



TRANSYLVANIA
— COUNTY —
N O R T H C A R O L I N A

BOARD OF COMMISSIONERS

Monday, May 21, 2018 @ 7pm

Public Comment

Sign up is required.

Speakers are limited to three minutes.

The public comment period will close when there are no more speakers or the 15 minute limit is reached.

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Agenda Modifications

Consent Agenda

All items under the Consent Agenda are recommended for approval.

- A. Approval of Minutes
 - May 8, 2018 regular meeting
- B. Approval of Schedule for Budget Workshops and Public Hearing
 - Following budget presentation, Commissioners to decide on which items warrant further discussion in workshop setting
 - Budget workshop scheduled for Thursday, May 31 at 6pm and if needed Monday, June 4 at 6pm; will schedule additional if necessary
 - Propose to hold public hearing on June 12, a second public hearing on June 25 if so desired, followed by approval of budget on June 25
- C. Discovery, Release & Monthly Settlement Report
 - Statutory duty of Tax Administrator to file reports of discoveries, releases and refunds with Board of Commissioners
 - For April 2018, tax dollars released was \$106.94 and refunds totaled \$4,808.62

Consent Agenda

All items under the Consent Agenda are recommended for approval.

- D. Resolution Allowing Retiring Officer to Purchase Service Handgun-Bill Carroll
 - Approve Resolution #18-2018 Allowing Bill Carroll to purchase service handgun for \$1 per NCGS 20-187.2
 - Bill retired from Sheriff's Office May 1 with 10 years of service as Court Security Officer
- E. Resolution Allowing Retiring Officer to Purchase Service Handgun-Allen Newman
 - Approve Resolution #19-2018 Allowing Allen Newman to purchase service handgun for \$1 per NCGS 20-187.2
 - Allen retired from Sheriff's Office May 1 with 30 years of service; at time of retirement achieved position of Patrol Lieutenant
- F. Authorize Building Inspections to Proceed with Hiring Code Enforcement Officer
 - Requesting Code Enforcement Officer in FY 19 Budget
 - Recently filled vacant position; applications on file to fill new position
 - Hiring new position now would allow for efficiency in training recent hire with new position
 - NC Statutes require extra funds from permit fees minus annual expenses to be reserved for expenditures in this department
 - Recommend approval of hiring new Code Enforcement Officer ASAP with funds to come from Building Permitting reserves, not to exceed \$26,429.60.
 - Breakdown: \$4,169.60 maximum salary and benefits in FY 18 due to hiring prior to July 1 and \$22,260 for new vehicle.

Presentations/Recognitions

- A. Charters of Freedom Presentation by Vance Patterson with Foundation Forward, Inc.

Appointments

- A. Joint Historic Preservation Commission
- B. Mountain Area Workforce Development Board

A. Joint Historic Preservation Commission

- ❑ Terms of Aaron Bland, Jeff Carter, Morris Davis and Ellen Harris expire at end of May
- ❑ Jeff Carter is the only member not eligible for reappointment
- ❑ All others eligible and willing to serve another term
- ❑ Recruitment process led to one application from Betty Runion with Friends of Silvermont
- ❑ Recommendation is to reappoint Aaron Bland, Morris Davis and Ellen Harris and to appoint Betty Runion to replace Jeff Carter at the end of his term

B. Mountain Area Workforce Development Board

- ❑ In early 2017, staff learned that member Lori Galloway no longer held private sector business employment in Transylvania County; due to no other applications on file and unsuccessful recruitment process, MAWDB Ex Dir Nathan Ramsey requested she remain on the board until a replacement was found
- ❑ Allyson Davenport's term expires in May; she is eligible and willing to serve another term; position is also from private sector business
- ❑ Dr. Jeff McDaris has served since 2001 and his term expires at the end of May; would like to continue serving, but educational demands of School System call for his attention, so he withdrew his application for consideration for reappointment
- ❑ Process for electing members to the MAWDB is that 2 members are to be recommended by a local business association followed by county approval

B. Mountain Area Workforce Development Board

- ❑ Brevard/Transylvania Chamber of Commerce Ex Comm met in February and recommended the appointment of Abe Pallas to replace Lori Galloway and the reappointment of Allyson Davenport.
- ❑ Also received application from Brian Weaver, Human Resources and Professional development Director with TC Schools and his appointment is recommended by Dr. McDaris and Mr. Ramsey to replace Dr. McDaris at the end of his term, filling the educational component for this board
- ❑ Recommendation is to appoint Abe Pallas to replace Lori Galloway, reappoint Allyson Davenport, and appoint Brian Weaver to replace Dr. Jeff McDaris



Old Business

New Business

- A. Recommended Regional Road Prioritization for NCDOT Funding
- B. Presentation of FY 2019 Manager's Recommended Budget
- C. Funding Options for Fire and Rescue Service Contracts
- D. Manager's Report

A. Recommended Regional Road Prioritization for NCDOT Funding

- ❑ To be considered for road construction funding from NCDOT, future road projects must be submitted into the STIP
- ❑ NCDOT then scores and prioritizes projects from across the State using data related to safety, congestion, benefit/cost, accessibility/connectivity, and input from local NCDOT division and RPO
- ❑ To allow for local input, Transylvania County needs to prioritize future road projects and assign points to regional road projects
- ❑ TAC met on May 8 and considered preliminary scores from NCDOT and public input survey on 6 regional road projects in Transylvania County
- ❑ Recommendation is to accept the TAC's recommendation for prioritization, as seen on next slide, and approve a resolution to forward to the NCDOT and RPO as part of the STIP Prioritization 5.0 process that is due by June 30

A. Recommended Regional Road Prioritization for NCDOT Funding

Rank	Project Route	Project Description
1.	NC280 (Asheville Hwy)	From northern terminal of R-5799 to North Transylvania FD, convert existing 4 lane undivided roadway to 4 lane divided with 17.5' median
2.	US64 (S. Broad St.)	US64 Business (S. Caldwell St.), SR 1116 (N. Country Club Rd.) – improve intersect alignment
3.	US178	From SR1156 (Main St.) in Rosman to SR1133 (Middlefork Rd.)-modernize roadway; widen, realign, and add climbing lanes
4.	US64	From Indian Creek (East end of R2409C) to East of the east intersection with Flat Creek Valley Rd. (SR 1147)-widen, realign, and climbing lanes
5.	NC215	From US64 at Cherryfield to SR1386 (Macedonia Church Rd.) South of Balsam Grove-construct two new lanes on new location
6.	US 64 (Rosman Hwy)	From SR1337 (Clement Rd.) to Park n Ride Lot approx. 800 ft. past US178-widen existing roadway to 4 lane divided; consider additional of shared use path within right-of-way

B. Presentation of FY 2019 Manager's Recommended Budget

North Carolina Statutes require that the County Manager deliver the recommended budget to the Board of Commissioners by June 1 of each year. After tonight's presentation there will be budget workshops as needed. The first will be on May 31 at 6 PM and the second, if needed will be June 4 at 6 PM at County Administration. The public is welcome and encouraged to attend.



FY 19 Recommended Budget

Highlights for FY 19

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

- Continue to identify data tracking and benchmarking methods
- Bring senior center operation in house under Parks and Recreation
 - ▣ Partner with WCCA as they continue the feeding program on site
- Implement Free Public Wifi in 9 Community Centers and support capital improvements
- Library Program with Schools so each child has a library card, waive fines for juvenile material to remove barriers for children to access resources
- Partner EMS and Rescue Squad to provide an additional response unit for emergencies
- Prepare the Early Childhood Initiative for partnership with Sesame Streets in Communities
- Continue the partnership with NCACC with another grant funded fellowship position- focus on Operations and GIS
- Increase DSS social workers to cover growing caseloads for children and adults and Child Health Nurse coverage in Health Department

Highlights for FY 19

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

- Continue to re-establish solid waste program and catch up on deferred capital
- New Finance Software (losing staff time to modifying, fixes and creating liability)
- Make recommendations on pay plan
- New Adventure Re-envisioning
 - ▣ School System is taking Developmental Day Program in house
 - ▣ Expand with more slots for children in the community, NC Pre-K partnership
- Process Steps to facilitate Bond Referendum for Brevard High, Rosman High and Rosman Middle Schools
- USDA Loan Application Process (funding cycle changes in October)

Fiscal Policy Goals

Strategic Plan, Goal 6D: Enhance fiscal planning for public dollars while leveraging available revenues to the fullest

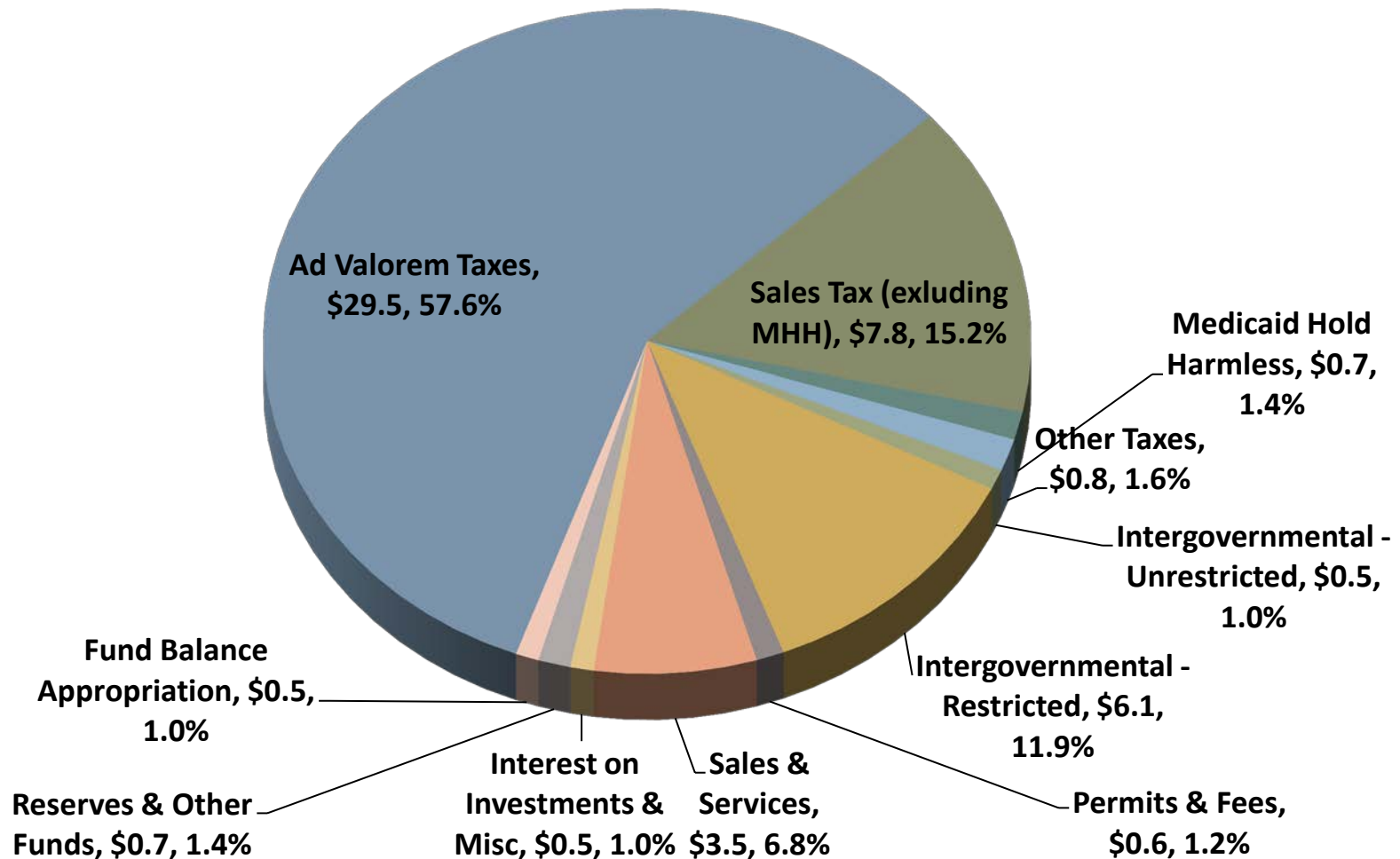
- Continue operating out of current year revenues
- Develop a long term capital improvement plan
 - Worked FY 17 with BOE and First Tryon Advisors on capital planning and moving the request for bond funding method forward
 - Implementing the Parks and Rec Master Plan and Comprehensive Plan
- Identify revenue to fund capital needs
 - Economic Development and Infrastructure Support- Ecusta Road Project Lease Payments
 - Education Facilities
 - Parks and Recreation- NCDOT Grant underway
- Work towards multi-year budget planning in General Fund
 - Vehicle prioritization, computer replacement schedule, long range maintenance evaluation
- Implement Performance Based Budgeting with outcome measures
 - Annual Work Plan according to Strategic Plan in second year of implementation
- Consensus on this year's county needs from commissioners for recommended budget

Process with Changes Implemented this Year

- Internal Departments turned in budget requests with justification including proposed work plans
 - ▣ 6 month reviews were evaluated for FY 18 work plans in February
- Nonprofit Requests
 - ▣ Open call for applications in February
 - ▣ Per policy, subcommittee reviewed and scored on a rubric in April
 - ▣ Scoring accompanied by discussion, particularly on state statute restrictions
- School Funding
 - ▣ Third year of School Funding formula implementation, Request received May 15.
- Outside Agencies- Fire Departments, Rescue Squad, etc
 - ▣ Budget requests due in April
- Priorities and Preliminary Discussion
 - ▣ Commissioner meetings in May to clarify priorities, discuss justifications
 - ▣ Commissioners included in budget package review for ROD, Sheriff's Office and School Capital

Revenue Projections

FY 19 RECOMMENDED REVENUES BY TYPE-GENERAL FUND - \$51.2 Million



Revenue Projections

- Property Tax remains more than half of budget revenues with projected growth of 1.2%
- Sales Tax growth 1.4% over last year's budget
 - Sales tax loss from the County in FY 18 due to GS 105-524 is estimated to be \$99,583 due to the redistribution of taxes required in the statute
- Positive growth indicators in interest on investment, permitting and property transfer fees reflect economic growth
- Revenue Growth is steady, but administration continues to raise concern that funding increases are outpacing revenue growth in some areas

Requests vs Projections- Analysis

- Full funded requested expenditures vs projected total revenue started with a \$5,124,079 deficit of requested funds vs projected revenues.
 - If all requests were recommended, that would net in a 7.5 cent tax increase for operations and capital including education.
- Justifications have improved over the years
 - Data submitted for increases and comparing to standards or peer counties
- Utilized commissioner feedback to prioritize needs reducing deficit by \$4,622,375, deferring service expansion or other cuts to requests.
- Included personnel and capital requests that at least had majority support or consensus so the recommended budget is my professional effort to implement commissioner priorities under revenue constraints.
- Recommended funding is NOT an indication that all needs are met or that requests will not be seen again in the future.

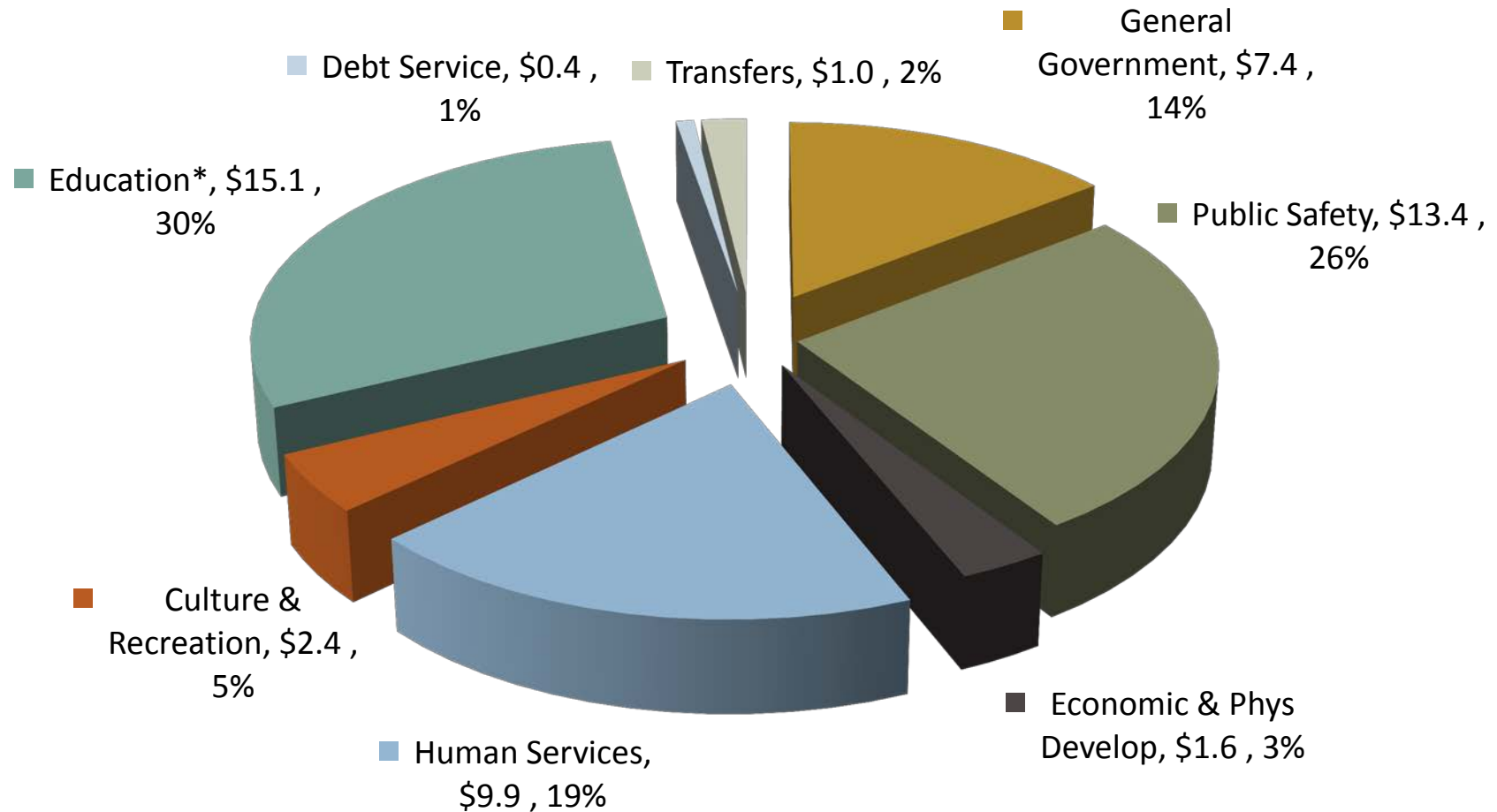
Future Year Planning and Tax Rate

General Fund - Budget Summary of Expenditures by Function				
	FY 18-19	%	Change	
	Proposed		FY 19 vs. FY 18	
	<u>Budget</u>	<u>Total</u>	<u>\$\$</u>	<u>%</u>
General Government	\$7.4	14.5%	\$0.1	0.9%
Public Safety	\$13.4	26.0%	\$0.9	6.1%
Economic & Phys Develop	\$1.6	3.2%	(\$1.1)	-39.7%
Human Services	\$9.9	19.3%	(\$0.2)	-1.8%
Culture & Recreation	\$2.4	4.7%	\$0.0	2.2%
Education*	\$15.1	29.5%	\$0.1	1.1%
Debt Service	\$0.4	0.8%	\$0.0	-2.8%
<u>Transfers</u>	<u>\$1.0</u>	<u>2.0%</u>	<u>\$0.2</u>	<u>26.8%</u>
Total General Fund Expenditures	\$51.2	100.0%	\$0.0	0.0%

- Revenue Growth 2.27%
- Prior classification analysis showed expenditure growth outpacing revenue growth in two areas historically- public safety and education
- Education growth has been offset by roll-off of bond payments for local system. Public k-12 schools is growing 4.7% Total this year and Community College 20% (partially due to a decrease with state bond two years prior)
- Continuing increases above revenue growth will require tax increase for operations

Expenditures

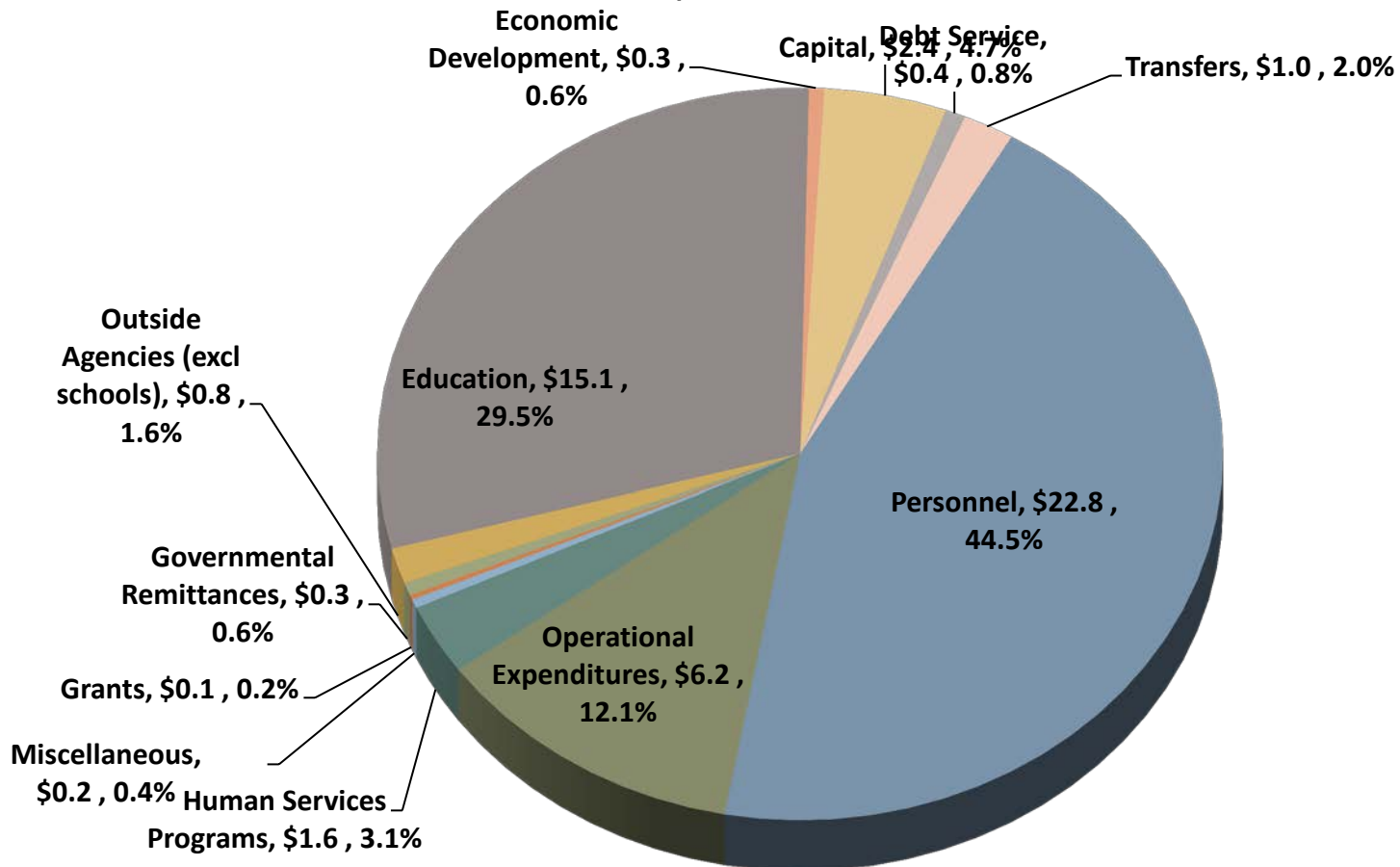
FY 19 BUDGETED EXPENDITURES - GENERAL FUND BY FUNCTION TOTAL \$51.2 Million



Most % Growth in public safety,
Decrease in % Economic Dev due to Ecusta Rd Project FY 18

Expenditures

FY 19 BUDGETED EXPENDITURES-GENERAL FUND BY NATURAL CLASSIFICATION Total \$51.2 Million



Most % Growth in personnel,
Decrease in % Economic Dev, Human Services (Subsidy pass through)

Summary

- Balanced budget of \$51,268,153 reflecting less than 1% increase total
 - ▣ \$1 million Goldenleaf grant was booked as revenue in FY 18- 2 % increase if that is factored into account
 - ▣ Increases for capital expenditures to move forward on deferred maintenance (5 year projections put together on facility needs) and a large increase in transfer from general fund for solid waste
- Recommended budget does not include prior tax increase for capital needs as an expenditure line, but project a surplus at end of year that will allow distributions into those capital reserves
- No tax rate change proposed
 - ▣ 11th lowest tax rate in the state for FY 18
- Recommend continued policy development
 - ▣ Capital prioritization funding strategies next steps, work with BOE on referendum, evaluate expenditure growth vs revenue growth to avoid operational increases in addition to known capital increases on the horizon



Revenues- Assumptions & Trends

Revenue

- Highest revenue source is property tax 57.5% (56.9% FY 18) of Budget and projected to grow 1.2%
 - \$.511/\$100 valuation (FY 18 reflected rate as 11th lowest in the state) with collection rate of 99.5% presumed
 - FY 19 Projected Tax Base is \$5.78 Billion
- Sales Tax this year running under projection due to a large jump in refunding requested. Project 1.4% growth from this year's budgeted figure (*Prior mention as "donor" county with new distribution formula*)
- Revenue Growth 2.27% (removing Goldenleaf, subsidy pass through, Medicaid Transportation)

Other Revenues

- Jail inmate revenues from other counties down to \$0 (\$380k two years ago), State Misdemeanant \$4k decrease
- \$79k loss of Medicaid Transportation funds, 5311 Funds up \$42k
- \$1.9 million decrease in Intergovernmental Revenue
 - Goldenleaf Grant Booked last year \$1 million
 - North Carolina handling subsidy funds differently \$800k that used to pass through as both revenue and expenditure
- Parks and Recreation Senior Center \$9k federal funds will be new
- Projected stable:
 - Elections office revenues
 - Register of deeds fees
 - Building and permit fees*

*By statute must support department or go into department reserve

Interest and Fund Balance

- Improvement in interest rates projected to generate additional \$235k
- \$700k from designated fund balance budgeted
 - ▣ Reserve funds designated to purpose
- \$501k from undesignated fund balance
- Impact on reserve designation of 2 cent tax increase FY 17 (\$3.6 million generated)
 - ▣ Trends for Budget vs Expenditure annually
 - ▣ June 30, 2018 Reserves Projections: Econ Dev: \$500k
 - Parks and Recreation: \$886k
 - Infrastructure: \$500k
 - Emergency Mgmt/Comm.: \$1.08 million
- ▣ Total spent in those designated reserve categories: \$3.75 million (Ecusta Rd Bldg, Rec Center AC) Some funds were also used from undesignated reserves

Fund Balance

- Projected decrease in total fund balance at close of FY 18 books of \$1.3 million
 - \$3.7 million taken out in FY 18 for Ecusta Road Industrial Building Project Fund
 - Projected 21.3% Available fund balance as % of expenditures (FY 17 22.9%)
 - \$3.1 million going into fund balance from FY 18 (At FY 18 budget projected \$1.4 million)

Solid Waste Fund

- FY 19 supplement from General Fund is \$767k versus \$197k FY 18, \$388k in FY 17

Revenue

- \$5/ton increase in tipping fees proposed- \$60/ton
- Scale sale volume expected to grow 4.4%, over FY 18 end of year estimate
- Fee and volume increase combined projected to generate an additional \$278k
- Slight increases expected in sticker sales and recycling revenues with other revenues expected to remain relatively flat

Expense

- Operating expenses, including personnel, budgeted to be 28.5% more, due primarily to higher leachate disposal costs, dozer lease, and staff changes made in FY 18
- Budgeted capital up significantly due mainly to deferred maintenance of the landfill access road and facility, collection center safety concerns, compliance measures, and the replacement of scales and heavy equipment

Reserves

- NCDENR requires demonstration of financial assurances for closure, post-closure and potential corrective action costs.
- FY 18 provides \$194k for the closure, post-closure, PACA liability and \$146k for the reserve for the next phase



Expenditures



Expenditure Trends

- Service Expansion
 - Additional investigator in Sheriff's office
 - Senior Center operation in house
 - Enhanced Emergency Medical Response with EMS/Rescue Squad
- Catching up on capital needs deferred- major focus on solid waste capital to continue getting solid waste operation working smoothly
 - Will face ongoing challenges with leachate volumes due to operational history
 - Signed a five year agreement with Rosman for leachate disposal
- ~85% of the budget is mandated or required to meet state mandates
- Economic Development support is a key strategy in future sustainability

Personnel Detail Changes

Legal	Administrative Assistant - 0.5
SRO	Additional SRO for Brevard Academy - 1
Investigations	Investigator - 1
EMS	Paramedics - 10
Public Health	Social Worker II/Public Health Nurse II - 1
Environmental Health	EH Program Specialist - 1
Social Services	Social Worker III/Child Protective Services- 2
Social Services	Social Worker III/Adult Protective Services- 1
Parks & Recreation	Recreation Program Coordinator (Silvermont)- 1
TNRC	Natural Resources Specialist - 1

- 9.5 Full time Recommended, \$448k net additional
 - 19.5 Full time positions requested \$1.15 million net additional
- EMS recommended for 2 Personnel Option to work in tandem with Rescue Squad proposal to provide additional response vehicle as needed
- Environmental Health Specialist recommendation is to hold on additional specialist until after LEAN measures including software is implemented
- TNRC position not recommended at this time with subject coverage noted in Soil and Water, Cooperative Extension and Solid Waste Departments

Personnel Detail Changes

Administration	HR Program Support to Budget & Management Analyst
Human Resources	Add Part-time Hours
Sheriff	Certification/Education Bonus
Sheriff/Court Services	Transport Officer -increase hours from 24 to 30/week
Sheriff/Investigations	Reclass Admin Asst to Concealed Carry/Records Asst
Animal Services	Add 28 hours/week PT for receptionist
Communications	Reclass 4 Telecommunicators II to III
Public Health	Reclass Health Educator II to III
Public Health	Add 15 hours/week PT for PHN III transitional training
Social Services	Reclass Admin Asst I to IMC II
Social Services	Reclass 3 Procs Asst III to Proc Asst IV
Child Development	Reduce PT hours by 1,750 from 6,920 to 5,170
Transportation	Add 1,040 PT hours for substitute driver
Parks & Recreation	Add 1,689 PT hours for summer camps (incl. Rosman) & Silvermont
Library	Security Officer PT

- Recommended Total for Reclassifications/ Addt'l Hours \$150k
 - ▣ Total Request for Reclassifications/Addt'l Hours \$187k net
- \$51k for Sheriff's Office Certification Bonuses
 - ▣ Removed degree bonus and On Call bonus from recommendation to be reviewed by personnel board for all county departments and handled separately (On Call also in DSS, Maintenance, Emergency Mgmt, etc)
- \$14.8k for Rosman Summer Camp, Other Summer Camps, Summer 2019
- \$24k for Health Nurse III PT to train new staff after unexpected retirement (up to one year crossover)

**SUMMARY OF CAPITAL ITEMS BUDGETED
FY 18 ORIGINAL VS FY 19 REQUESTED & RECOMMENDED**

Capital- Totals by Fund

	FY 18	FY 19	FY 19	Requested	Recommended
	<u>Original</u>	<u>Requested</u>	<u>Recommended</u>	<u>FY 19 vs FY 18</u>	<u>FY 19 vs FY 18</u>
				<u>Variance</u>	<u>Variance</u>
General Fund					
Land Improvements	\$ 91,162	\$ 165,309	\$ 165,309	\$ 74,147	\$ 74,147
Building Improvements	\$ 494,436	\$ 701,177	\$ 701,177	\$ 206,741	\$ 206,741
Vehicles	\$ 797,176	\$ 1,183,605	\$ 881,603	\$ 386,429	\$ 84,427
Heavy Equipment	\$ 9,427	\$ -	\$ -	\$ (9,427)	\$ (9,427)
Furniture & Fixtures	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Computer Hardware	\$ 15,420	\$ 62,400	\$ 62,400	\$ 46,980	\$ 46,980
Other Equipment	\$ 637,787	\$ 105,485	\$ 105,485	\$ (532,302)	\$ (532,302)
Software Conversion	\$ -	\$ 429,750	\$ 429,750	\$ 429,750	\$ 429,750
Total General Fund	\$ 2,045,408	\$ 2,687,726	\$ 2,385,724	\$ 642,318	\$ 340,316
Solid Waste Fund					
Land Improvements	\$ 118,826	\$ 323,644	\$ 323,644	\$ 204,818	\$ 204,818
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -
Other Equipment	\$ 49,100	\$ 270,985	\$ 270,985	\$ 221,885	\$ 221,885
Total Solid Waste Fund	\$ 167,926	\$ 594,629	\$ 594,629	\$ 426,703	\$ 426,703
Emergency Telephone Fund					
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Total Emergency Phone Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Total All	\$ 2,213,334	\$ 3,282,355	\$ 2,980,353	\$ 1,069,021	\$ 767,019

Capital Recommended Summary

- Total Capital Expenditures from General Fund at \$2.38 million
- Total Capital Expenditures from Solid Waste Fund at \$594,629
 - General fund will be funding SW at \$767,364 in FY 19
- Total increase from FY 18 of \$767,019 (\$426,703 from SW)
- Major Expenses General Fund:
 - Detention Center Security Equipment no longer supported (\$166k)
 - Community Services Building Continue windows, roof, hvac replacements (\$330k) and convert cubicles in DSS for confidentiality (\$68k)
 - (\$881k Total) 10 Replacement vehicles (6 Sheriff's Office); 1 Replacement Ambulance; 2 Replacement Transportation Vans; 1 Additional Vehicle (Investigator Sheriff's Office)
 - Continue computer replacement plan
 - Finance and Human Resource Software Conversion (\$429k)
 - Parks and Rec (\$162k) Landscaping, Pickleball, Tennis Lighting and ADA improvements
- Major Expenses Solid Waste Fund:
 - Woodruff Road Maintenance (\$149k)
 - Convenience Site Retention Walls for Safety Concerns (\$100k)
 - New Scales (\$75k)
 - Equipment and Boxes

Outside Agency Requests

State Law regarding funding outside agencies (SOG Blog, Millonzi)

Constitutional Authority and Requirements. [Article V, Section 2\(7\) of the North Carolina Constitution](#) permits the General Assembly to authorize local governments to “contract with and appropriate money to any person, association, or corporation for accomplishment of public purposes only.” And, in fact, all expenditures of public funds must satisfy the North Carolina Constitution’s public purpose requirement. See [N.C. Const. Art. V, Sect. 2\(1\)](#). I discussed the contours of this requirement in a previous [post](#), but generally the provision requires that all public funds, no matter what their source, be expended for the benefit of the citizens of a unit generally, and not solely for the benefit of particular persons or interests.

Statutory Authority and Requirements. Furthermore, satisfying the public purpose requirement is necessary but not sufficient. A local government also must have statutory authority to expend public funds for a particular purpose. See *Hughey v. Cloninger*, 297 N.C. 86 (1979). The General Assembly has authorized both counties and municipalities to “appropriate money to any person, association, or corporation . . .” [G.S. 160A-20.1](#) (municipalities); [G.S. 153A-449](#) (counties). There is an important limitation on this authority, though. The appropriations ultimately must be used to “carry out any public purpose that the [local governments are] authorized by law to engage in.” *Id.*

Outside Agency Requests

Sub-committee review overall comments

- Criteria for scoring was consistent and included:
 - ▣ Ability to enhance/supplement county services
 - ▣ Outcomes in line with strategic plan
 - ▣ Scale out outcomes vs. expense “bang for the buck”
- \$277,188 requested, \$102,000 Recommended
- Additional trends in review:
 - ▣ Some requested more funds than granted
 - ▣ \$10,000 for historic/culture preservation entities was allocated by JHPC
 - ▣ A decrease is shown as WCCA hands over the senior center to County Parks and Recreation to operate (feeding site will remain)
 - ▣ Feedback from discussion to be shared as requested

Outside Agency Requests

Community Centers- A New Partnership

- Recommend including \$50,000 for grant funds to fund the new grant system for community centers (*FY 17 Community Center Funding Total was \$16k*)
 - Will have free wifi available to the public soon at 10 community centers and is intended to support students to have a place in their community to access the internet for homework
 - Will be implementing four capital improvement grant projects and reporting back to commissioners

Outside Agency Requests

Discretionary Agencies	County Goal/Strategy	FY 19 Requested Amount	FY 19 Recom'd Amount
Blue Ridge Community Health Services	5B	\$10,000	\$10,000
Boys & Girls Club	2A, 2B	\$15,000	\$5,000
Bread of Life TC	5B, 5D	\$5,000	\$5,000
Brevard College	2A, 3A, 3B, 3C, & 5D	\$18,500	\$10,000
Brevard Music Center	1B, 1C, 2A, 3A, 3B, 3C, 4A, 5B, 5C	\$15,000	\$0
Pisgah Legal Services	2B, 5B	\$27,500	\$27,500
The Haven	2B, 5B, 5D	\$42,000	\$7,500
The Mediation Center	5B, 5D	\$10,000	\$0
Transylvania Christian Ministry	1B & 5B	\$10,000	\$10,000
Transylvania Community Arts Council	3C, 5C, 1B, 1C, 2A, 2B	\$4,000	\$3,000
Transylvania County Historical Society	3C & 5C	\$4,000	\$4,000
Transylvania County Honor Guard	5C	\$5,000	\$5,000
Transylvania Farmers' Market	1B, 1C, 2A, 3A, 3B, 3C, 4B, 5B	\$12,000	\$9,000
Transylvania Heritage Museum	2A, 3C, 5C, Goal 1	\$7,000	\$5,000
United Way - NC 2-1-1	5A, 5B, 5D	\$2,650	\$0
Western Carolina Community Action (WCCA)	2B, 5B	\$89,538	\$0
WNC Military Museum	2A, 3C, 5C	"TBD by County"	\$1,000
Total:		\$277,188	\$102,000

Outside Partner Agencies

Strategic Plan, Goal/Strategy 4A: Protect and preserve natural resources with long term plans including water, air and forest resources to insure long term sustainability

- Co-operative Extension- increase for Americorps Position
- NC Forest Service
- Vaya Health LME/LMO
- Land of Sky
- River Stewards Tree removal fund

Rescue Squad

Strategic Plan, Goal Strategy 5B: Provide resources, infrastructure and services that improve public health, mental health, wellness and safety to insure a vibrant community

- Transylvania County Rescue Squad
 - ▣ Recommended Funding: \$386,950 (no increase for prior two years)
 - Increase results from a personnel request to staff the rescue squad 24/7 with an EMT/NC Technical Rescuer
 - Partnership will enable EMS supervisors to team up and provide additional coverage for response at less expense than adding a crew at this time while still being available to serve citizens
 - This recommendation works in tandem with the recommended EMS personnel change that would have supervisors off of the trucks when not needed for response
 - Will require an operational change internally
 - Will provide time to get better information on situations where all resources are in use
 - Will give time to gauge the impact of the potential TRH/Mission sale to HCS

Education

Strategic Plan, Goal/Strategy 2A: Provide resources to support quality educational opportunities with a standard of excellence

Legislative Responsibility

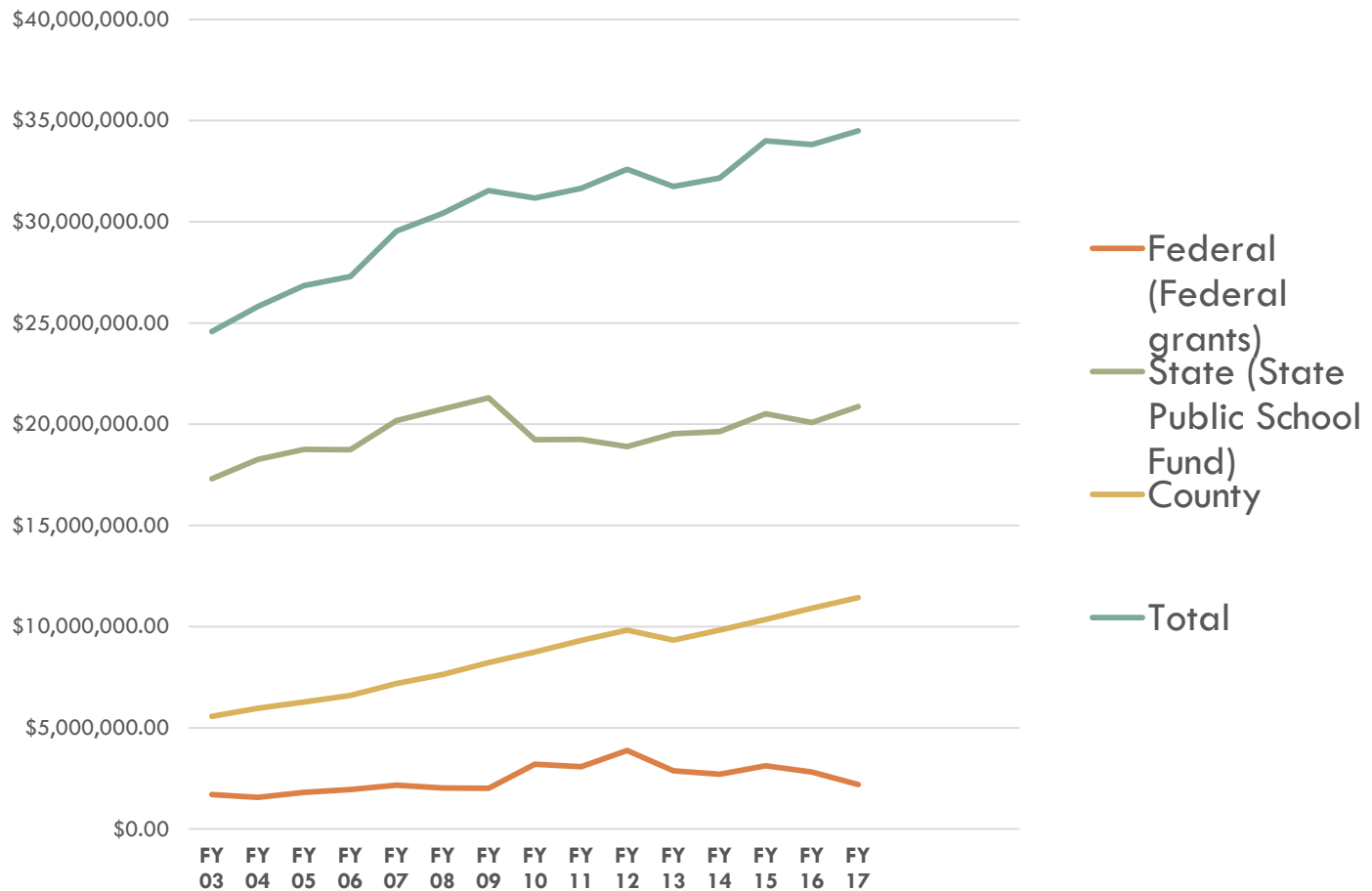
“include appropriations sufficient, when added to appropriations from [the State], for current operating expense of the public school system in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the fiscal policies of the board of commissioners,”

-NCGS 115C-426

Education- a TOP local priority

Fast Facts

- Transylvania County advanced in placement to 4th in per student current spending FY18 (operations/ personnel) for all 100 counties
- Transylvania ranks 6th of the 100 counties in total education spending (capital and operations combined) per student
- Transylvania also ranks 70th out of 100 for number of students in public schools



Education- Peer Counties

- Education Funding has grown by an average 4.71% at the local level since FY 2003 and at 106.9% total over that time frame.
- Other County services and responsibilities have grown by an average 3.01% and by 57.8% total.
- Of ALL 100 Counties, Transylvania County ranked 70th in Student Total
- Ranked 6th highest of the 100 counties in per student total county funds for k-12 education (operating and capital)
- Ranked 4th highest per student operational funding for education from county funds

County	County Current /ADM	Total/ADM	ADM
Macon	\$1,623	\$2,545	4,398
Jackson	\$1,848	\$2,791	3,777
Dare	\$4,371	\$2,515	5,095
Montgomery	\$1,416	\$2,106	3,926
Scotland	\$1,762	\$2,071	5,871
Bladen	\$1,444	\$1,949	4,539
Henderson	\$2,002	\$2,613	13,544
Polk	\$1,271	Not Available	2,098
Buncombe	\$2,565	\$3,687	28,931
Ashe	\$1,582	\$2,168	3,024
Haywood	\$2,278	\$2,540	7,173
Transylvania	\$3,471	\$4,192	3,412

Education- Board of Education Request

Transylvania Public Schools Request Notes

- ▣ Net increase in personnel of 1.45 positions for county funding
 - Board of Education Change sheet reflects 4 teachers at high school decrease
 - Unable to get an answer on total position changes from school administration, per Jeff McDaris email they have some projections but they were not shared.
- ▣ Includes continuing SRO program which will be a larger funding increase this year for systems that are not currently funding SROs in schools
- ▣ Federal funding cuts are cited on the change sheet as PRC 069 carryover funds and RLIS grant
 - \$160k covers software subscriptions, 2 social workers and 3 guidance counselors

Education- Operations Funding

Summary

- Third Year of Implementing the Local Public School funding formula
- This netted a 5.43% increase per ADM (student) this year to \$3,659 per student recommended
 - Current Expense Funding Requested by Board of Education: \$12,323,074, 4.05% increase from FY 18 County appropriation
 - Along with a budget of \$110k Fines and Forfeitures for a Total of \$12,433,074 local expense budget proposal
 - Current Expense Recommended: \$12,429,623, 4.9% increase
 - Recommended Funding is \$106,000 higher than requested by Board of Education for operational expenses. This could be reallocated to increase the funding for capital improvements should the Board of Education agree.
 - Current Expense Allocation FY 18: \$11,842,443
 - Fine and Forfeitures distributions are processed as received

Education- Operations Summary

□ *Recommendation to reevaluate and revise formula over next year*

- The Formula has been using the DPI Projection number and calls for rectifying based on August student numbers
 - Concern was raised in 2016 when the formula was developed by the superintendent that using the DPI projection with a clawback could hurt the schools because they need to have contracts in place in the spring. Had the county used the clawback provision, this would have meant reduced funding in August because DPI has over projected ADM numbers each year of the formula.
 - DPI Projection for students this year is 3,449 students. This figure is unrealistic for trends so recommendation is using FY 18 Month 1 figure of 3,397 to avoid a large August adjustment to schools after school has started since the clawback provision is still in place.
 - ADM has been on a steady decline for 10 years of .6% average
 - Prior year DPI projection has been high and commissioners have not recovered the difference under the policy (~\$300k total over two years)
 - Projection vs August 1 ADM: FY 17: 3,485 vs 3,402
FY 18: 3,412 vs 3,397
- CPI gets counted twice in the formula (from other jurisdictions taking it into account in the year prior in increases and adding it for current year)
- School Board has requested revisiting the funding formula
- *Note: Formula has resulted in a three year average increase of 3.66%, which is ahead of the county's growth in revenues over that period. Savings from bond roll off payments have helped offset but those are coming to an end. Future growth exceeding revenues will require a tax increase for operations separate from capital needs.*

Education

Summary

- School Capital Requested by Board of Education: \$5.2 million, 193% increase
- School Capital County Funds: \$1,850,000, 2.78% increase and additional \$221,900 in lottery revenue budgeted (consistent with history of availability)
 - \$713,071 appropriation for furniture and equipment (9200 category)
 - Request totaled for over 5,000 ADM at \$24 per student figure for furniture, this was adjusted to projected ADM by school
 - Allocate by project for renovation projects totaling \$895,129
 - All projects paid in full or as a sum of payments exceeding \$50,000 will need executed contracts or invoices submitted to draw down funds
 - Projects less than \$50,000 will be given in a lump sum as listed on the recommended capital proposal
 - As allowed by statute and as historically included in BOC Budget Ordinance, no funds can be reallocated at greater than 10% between projects without BOC approval

Education- Community College

Summary

- ▣ Blue Ridge Community College request:
 - \$506,239 Total (\$420,039 Operating, \$86,200 Capital)
 - Two years ago saw a decrease in expense with state bond and returning to typical levels
 - Includes career coach and SRO

Operational Summary

- Recommended Budget can operate existing services and fund existing obligations as presented with:
 - ▣ No property tax increase for operations
 - ▣ Initial budget reflects fund balance appropriation but anticipate surplus to fund capital reserves under 2 cent capital increase in FY 16 (consistent with historical trends)
- FY 18 projected \$3.1 million to go into fund balance, mostly into designated reserves (\$573k health insurance from anomaly year), offset by expenditures from Fund Balance in FY 18 for a net decrease in Fund Balance as of June 30, 2018.

Conservative Budgeting Philosophy

- Revenues are projected conservatively
- Expenditures are projected using data, but anticipating some cost variance by purchasing (as much as a year away)
- Organizational culture and procedures require consumerist shopping for best pricing at purchasing
- Factors of risk in this budget:
 - Fuel pricing
 - Investment projections subject to major event or crisis
 - Sales tax projections increasingly challenging due to formulas and ties to requirements on how those funds are spent

Budget Recommendation Part 2 - Planning for the Future

Strategic Plan, Goal 1B: Plan, advocate and provide for infrastructure to support economic development and to make the community a desirable place to live and work

- Major Capital Planning- \$93 million of identified capital needs by Board of Education
 - \$68 million school bond vote this fall- Brevard High, Rosman High, Rosman Middle
 - \$25 million in needs at remaining schools to be financed otherwise in order to move forward
- Courthouse- \$31 million USDA Loan financing for low rate over longer term (40 years)
- Capital List
 - Water Needs Community Wide- \$40 million
 - EMS Main Station Estimate \$1.6 million
 - Parks and Recreation- \$32.2 million
 - Economic Development- Product and Site Development
 - Industrial project underway on Ecusta Rd with lease payments to help invest in future economic development

Fire District Tax Rates

Budget Requests for funding including additional staffing and Capital requests

District	County Funding Budget Request	Dollar Change from FY 18 approved
Sylvan Valley II	\$480,000	\$7,000
Rosman	\$654,125	\$129,221
Little River	\$457,230	\$12,036
Connestee	\$782,258	\$75,046
Cedar Mountain	\$193,100	-\$900
Lake Toxaway	\$1,012,786	\$232,443
Balsam Grove	\$97,277	\$0
North Trans.	\$291,655	\$134,455

Fire District Requests

- Brevard Fire/Sylvan Valley II
 - Nominal increases, continue to contract with three agencies for coverage in Sylvan Valley III and save for future substation
- Rosman Fire
 - Annual Payment Building: \$12,000 Increase
 - Communications: \$5,000 Increase
 - Paid Staffing: \$100,000 Increase
- Little River Fire Dept
 - Small increases in multiple lines. Overall small budget increase and small tax rate decrease.
- Connetsee Falls Fire
 - Deposits Down Payments: \$45,000 (Down Payment on Property for main station)
 - Annual Payment Building to begin FY 20: Proposed Construction of new main station

Fire District Requests

- Cedar Mountain Fire
 - Removed Grant Revenue and Expenditure (Department is applying and may request funds for reserve if grant approved)
- Lake Toxaway Fire
 - Annual Payment Apparatus: \$33,979 Increase (Rescue Pumper / Early Delivery)
 - Breathing Apparatus: \$6,825 Increase (Rescue Pumper 5 sets)
 - Capital Cash Purchase Building: \$65,000 for 3 bay building and 35,000 Remodel Kitchen with Commercial Kitchen
 - Fire Suppression Equipment: \$70,000 Increase for equipment for Rescue Pumper
 - Paid Staffing: \$90,000 Increase
- Balsam Grove
 - No funding for firefighters pension- haven't participated due to expense so volunteers will not be eligible for benefits

Fire District Requests

□ North Transylvania Fire

- Increases in budget that have been discussed over last two cycles throughout reflecting needs not funded previously due to tax impact
- Part time upgraded to full time staff person: \$15,000
- Protective Gear: \$6,000 increase
- Grant matching for breathing apparatus and fire apparatus: \$68,500
- Security Cameras: \$6,500

Discussion



- *Be patient, be kind, be courteous and be cordial*
- Identify topics for the workshop next Monday*
that *do not* have consensus tonight
 - ▣ Do you need additional data?
 - ▣ Do you need more detail on an area?

C. Fire Funding Method Background

- *January 2018: Commissioners asked staff to research fire funding methods and provide information*
- *February 2018: Staff presented Commissioners with the Options under state statute and requested to collect public input. All information and a public input form was put on the website and promoted via social media (including pinning to the top of the page) from Feb- May.*
- *Each Fire Department was asked to consider the topic as a board and provide input, Fire Chief's Association wrote a letter and 27 responses came in online for public input*
- **Clarification on some of the questions received:**
 - *The funding methods do not change level of county 'control' over budgets. In all options commissioners determine the funding level and set tax rates to cover them.*
 - *My administration is NOT interested in a county run fire department. We value the volunteers and community led approach to fire service in our county.*

C. Fire District Property Values

The map depicts property tax values throughout the county with fire districts. The fact that property values are not evenly distributed through districts with a valuation range of \$90 million- \$1.65 billion. This contributes to the variance in tax rates citizens pay.

Balsam Grove Fire Rescue - Fire Tax Rate \$0.1098		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	598	\$44,364,610.00
\$333,001 - \$667,000	17	\$7,589,710.00
\$667,001 - \$1,000,000	2	\$1,526,100.00
\$1,000,001 +	2	\$2,092,000.00
TOTAL	619	\$55,572,420.00
Insurance Protection Class : (5Mile-PC 6) / (6Mile-PC 9E) / (Unprotected-PC 10)		

Brevard Fire Department - Fire Tax Rate \$0.0350		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	3658	\$453,844,100.00
\$333,001 - \$667,000	341	\$144,800,600.00
\$667,001 - \$1,000,000	23	\$17,468,230.00
\$1,000,001 +	26	\$5,340,340.00
TOTAL	4048	\$670,453,270.00
Insurance Protection Class : (5Mile-PC 5) / (6Mile-PC 9E) / (Unprotected-PC 10)		

City of Brevard Fire Department - Funded from City of Brevard taxes		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	2959	\$414,103,938.00
\$333,001 - \$667,000	328	\$149,378,738.00
\$667,001 - \$1,000,000	76	\$61,558,140.00
\$1,000,001 +	81	\$185,652,078.00
TOTAL	3444	\$810,692,914.00
Insurance Protection Class : (PC3)		

Cedar Mountain Fire Rescue - Fire Tax Rate \$0.1378		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	684	\$89,454,460.00
\$333,001 - \$667,000	48	\$21,957,400.00
\$667,001 - \$1,000,000	13	\$10,777,010.00
\$1,000,001 +	12	\$19,178,290.00
TOTAL	757	\$121,367,160.00
Insurance Protection Class : (5Mile-PC 4) / (6Mile-PC 9E)		

Connetsee Fire Rescue - Fire Tax Rate \$0.0767		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	3838	\$467,370,300.00
\$333,001 - \$667,000	726	\$325,307,990.00
\$667,001 - \$1,000,000	64	\$48,975,660.00
\$1,000,001 +	32	\$80,024,707.00
TOTAL	4670	\$902,678,657.00
Insurance Protection Class : (5Mile-PC 5) / (6Mile-PC 9E) / (Unprotected-PC 10)		

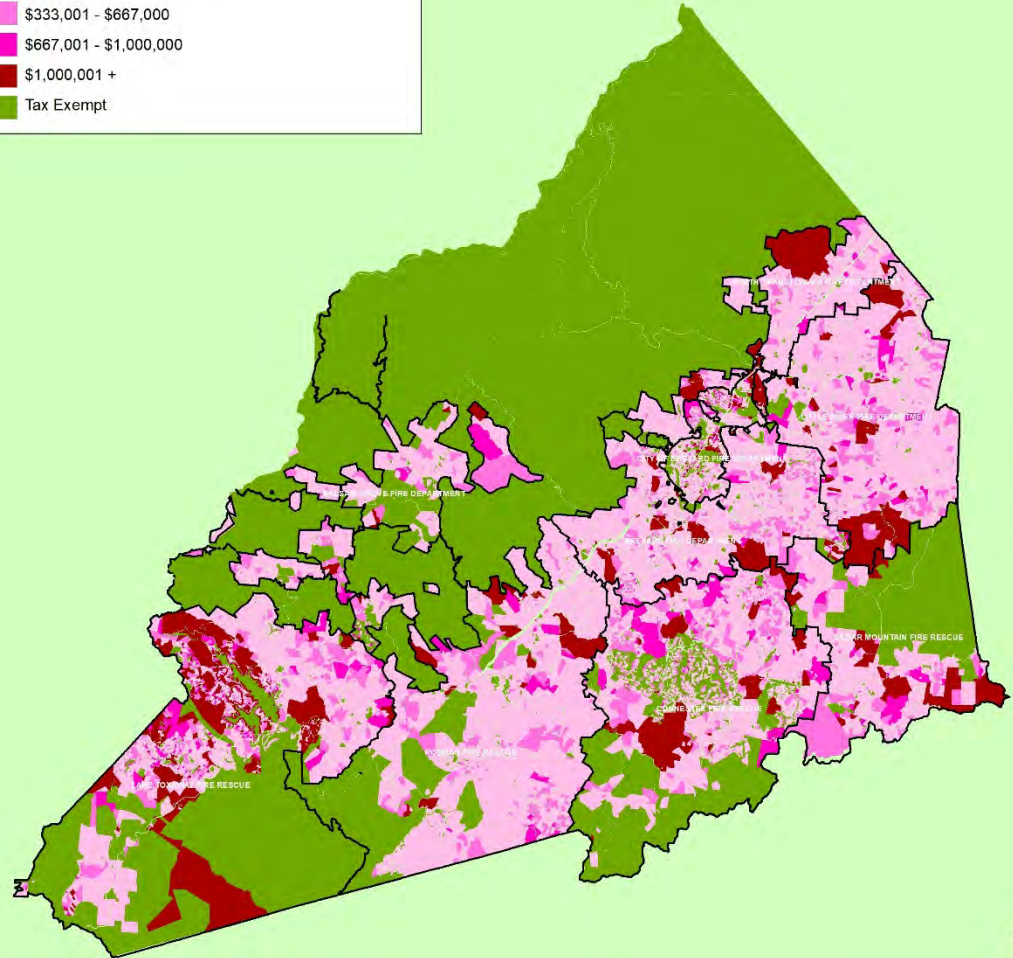
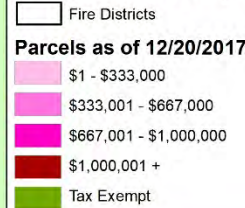
Lake Toxaway Fire Rescue - Fire Tax Rate \$0.0479		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	3773	\$390,789,260.00
\$333,001 - \$667,000	665	\$305,435,930.00
\$667,001 - \$1,000,000	278	\$227,805,260.00
\$1,000,001 +	380	\$666,699,810.00
TOTAL	5096	\$1,590,728,260.00
Insurance Protection Class : (5Mile-PC 5) / (6Mile-PC 9E) / (Unprotected-PC 10)		

Little River Fire Department - Fire Tax Rate \$0.0911		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	2918	\$327,793,190.00
\$333,001 - \$667,000	173	\$74,049,110.00
\$667,001 - \$1,000,000	27	\$21,737,880.00
\$1,000,001 +	15	\$25,487,930.00
TOTAL	3133	\$449,078,110.00
Insurance Protection Class : (5Mile-PC 4) / (6Mile-PC 9E)		

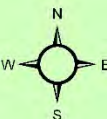
North Transylvania Fire Rescue - Fire Tax Rate \$0.1279		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	905	\$37,020,870.00
\$333,001 - \$667,000	49	\$20,990,180.00
\$667,001 - \$1,000,000	3	\$2,359,790.00
\$1,000,001 +	2	\$3,463,690.00
TOTAL	959	\$123,834,030.00
Insurance Protection Class : (5Mile-PC 5)		
Insurance Protection Class : (5Mile-PC 4) effective 03/01/2018		

Rosman Fire Rescue - Fire Tax Rate \$0.1159		
Value Range	# Parcels	Total Estimated Value
\$1 - \$333,000	3432	\$293,198,510.00
\$333,001 - \$667,000	140	\$620,523,330.00
\$667,001 - \$1,000,000	17	\$13,876,510.00
\$1,000,001 +	18	\$30,599,440.00
TOTAL	3607	\$997,697,790.00
Insurance Protection Class : (5Mile-PC 4) / (6Mile-PC 9E) / (Unprotected-PC 10)		

Transylvania County Parcel Value Ranges



1 inch = 1 miles



C. Fire Funding Method Background

- Public input form was split between Option A, currently being used and Option D, a county wide fire tax rate.
- Fire Departments were majority in favor of Option A
- Some discussion has been raised about funding districts with lower income separately such as through a the county budget.
 - Would require tax increase for all citizens
 - Can be accomplished by either freezing rates (method used for comparison) where they are an adding tax to fund increases for each district annually or taking all district rates to the same rate (ie 6 cents) and funding the remainder budget needs through general fund. This would allow each district to have a separate reserve fund.
- Redistricting would be a process that would still change district rates by changing areas covered. Some areas of the county may still have trouble pulling in enough operational revenue and maintain rating. Process would take next year.
- If commissioners want to keep Option D, flat tax as an option for FY 19, will need to send notices and hold a public hearing.
- Option B is not favored on input but could be accomplished next year.
- Final decision does not have to be made until second June meeting with budget adoption and setting of tax rates.

C. Fire District Tax Rates by different methods

District	Budget Request	Dollar Change from FY 18 approved	Current Fire Tax Rate	District Fire Funding Method Rate*	Flat Tax Rate*	Supplement out of General Fund**
City of Brevard Residents	None (City Budget)	NA	City Tax only	City Tax only	City Tax Only	City Tax + .864 cents
Brevard/Sylvan Valley II	\$480,000	\$7,000	5.5 cents	5.5 cents	8.32 cents	6.364 cents
Rosman	\$654,125	\$129,221	11.59 cents	14.28 cents	8.32 cents	12.454 cents
Little River	\$457,230	\$12,036	9.11 cents	9.06 cents	8.32 cents	9.914 cents
Connestee	\$782,258	\$75,046	7.67 cents	8.33 cents	8.32 cents	8.534 cents
Cedar Mountain	\$193,100	-\$900	13.78 cents	13.76 cents	8.32 cents	14.644 cents
Lake Toxaway	\$1,012,786	\$232,443	4.79 cents	6.17 cents	8.32 cents	5.654 cents
Balsam Grove	\$97,277	\$0	10.98 cents	10.86 cents	8.32 cents	11.844 cents
North Trans.	\$291,655	\$134,455	12.70 cents	23.39 cents	8.32 cents	13.564 cents

* Assuming Commissioners see justification for all requests as presented for all districts

** Assuming a General Fund Tax to supplement districts. Figure assumes all requested funds from fire departments would be funded, existing tax fire taxes remain at FY 18 levels and funded from general fund. Would also apply to city residents

Green means tax decreases, yellow stays the same, red goes up

C. Fire Funding Method

Recommendations

- Recommend no matter the method for funding, to change the budget review process next year so that fire department budget requests are reviewed by a subcommittee comprised of:
 - 2 Commissioners
 - 2 Fire Chief Association Representatives- President and Vice President of the Fire Chief's Association
 - Administrative County Staff Member (to chair meeting and be a tie breaker only)
 - Fire Marshall to present budget requests after meeting with each department and not voting
 - Subcommittee would consider requests and make recommendations by *May 5* for the recommended budget.
- Consider what options you want to have available for fire tax funding methods and rates for FY 19 and direct staff accordingly.

D. Manager's Report

- ❑ The Early Childhood Initiative met with Sesame Street in Communities about a potential partnership last week
- ❑ The Senior Services Task Force has completed the State of the Seniors Report and will be taking next steps to identify ways to implement soon
- ❑ There will be a drop-in public meeting on Thursday, May 24 from 4-7 p.m. at the Transylvania County Library on the Pisgah Forest Entrance Intersection
- ❑ Next Meeting we will have a presentation on the implementation thus far of the Parks and Recreation Master Plan and June is Parks and Recreation Month
- ❑ CARE Coalition has been successful in securing a grant from Blue Cross NC and NC School of Government to become part of a network of communities actively working to combat opioid use. Transylvania County is the only county west of Wilkes County to receive the grant and the grant will bring together a team of community leaders starting with David Guice, David Mahoney and myself.

D. Manager's Report- Kudos!

- ❑ To Mike Owen and the Building Inspections staff for their customer service focus and in being responsive to both Ingle's vandalism and the industrial building project
- ❑ To Kelly McBride from United Way for hosting the Volunteer Celebration this month
- ❑ To Sheila Cozart, Paulette LaBarge, Cindy Landreth, Dean Landreth, Mike McKinney, Doug Tucker and the First Baptist Church of Brevard for making the employee appreciation day special despite the rain
- ❑ To Emergency Management Staff for keeping the public up to date on the flood waters and transportation impacts and for those who have deployed with Transylvania Rescue Squad to assist Polk County as they work through some devastating flooding impacts



Public Comment



Commissioners' Comments

Closed Session

- A. Per NC General Statute § 143-318.11 (a) (5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, options, exchange or lease.



Adjournment

Thank you for attending!