

A SPECIAL MEETING  
OF THE  
CHEROKEE COUNTY  
BOARD OF COMMISSIONERS  
March 7, 2013

A Special Called Meeting of the Cherokee County Board of Commissioners was held in the fellowship hall of the Violet Baptist Church, located at 9790 Hiwassee Dam Access Road, Murphy, North Carolina on the 7th day of March, 2013 at 6:00 o'clock p.m.

The following Commissioners were present for the meeting: Cal Stiles, Chairman; and, C.B. McKinnon, member. Lorraine Meltz, Vice-Chairman; David Wood, member; and, Steve Jordan, member were absent. Also present were: Randy Wiggins, County Manager; Maria Hass, Assistant County Manager/Assistant Clerk; and, W.C. King, County Fire Marshall.

Present from the media Joe Martin of the Cherokee Scout.

The purpose of the Special Called Meeting was to hold a public meeting concerning the area of Violet that lies outside of a fire tax service district.

There were about 40 people in attendance.

The Chairman discussed the purpose of the public meeting and the county manager shared three (3) different options that were available to the community. The following information was provided in a handout:

**Establishing a Service District**

The Board of County Commissioners can establish a service district that is tax supported for the purposes of providing fire protection and medical first response. In determining whether to establish a district, the Board is required to consider the following:

- The resident or seasonal population and population density of the proposed district;
- The appraised value of property in the district;
- The current tax rates in which the district will be located;
- The ability of the proposed district to sustain the additional taxes;
- Any other matters the commissioners believe have a bearing on whether the district should be established.

Prior to adopting a resolution establishing a new service district, the Board must hold a public hearing. Notice of the hearing is required, and it must state the date, hour, and place of the hearing. The notice must be mailed to all property owners within the proposed district at least 4 weeks prior to the public hearing and must be published at least once and not less than one week prior to the public hearing. Before the public hearing is held, a report must be prepared that contains:

- A map of the proposed district showing its boundaries;
- A statement showing that the proposed district meets the standards set out in G.S. 153A-302(a) which are listed in the bullet points above;
- A plan for providing the service – in this case, fire protection and medical first response.

The county commissioners may establish a service district if it finds that:

- There is a demonstrable need for providing the service (fire protection and medical first response);
- It is impossible or impractical to provide such services on a countywide basis;
- It is economically feasible to provide the services in the district without unreasonable or burdensome taxes;
- There is a demonstrable demand for the proposed services by residents of the district.

When the county establishes a new service district, it must provide, maintain, or let contracts for services to be furnished within a reasonable time, which must not exceed one year after the effective date of the definition of the district.

The average fire tax rate among our 13 fire tax districts is currently 5.21 cents per \$100 of value and those rates range from 3.8 cents to 9.9 cents. If we remove the high of 9.9 cents, the average becomes 6.1 cents per \$100 of value.

Taxable valuation, collection rate, and fire tax rate all combine to determine revenue generated.

**Options Available to Provide Fire Protection (in no particular order):**

1. Contract with Hiwassee Dam VFD to provide service to the district whereby the district shall be a response district only. As a response-only district, residents would not have the benefit of a reduced insurance rating but would have the benefit of guaranteed response for fire protection and medical first response calls. Since a contract with a VFD would be in force, the district would also benefit from automatic and mutual aid agreements with other VFDs that would also have the ability to respond as automatic or mutual aid to Hiwassee Dam VFD.

In order to provide this service, Hiwassee Dam VFD would require that all property be taxed at their fire tax rate applicable to their home district which is currently established at 5.1 cents per \$100 of value. The 5.1 cents rate equates to an annual fire tax of \$51.00 per \$100,000 of value.

2. Contract with Unaka VFD to provide service to the district and develop a substation within the district whereby the district would have the benefit of guaranteed response for fire protection and medical first response calls. Additionally, those properties falling within 6 road miles of the substation would have the added benefit of a fire insurance rating reduction to a Class 9 fire insurance rating. Those properties falling outside of 6 road miles would continue to have a Class 10 fire insurance rating.

In order to provide this service, Unaka VFD would require that a substation be developed within the district. The community would be required to provide 8 volunteers to serve as members of Unaka VFD and to support the substation (the main station of a VFD requires 20 members and each substation of a VFD requires 8 additional members).

In order to support the development and operation of a substation within the district, it is estimated that a fire tax rate of 6.6 cents per \$100 of value would be required. The 6.6 cents rate equates to an annual fire tax of \$66 per \$100,000 of value. This rate was developed based on \$28,263,411 in taxable value within the proposed district as provided by the Tax Assessor's office, a collection rate of 94.11% based on Unaka's current home district collection rate, and a need to generate \$17,500 per year in fire tax revenue to support the substation.

We arrived at the \$17,500 annual revenue need based on the following:

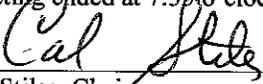
- Estimated annual operating costs for the substation of \$8,000
  - Estimated annual debt service on volunteer (\$33,708) and apparatus (\$2,340) equipment of \$4,222 – (\$36,000 financed over 10 years at current rates)
  - Estimated annual debt service on 40x50 building with 2 bays and unisex restroom (\$60,000) of \$5,019 – (\$60,000 financed over 15 years at current rates)
  - Total estimated annual cost of \$17,500
  - Total assumes no cost for land – that land may be donated
  - Total assumes no cost for required engine and tanker apparatus – that apparatus will be donated
3. Do nothing. If unable to arrive at a contract with Hiwassee Dam VFD or Unaka VFD, the County will have no other means to accommodate fire protection and medical first response services to the area until such time as the community itself can create their own VFD.

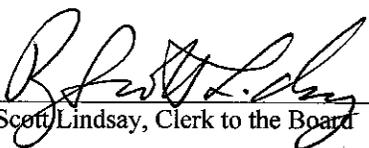
Without a contract for service, there will be no VFD that can be paged by 911 Emergency Dispatch for fire protection and medical first response.

This does not apply Sheriff, EMS, and Cherokee County Rescue Squad who would still be paged to respond to calls involving their respective agencies.

There were several questions and comments. After all questions had been answered the county manager told those in attendance that the Board would schedule a public hearing in the near future to determine how the community wants to move forward on this matter.

Meeting ended at 7:35 o'clock p.m.

  
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Cal Stiles, Chairman

  
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R. Scott Lindsay, Clerk to the Board