 500-foot MUC-O on both sides of Highway 150 through the Village Center properties. Any future development of the Village Center must meet MUC-O standards within the existing 500-foot area (either side of right-of-way) as required in the development conditions specified in the 2007 rezoning of the properties. Also, the expanded MUC-O for the Village Center is not recommended because NCDOT has yet to determine if a re-route to Highway 150 is necessary. In addition to MUC-O standards applying to a portion of the Village Center, a Planned Development-Conditional Zoning was approved on April 7, 2007, for the entire 192 acres with a set of standards, conditions, amenities, public spaces, open space, and passive recreational facilities.

Staff recommended the Highway 150 Corridor Plan as recommended by the Planning Board, with modifications to the map entitled Highway 150 Corridor Study Future Overlay by removing the expanded MUC-O for the proposed Village Center and leaving the existing 500-foot MUC-O on both sides of Highway 150 through the Village Center properties.

Vice-Chair Isenhower opened the public hearing, noting it had been duly advertised. The following people came forward to speak:

Catawba County Commissioner Candidate Ed Ide asked what the plan would cost and stated he believed businesses were not coming to Catawba County due to the high fee structure. Mr. Doug Rink stated he appreciated the Commissioners' and staff's input and responses to his calls. He said he doesn't like the Plan but it is better than what they had before. He felt they all had the same goal. He questioned why staff had spoken to the Probus group from Mooresville rather than the Rotary group in Terrell.

Vice-Chair Isenhower, seeing and hearing no one further wishing to speak, closed the public hearing.

(County Planner Jacky Eubanks later rose to clarify that, while the Probus Club meets at a Mooresville area church, most of its members are from Catawba County and that the Board, at its August 18, 2014 meeting, adjusted water and sewer tap fees, after a periodic review of regional fees determined the County's current water and sewer connection fees are not as competitive as they need to be to stimulate economic development.)

Commissioner Beatty said there was much time and effort put into this plan and staff and the Board had been diligent in ensuring the quality of this long term plan.

Vice-Chair Isenhower said he appreciated the magnitude of the work involved in preparing this plan, the effort to include prior plans and studies, and ensuring the end product was a comprehensive corridor plan. He pointed out it was fluid; it was a plan, not an ordinance.

Commission Lail made a motion to approve the Highway 150 Corridor Plan as recommended by the Planning Board; approve modifications to Map 7 reflecting the removal of the expanded MUC-O for the proposed Village Center; and leave the existing 500-foot MUC-O on both sides of Highway 150 through the Village Center properties. The motion carried unanimously.

The Highway 150 Corridor Plan is available for review in the Catawba County Planning Department, on the Catawba County Website and is included as a permanent record as part of the agenda packet for this meeting.

9. Appointments:

Commissioner Beatty recommended the appointment of John Gerke as the fifth member and for a first term on the Lake Norma Marine Commission. Mr. Gerke's term will expire September 30, 2019. Commissioner Lail recommended the appointment of Philip Moore for a first term and the reappointment of Rodney Miller for a fifth term on the Region E Development Corporation. These terms will expire September 30, 2017. Vice-Chair Isenhower stated that these recommendations for appointment came in the form of a motion, which carried unanimously.

10. Consent Agenda:

County Manager J. Thomas Lundy presented the following three items on the Consent Agenda and indicated that these items had been recommended by the Board's Subcommittees:

A. A request for the Board to approve a First Amendment to the County's Economic Development Agreement with Apple. The initial agreement with Apple, dated July 6, 2009, was very specific in outlining projects directly related to the development of a data center in Maiden. Since that time, Apple has developed other properties in Catawba County, particularly for the installation of green energy assets.

The amendment: (1) clarifies specific parcels and improvements subject to the initial agreement; (2) provides a grant for only solar improvements at the Claremont facility, but only if the State stopped providing its grant on solar equipment (no property at the Conover location is subject to the original agreement or this amendment); (3) states the County is desirous and supportive of Apple's development and utilization of green energy sources in order to offset new energy demands created by specific, identified, and announced building and personal property investments and new job creation in Catawba County; and (4) clarifies that investments on those parcels will qualify for Economic Development grants as categorized in the proposed Amendment.

The amendment clarifies that the addition of solar energy equipment will not be recognized for economic development grants by the County unless the current State exemption for grants is repealed, and would only then grant an amount equal to the current State exemption for qualifying solar equipment under North Carolina General Statutes 105-275(45), holding the County harmless. The County would receive the same amount of net taxes on the solar properties even if the current State exemption was to be repealed.

The following amendment applies:

Prepared by: Debra Bechtel, County Attorney
Post Office Box 389, Newton NC 28658

**STATE OF NORTH CAROLINA
COUNTY OF CATAWBA**

**ECONOMIC DEVELOPMENT AGREEMENT
FIRST AMENDMENT**

THIS FIRST AMENDMENT, effective the ____ day of _____, 2014 amends the Economic Development Agreement dated the 6th day of July, 2009 ("Agreement") between Catawba County ("County") and Apple Inc. ("Apple").

WITNESSETH

WHEREAS, Paragraph 5.1 of the Agreement outlined criteria for Apple to receive grants related to certain investments; and

WHEREAS, Apple has a corporate philosophy of developing green energy assets in close proximity to its facilities and the County is desirous and supportive of Apple developing and utilizing green energy sources in order to offset new energy demands created by specific, identified and announced building and personal property investments and new job creation in Catawba County.

NOW THEREFORE, the parties agree to amend the Agreement as follows:

1. [The fourth **WHEREAS** paragraph in the Agreement is hereby deleted and the following substituted in lieu thereof:

WHEREAS, Apple intends to purchase real property within the County more particularly described on Schedule 1, and other real property in the vicinity of such real property (the "Maiden Property") and that certain 125+/- acre parcel on Kelly Boulevard, Claremont, NC assigned Parcel Identification Number 3761-09-15-6074 (the "Claremont Parcel" and together with the Maiden Property, the "Land") and to construct on the Maiden Property buildings and other improvements to serve as a data center and a solar energy electric system and provide space for other functions (the "Maiden Improvements") and to erect or install on the Claremont Parcel a solar electric energy system (the "Claremont Improvements" and together with the Maiden Improvements, the "Improvements");...

2. The term Improvements as used in the Agreement shall include all buildings and other improvements at any time constructed or installed on the Maiden Property and a solar electric energy

system at any time erected or installed on the Claremont Parcel and any repairs or replacements or additions thereto or thereof but shall not include any other buildings, facilities or improvements erected or installed in or on the Claremont Parcel that are unrelated to the solar electric energy system.]

3. Paragraph 5.1 is deleted in its entirety and replaced with the following:

5.1.1. Economic Development Incentive Grants: The County will provide annual grants using the categories herein listed to classify company expenditures.

	Category	Grant Amount	Alternate Grant Amount
I	Real Property & Buildings	50% Grant Category	
II	Personal Property (including energy equipment other than qualifying solar equipment under NCGS 105-275(45))	85% Grant Category	
III(a).	Solar Property (equipment used directly and exclusively for the conversion of solar energy to electricity)	0% Grant Category unless NCGS 105-275(45) repealed	80% Grant Category upon the date NCGS 105-275(45) repeal becomes effective
III(b).	Unimproved Real Estate	0% Grant Category	

Category I Expenditures will receive grants equal to 50% of the additional ad valorem taxes paid to the County during the Initial Term attributable to investments in real property (Land and Improvements), Category II expenditures will receive grants equal to 85% of the additional ad valorem taxes paid to the County during the Initial Term attributable to investments in personal property (the Equipment, including the initial acquisition, repair, replacement and renovation thereof), and Category III(a) expenditures will receive zero grants unless the State of North Carolina repeals NCGS. 105-275(45), in which case qualified solar expenditures under Category III(a) would qualify for annual grants equal to 80% of the additional ad valorem taxes paid to the County in respect of the appraised value of a solar energy electric system. These grants will commence with the taxes payable for the tax values on January 1 of the first year for which Apple elects to receive an annual grant and January 1 of the succeeding nine years except that in the case of Category III(a) Expenditures grants will commence with the ad valorem taxes payable with respect to the first year following the year containing the effective date of the repeal of NCGS 105-275(45) and shall continue for the remainder of the Initial Term and for any Renewal Term. In the case of a partial repeal of the exemption the grant shall be pro-rated to fairly reflect the effect of any such partial repeal.

An annual grant calculated as provided below shall be payable to Apple in each calendar year (CY) during the Initial Term. For purposes of this Agreement, "CY 1" means the calendar year designated in the Commencement Notice and "CY 2" through "CY 10" means the succeeding 9 calendar years. Upon payment of ad valorem taxes by or on behalf of Apple to the County for each of CY 1 through CY 10, and certification by Apple substantially in the form of the certificate attached hereto as Exhibit B, of expenditures made to the date of such certification with proof of taxes paid by Apple, and stating the average wage paid by Apple to Apple's full-time employees at the Facility, the County will, within sixty (60) days; (i) pay to Apple an annual grant in the amount equal to .50 times the total ad valorem tax revenue received by the County attributable to the value of the real property investments (Land and Improvements) made by Apple pursuant to this Agreement in excess of the value for ad valorem tax purposes of the Land and the improvements thereon as of the date that Apple signs the agreement to purchase the portion of the Land and Improvements for which such calculation is made; (ii) an additional economic development incentive payment equal to .85 times the total ad valorem tax revenue received by the County attributable to the value of the personal property improvements (the Equipment, including the initial acquisition, repair, replacement

and renovation thereof) made by Apple pursuant to this Agreement; and (iii) should NCGS 105-275(45) be repealed and is no longer in effect for qualifying solar expenditures, an economic development incentive payment equal to .80 times the total ad valorem tax revenue received by the County attributable to the value of the qualifying solar energy electric system (meaning all equipment used directly and exclusively for the conversion of solar energy to electricity) made by Apple pursuant to this Agreement. This same process will be followed by the County in each of the immediately following 9 years. The County will not pay any grants after the Initial Term unless extended under Paragraph 6, and nothing in this Agreement precludes the County and Apple from entering into a subsequent agreement pertaining to other economic development incentives. The statements in Exhibit B shall conclusively be deemed to be accurate and complete for all purposes, including applicability of the recapture right in Paragraph 8, unless the County objects thereto within 90 days after receipt. The objection will specifically identify the County's concerns. The parties will consult in good faith to try to resolve the County's objections, and upon the County's request Apple will supply verification of the relevant wages, capital expenditures and operating expenses. If the County's objections are not resolved, the parties may pursue their legal and equitable remedies, provided that the annual grants will continue to be made until and unless a non-appealable judicial decision enjoins them.

All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands to this Agreement.

B. A request for the Board to approve the appropriation of existing fund balance in the amount of \$30,000 for the Bandys Crossroads Volunteer Fire Department, which will use these funds to replace a skid unit (pump and tank) on a currently owned brush truck. The Fire Department has a 1989 brush truck that has a rusted tank and the rust has damaged the pump. The new skid unit contains both a new tank and new pump and is estimated to cost approximately \$35,000. The cost to replace the entire truck is approximately \$100,000. The Department feels the truck is mechanically sound enough to continue operational usage once the skid unit is replaced.

Historically, each department has its own fund balance carried from year to year unless the department makes a request to appropriate it. The fund balance is created through tax revenue collections exceeding the projections established by the Budget Department prior to the fiscal year. The Fire Department can utilize 90% of the existing fund balance to address major projects such as buildings, building additions, truck replacement and other non-recurring needs such as equipment items. Ten percent of each department's fund balance is held for unforeseen expenditures during the budget year. Bandys Crossroads Volunteer Fire Department has an available fund balance of \$46,225.

The following appropriations apply:

<u>Appropriation of Existing Fund Balance</u>		<u>Expense</u>	
358-260010-690100	\$30,000	358-260010-849010	\$30,000
Fund Balance		Fire Protection	

C. A request for the Board to approve a budget revision to allocate fund balance in the amount of \$54,633 to Cooperative Extension and Public Health to support 4-H, agriculture/local foods, and food safety programming. Over the last several years, Cooperative Extension accumulated \$54,633 in its liability accounts through program revenue over-collection. These revenues were used to fund departmental initiatives such as ServSafe, Voluntary Agricultural District, Camisole Project, and 4-H programming. The decision was made to modify the way the accounting for these funds occurs by closing out the liability accounts with the end of Fiscal Year 2013/14. Closing the accounts resulted in the revenues falling to General Fund Balance. In order for this \$54,633 in funds to be spent in the current year, it needs to be allocated to the operating budget. Cooperative Extension will need \$42,633 to support its programs during Fiscal Year 2014/15, and Public Health's Environmental Health Division will need \$12,000 to support its delivery of the ServSafe training. These funds will be used to train current staff and administer the program formerly run through Cooperative Extension.

The following appropriations apply:

Supplemental Appropriation:

Revenue

Fund Balance	110-310050-690100	\$42,633
Fund Balance	110-580200-690100	\$12,000

Expense

Miscellaneous	110-310050-849090	\$42,633
Miscellaneous	110-580200-849090	\$12,000

Vice-Chair Isenhower asked if any commissioner wished for an item to be broken out of the consent agenda for individual consideration. None were requested. Commissioner Hunsucker made a motion to approve the consent agenda. The motion carried unanimously.

11. Departmental Reports:

A. Social Services:

Karen Heffner, Social Worker Supervisor III, presented a request for the Board to approve a Work First Plan for submission to the North Carolina Department of Human Resources. This Plan must be submitted to the State prior to September 30, 2014. In 1996, Congress ended the national welfare program known as AFDC (Aid to Families with Dependent Children) and crafted legislation to allow states to implement their own welfare programs. This federal devolution of authority enabled the North Carolina General Assembly to go even further with welfare reform. The legislature took the next step, allowing counties to compete for Electing County status – in essence offering a limited number of counties the opportunity to have greater control over local welfare policies as well as greater control over available funding.

On July 21, 2014, the Board voted to pursue “Electing County” status and appointed a committee to assist in the development of the county’s Work First Plan. The draft plan was available for public review and comments from August 11-15, 2014. Copies of the plan were placed at the Department of Social Services and on the Social Services Web Page.

The philosophy of the Work First Plan incorporates quality values and organizational standards that reflect respect for the worth and dignity of each and every citizen. Catawba County’s plan takes personal responsibility to the next level, as well as modeling the plan after the “real world of work”. The plan is to have long-term successful family and child well-being outcomes for the entire Work First population.

Highlights of the plan include: (1) **Benefit Diversion Requirements:** Catawba County will follow established policies implemented by the State regarding benefit diversion with the following exceptions: applicant must cooperate with Child Support, apply for or be receiving Food Assistance, and must register with the Employment Security Commission if not already employed or job being held for the applicant and, if monetarily eligible for Unemployment Benefits (UIB), must apply for the UIB prior to approval of the Benefit Diversion application. (2) **Cooperation with Child Support is an eligibility requirement:** Applicant must cooperate with child support within 12 calendar days of applying for Work First Family Assistance (WFFA). If the applicant fails or refuses to do so without good cause, deny the application for WFFA and notify the Medicaid worker (applicants must apply for Medicaid before applying for WFFA). (3) **Evaluate for or be receiving Food Assistance:** Applicant must be receiving Food Assistance or be evaluated for Food Assistance within 12 calendar days of applying for WFFA. If the applicant fails or refuses to do so without good cause, deny the application for WFFA and notify the Medicaid worker (applicants must apply for Medicaid before applying for WFFA). (4) **Vocational Rehabilitation:** All Work First applicants and recipients referred to Vocational Rehabilitation must complete an application and comply with all recommendations. Failure or refusal to comply without good cause will result in the case being denied or terminated. Future eligibility is contingent upon completing the application and cooperating with Vocational Rehabilitation. (5) **Substance Abuse/Mental Health Initiative for all cases:** Caretakers in child only cases will be required to comply with the policy outlined in Section

104B of the Work First manual – Substance Abuse/Mental Health Initiative as a condition of eligibility. This is an effort to ensure child wellbeing. (6) **Job Quit:** Job quit will be applied to individuals that have been informed of the Job Quit Policy at any time in their history of receiving Work First and who voluntarily quit a job, refuse to accept a bona fide job offer, request a reduction in hours, all without good cause or are terminated with cause.

“Electing County” status continues to be preferred for Catawba County, because it allows greater flexibility in program administration and the possibility to be financially advantageous, although it would certainly be less advantageous than in past years. On August 19, 2014, the Catawba County Social Services Board approved the Work First Electing Plan.

Commissioner Lynn Lail made a motion to approve the Plan. The motion carried unanimously. The Plan is available for review at Social Services, on the County Website and will be maintained as a permanent record in the agenda packet of this meeting.

B. Tax:

1. Tax Collector Lori Mathes, in accordance with North Carolina General Statutes, presented the Fiscal Report and Settlement of taxes for the fiscal year beginning July 1, 2013, and ending June 30, 2014. The report reflected that \$82,236,986 (97.34%) in real estate and personal property tax has been collected as of June 30, 2014, with \$2,247,183 outstanding in real estate and personal property tax. Commissioner Beatty made a motion to approve the report. The motion carried unanimously. The following report applies.

FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014

CATAWBA COUNTY 2013 TAX YEAR

REAL ESTATE / PERSONAL PROPERTY TAXES – COUNTY AND FIRE DISTRICTS

ADJUSTED LEVY as of 6/30/2014	-----	84,484,169
BALANCE OF A/R as of 6/30/2014	-----	2,247,183
COLLECTIONS as of 6/30/2014	-----	82,236,986
PERCENTAGE COLLECTED AS OF 6/30/2014	-----	97.34%

I, Lori Mathes, do hereby affirm that this is a true and accurate report concerning the tax levy of Catawba County, North Carolina, for Fiscal Year 2013/2014, 2013 tax year.

This is the _____ day of _____ 20_____

Lori Mathes
Tax Collector, Catawba County

NORTH CAROLINA, CATAWBA COUNTY

I, _____, Notary Public, do hereby certify that Lori Mathes

personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

Witness my hand and official seal, this the _____ day of _____, _____

Notary Public:

COLLECTIONS FROM OTHER SOURCES

Real and Personal Property Taxes

Collected 2013---County and Fire Districts	82,236,987.36
Prior Years 1999-2012 Principal - County & Fire	1,975,052.53
Interest-----2013 and Prior Years	505,247.82

Vehicle Tax

Collected 2013---County and Fire Districts - County Collections	3,309,604.26
Collected 2013---County and Fire Districts - State Collections	5,053,796.27
Prior Years 1999-2012 - County and Fire Districts	1,019,740.55
Interest on Vehicle Tax - 2013 and Prior Years	377,032.40

Prepaid Tax Distribution on 2014 County Tax (REPP)	83,006.17
Prepaid Tax Distribution on 2014 County Tax (RMV)	783.56
NSF Check Charges	3,866.83
Garnishment & Attachment Fees	14,676.48
Privilege Licenses	32,455.00
Gross Receipts Tax (Tax on Rental Vehicles)	107,606.02
Gross Receipts Tax (Tax on Heavy Equipment)	8,900.13
Fees for Deed and Map Copies	6,685.84
Foreclosure & Legal Fees	1,541.79

***Municipal Collection Charges**

Cities @ \$3.64/bill and \$3.17/bill Out of County	150,505.96
Cities Fees of 1 1/2% on Auto Tax Collected	26,519.29

***MUNICIPAL COLLECTION CHARGES**

Brookford	322 bills	3.64	1,172.08
Catawba	630 bills	3.64	2,293.20
Claremont	1,139 bills	3.64	4,145.96
Conover	5,258 bills	3.64	19,139.12

Hickory	21,526	bills	3.64	78,354.64
Hickory - Burke County Bills	98	bills	3.17	310.66
Longview	2,552	bills	3.64	9,289.28
Longview - Burke County Bills	438	bills	3.17	1,388.46
Maiden	2,277	bills	3.64	8,288.28
Newton	7,177	bills	3.64	26,124.28
Totals	<u>41,417</u>			<u>150,505.96</u>

- \$3.17 represents the cost of collection for each bill
- \$0.47 represents the cost of IT data processing for each bill
- No data process was done by Catawba County's ITC for Burke County Bills

2013 COLLECTIONS INFORMATION BY CITY AND TOWN

REAL ESTATE AND PERSONAL PROPERTY

	LEVY	COLLECTED	OUTSTANDING BALANCE	PERCENT
Brookford	94,855	87,775	7,080	92.54%
Catawba	295,673	283,870	11,803	96.01%
Claremont	1,638,481	1,629,979	8,502	98.48%
Conover	3,952,961	3,878,670	74,290	98.12%
Hickory	21,318,113	20,748,741	569,372	97.33%
Hickory/ Burke County	195,713	192,983	2,730	98.60%
Long View	974,674	911,836	62,838	93.55%
Long View/ Burke County	136,951	126,531	10,420	92.39%
Maiden	4,888,052	4,852,855	35,197	99.28%

Newton	4,474,059	4,559,310	184,748	96.11%
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VEHICLE COLLECTIONS

	PRINCIPAL	INTEREST	TOTAL
Brookford	14,881	213	15,094
Catawba	10,811	267	11,078
Claremont	28,261	490	28,751
Conover	136,817	2,095	138,912
Hickory	706,526	12,224	718,750
City tag fees	67,962	0	67,962
Long View	34,705	603	35,308
Maiden	36,509	888	37,397
Newton	145,845	3,376	149,221

STATUS OF COLLECTION PERCENTAGE AS OF JUNE 30, 2014

**Fiscal year 07/01/12 thru 06/30/13
Tax Year 2012**

Adjusted Levy	83,033,052
Collections	81,624,152
Outstanding Balance (Real Estate & Personal Property)	1,408,900
Percentage Collected	98.31%

**Fiscal Year 07/01/11 thru 06/30/12
Tax Year 2011**

Adjusted Levy	80,481,499
Collections	79,616,989
Outstanding Balance (Real Estate & Personal Property)	864,510
Percentage Collected	98.93%

As of 06/30/14 99.25% of the 2010 levy was collected
 As of 06/30/14 99.46% of the 2009 levy was collected
 As of 06/30/14 99.61% of the 2008 levy was collected

PRIOR YEARS COLLECTION RESULTS

FISCAL YEAR	TAX YEAR	LEVY	PERCENTAGE COLLECTED
1979/80	1979	11,062,367	91.92%
1980/81	1980	11,723,000	97.01%
1981/82	1981	12,341,738	97.98%
1982/83	1982	12,769,270	98.85%
1983/84	1983	14,364,144	99.43%
1984/85	1984	15,016,524	99.46%
1985/86	1985	15,023,711	99.30%
1986/87	1986	17,970,927	99.12%
1987/88	1987	17,385,223	99.31%
1988/89	1988	17,812,972	99.35%
1989/90	1989	21,676,434	99.34%
1990/91	1990	22,611,620	99.19%
1991/92	1991	27,682,982	99.30%
1992/93	1992	28,240,644	99.20%
1993/94	1993	28,280,279	99.64%
1994/95	1994	29,570,920	99.61%
1995/96	1995	33,664,697	99.61%
1996/97	1996	34,868,643	99.57%
1997/98	1997	37,850,343	99.50%
1998/99	1998	39,189,655	98.98%
1999/00	1999	47,323,073	98.76%
2000/01	2000	49,092,961	98.53%
2001/02	2001	51,214,653	98.52%
2002/03	2002	53,182,726	98.47%
2003/04	2003	57,179,727	98.30%
2004/05	2004	57,597,987	98.24%
2005/06	2005	59,926,161	98.14%
2006/07	2006	61,893,002	98.04%

2007/08	2007	74,971,643	97.92%
2008/09	2008	77,832,429	97.34%
2009/10	2009	78,921,143	97.30%
2010/11	2010	79,384,478	97.27%
2011/12	2011	80,525,105	96.98%
2012/13	2012	83,053,706	96.95%
2013/14	2013	84,484,169	97.34%

2. Tax Administrator Mark Logan presented a request for the Board to accept the proposed Schedule of Values, Standards, and Rules for Catawba County’s 2015 Revaluation and approve a recommended timeline for ultimate adoption of the proposed Schedule of Values, Standards, and Rules that meets statutory requirements.

Pursuant to a resolution adopted by the Board on October 3, 2011, Catawba County’s next countywide revaluation will become effective January 1, 2015. Catawba County has approximately 87,000 separate parcels of land which are required by State law to be appraised at 100% of market value as of the effective revaluation date. To that end, Catawba County staff has worked for many months analyzing data derived from real estate sales, building cost data, and income and expense statements from income producing properties in the County. This has culminated in the formulation of a proposed Schedule of Values, Standards, and Rules to be utilized to generate market value appraisals for all real property in Catawba County.

The Schedule of Values is a set of standards and rules that are used as an appraisal manual by the County appraisal staff to assure properties are valued in an accurate and consistent manner. The schedule contains information on methods used to determine land and building values based on criteria such as: location, age, type of construction, zoning, income potential, cost, etc.

Also included in the proposed Schedule of Values is a special schedule for appraising eligible agricultural, horticultural, and forest land at its “present use” value. This is a statewide schedule formulated by the North Carolina Department of Revenue. Properties whose owners qualify for “present use” assessment will receive two values: a market value mandated by law and a “present use” value.

Adoption of the proposed Schedule of Values is an important step in the revaluation process. Because of its importance, the Machinery Act of North Carolina requires the Board of Commissioners to only adopt it after holding a public hearing and then publicizing that it has done so. After the adoption, property owners will have 30 days to challenge the Schedule of Values by appeal to the North Carolina State Property Tax Commission. In accordance with North Carolina General Statute 105-317(c), the proposed Schedule of Values must be formally presented to the Board of Commissioners not less than 21 days before the meeting at which it will be considered. After the formal presentation, the Board of Commissioners must notify the public through newspapers of general circulation that it has received the proposed Schedule of Values and that it is open for inspection at the Assessor’s office. The notice must also inform the public that a public hearing will be held, giving the specific date, time, and place. This public hearing must be at least seven days before the Board of Commissioners’ adoption of the proposed Schedule of Values. The Board approved a staff recommendation that the public hearing be scheduled for October 6, 2014, at 9:30 a.m., in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse.

Staff recommended the vote for formal adoption occur at the October 20, 2014, meeting in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse. Afterwards, a newspaper notice must be published stating that the Schedule of Values has been adopted and that property owners have 30 days from the date of the first publication to challenge the Schedule of Values by appeal to the North Carolina State Property Tax Commission on grounds that the Schedule of Values does not adhere

to the appropriate statutory valuation standard (that it will produce values that are too high, too low or inconsistent). The North Carolina State Property Tax Commission has the power to order the Board of Commissioners to revise the Schedule of Values if they do not adhere to the statutory valuation standard. The North Carolina State Property Tax Commission's decision may be appealed to the North Carolina Court of Appeals. Assuming an October 20, 2014, adoption of the Schedule of Value, property owners would have until Wednesday, November 19, 2014, to challenge the Schedule of Values.

Commissioner Hunsucker made a motion to accept the proposed Schedule of Values, Standards, and Rules for Catawba County's 2015 Revaluation and approve a recommended timeline for ultimate adoption of the proposed Schedule of Values, Standards, and Rules that meets statutory requirements. The motion carried unanimously.

12. Other Items of Business: None.
13. Attorney's Report: None.
14. Manager's Report: None.
15. Adjournment. Commissioner Hunsucker made a motion to adjourn at 8:22 p.m. The motion carried unanimously and the meeting adjourned.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk