

**STATE OF NORTH CAROLINA  
COUNTY OF McDOWELL  
BOARD OF COMMISSIONERS  
ADJOURNED SESSION – NOVEMBER 15, 2010**

**ASSEMBLY**

The McDowell County Board of Commissioners met in adjourned session on Monday, November 15, 2010 at 11:00 a.m. in the Commissioners' Board Room. The purpose of the meeting was to review the proposed Schedule of Values for the 2011 revaluation.

**MEMBERS PRESENT**

David N. Walker, Chairman; Barry E. McPeters, Vice-Chairman; Andrew K. Webb; Michael Lavender; and Dean Buff (arrived late)

**OTHERS PRESENT**

Charles R. Abernathy, County Manager; Tommy Ebert, consultant; Thomas Ebert; Art Uphold; Chad Phillips; Keith Renfro, McDowell County Tax Assessor; Josh Dobson; Alison Morgan, Finance Officer; Karen Morgan; and reporter Mike Conley, for THE McDOWELL NEWS

**OVERVIEW OF SCHEDULE OF VALUES**

Keith Renfro, McDowell Tax Assessor, recognized Tommy Ebert who is the consultant assisting the County with its revaluation. Mr. Ebert provided an overview of the reappraisal process and revaluations. Mr. Ebert addressed definitional terms that are typically used in a revaluation including administrative value, market value, appraised value, assessed value, and tax value. The requirement under North Carolina law is that revaluations occur at least every eight years and that they conform to the requirements of the NC Machinery Act. There are many different types of appraisals. A mass appraisal differs from fee appraisals. Mass appraisal is designed to reflect the value of property on January 1<sup>st</sup> and includes all real properties. All properties would be valued at the same time and the cost per parcel is much lower than a fee appraisal.

Equalized value creates a degree of uniformity and consistency for the property owner and is viewed as an equitable system of taxation. Mr. Ebert overviewed the responsibility of the tax assessor's office and noted the multi-responsibilities of the staff. The approach taken with the McDowell County revaluation uses a combination of in-house staff coupled with the use of the consultant. The project consultant is responsible for creating the Schedule of Values, and the assignment of values for commercial and industrial values. County staff is handling all other aspects of the process including appeals.

The project consultant reviewed the statutory requirements found in the Machinery Act and guidelines found in the International Association of Assessing Officials. The purpose of the Schedule of Values is to create consistency. It is open to the public for their review and challenge. The calendar of events was reviewed with the Board. The Schedule was presented to the Board on this date for the 15<sup>th</sup> of November. A public hearing is required and the Schedule of Values cannot be approved at the same meeting time as the hearing. There is a process as well for citizens to challenge the Schedule of Values following its adoption.

Regarding the process, each property owner will receive a notice of value. The notice will include their appeal process. The informal hearing is the first step in evaluating the value. The first step in the appeal process for the citizen is formally to the Board of Adjustment. An appeal can then go to the Property Tax Commission and then to the court system. The project manager said that he expected a substantial interest in appealing and that this could be as high as twenty percent of the property owners.

The field review process has resulted in 69% of the residential parcels received some type of data adjustment. The primary adjustments were for effective year built, the exterior wall type, out buildings, or structural data.

Average adjustments were reviewed to include the possible impact of the revaluation. The project manager discussed the impact of these potential increases but noted that they were subject to change based on the approved Schedule. The project manager explained the difficulty of conducting the revaluation during an economic downturn and the lack of sales that have dominated the local economy.

Substantial questions and discussion occurred on the cost approach versus the sales ratio study. The consultant reiterated that there were not sufficient sales to rely solely on this approach.

The Schedule of Values was reviewed as well as the rules and values. Land rates were overviewed including improved and undeveloped values. Location, neighborhood, size and topography were also reviewed. Use value rates were reviewed and these are received from the State of North Carolina. A brief discussion took place on the desirability of holding the rates for agricultural uses with no increase.

The calendar of events was discussed. Notices of value would go out by the end of February. The informal hearings would occur following this with the Board of Equalization in the spring of 2011. Additional questions were asked on the number of neighborhoods, how GIS impacted the quality of the revaluation, vacant land values, and pricing. Discussion also occurred on using the internet to submit appeals and quality control steps to address.

Chairman Walker suggested using existing rates for agriculture use and looking at residential values to be held at par. This would not include additions or improvements

that may have occurred. The Board agreed to hold a public hearing on the Schedule of Values on November 30, 2010 at 5:00 p.m. in the Commissioners' Board Room.

#### **UPDATE OF FINANCE COMPUTER HARDWARE**

County Finance Officer Alison Morgan reviewed upgrading the hardware for the IBM system. The system is 12 years old and the possibility of our computer system crashing is very real. The system is out of memory and the hope was that the replacement would wait until the next fiscal year. The very real threat of the system crashing and the basic functions such as the producing of W-2 forms not being completed caused this to be reconsidered. The cost impact is \$9,700 per year for the hardware upgrade.

Budget Amendment GF 11 was presented to the Board. A motion was made by Commissioner Dean Buff to approve the request and the motion was seconded by Commissioner Barry McPeters. The vote to approve the motion was unanimous (Commissioner Webb had left the meeting).

#### **ADJOURNMENT**

A motion to adjourn the meeting to November 30, 2010 was made by Commissioner McPeters and seconded by Commissioner Buff. The motion passed unanimously.

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DAVID N. WALKER, CHAIRMAN

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CHARLES R. ABERNATHY  
ACTING CLERK TO THE BOARD