

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
April 22, 2013 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, April 22, 2013 at 7:00 p.m. in the Rogow Room at the Transylvania County Library.

Commissioners present were Vice-Chairman Larry Chapman, Jason Chappell, Chairman Mike Hawkins, Daryle Hogsed and Page Lemel. Also present were County Manager Artie Wilson, Finance Director Gay Poor, Human Resources Director Sheila Cozart, Finance Accountant Abbey Owen, County Attorney Tony Dalton, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Eric Crews
WLOS News – Frank Kracher

There were over 150 people in the audience.

CALL TO ORDER

Chairman Mike Hawkins presiding called the meeting to order at 7:10 p.m.

WELCOME

Chairman Hawkins welcomed everyone to the meeting and thanked the members of the audience for participating in their County government. The large crowd mostly represented citizens opposed to a potential biomass facility being located in the Penrose community. Chairman Hawkins encouraged them to attend every County Commission meeting because local government directly impacts them. He then introduced the members of the Board of Commissioners and staff.

PUBLIC COMMENT

Gerry Hunsicker: Mr. Hunsicker stated there are many people in the audience that are not from Transylvania County, and he asked Commissioners to base their decisions on how they affect locals and not allow outside organizations or temporary residents to influence them. He believes the County's economic situation can change only with the creation of full time jobs. Mr. Hunsicker noted that 50% of the County's landmass belongs to the State and federal governments, yet the NC Department of Environment and Natural Resources continues to push for taking more land. He feels the biomass project has been presented as exceeding EPA and DENR requirements. Mr. Hunsicker reminded Commissioners that they are responsible for the economic development of Transylvania County; not to cater to special interest.

Ruth Harris: Ms. Harris is a retired manufacturing engineer and is a resident of Transylvania County. She said people that live in and around the Little River valley are very concerned about the biomass facility that may be located there. One of their major concerns is the inconsistency in the information being provided. She wondered about the impact to the environment and stated that a manufacturing business of this nature is not automatically safe or a benefit to the County just because the developer says so. She also wondered if a biomass facility would be a net increase to economic development and jobs. Ms. Harris emphasized what a huge natural resource the Little River valley is in terms of its scenic beauty and the benefit that is realized when people come here to bike the area. She also commented that the technology for these types of facilities is so new that the safety standards are evolving as well. Ms. Harris asked Commissioners to listen carefully to the citizens' concerns.

Joseph Furr: Mr. Furr is a resident of Transylvania County. He said he learned about the proposed biomass facility from an article in the local newspaper. At first the project sounded positive, but after further research he found articles and reports from environmental and citizen groups about the health risks associated with these facilities. Mr. Furr hopes the Board of Commissioners will work to slow the process down and perform its due diligence and become better educated before moving forward.

David Bradford: Mr. Bradford is a resident of Transylvania County. He said oftentimes people wonder what Transylvania County should be like in terms of economic development. He believes Transylvania County is what it should be now, which is a hub for outdoor recreation. Mr. Bradford reported there are over 10 million cyclists and outdoor enthusiasts within a reasonable driving distance of Transylvania County. Furthermore, cycling and outdoor recreation contribute \$133 billion to the nation's GNP and the average income of an outdoor recreation participant is \$72,000 annually. He stated that outdoor recreation does not just involve a blast of tourist dollars for the County; it is a calling card and an invitation for healthy entrepreneurs to locate here and establish living wage businesses and for young healthy families to come here and revitalize the aging workforce. Mr. Bradford asked Commissioners to work toward solutions to import economic development through outdoor recreation and healthy entrepreneurs like Gaia Herbs, rather than importing garbage to be burned in this facility.

Nick Friedman: Mr. Friedman is a local business owner. He learned about the proposed biomass facility from the local newspaper. Initially the proposal sounded good but he found out through his research that these facilities are extremely controversial. Mr. Friedman was upset that the proposed project has been kept secret from the public and that permits have been filed already at the State level. However, it also seems the Board of Commissioners has been out of the loop as well. Mr. Friedman said the reason so many people are in attendance tonight is because they feel they are not being represented. He pointed out there was a lot of anger toward Commissioners at the public information session on the biomass facility; however the tone has changed now that many people realize they did not have all the information either. Mr. Friedman asked Commissioners to do what is necessary to stop this project or least enact a moratorium to slow down the process and allow time for open discussion to determine if this project is a fit for Transylvania County. Other counties have made ordinance changes, created vetting and permitting processes and taken other actions to stop facilities such as these from coming into their communities. Mr. Friedman suggested the possibility of a petition process by citizens to encourage Commissioners to act.

Karla Marr: Ms. Marr is a resident of Transylvania County. She expressed disappointment with Commissioners Chappell and Hogsed for not attending the public information session about the biomass facility on April 11. It is her understanding that both Commissioners are opposed to zoning. Ms. Marr stated that citizens attending the biomass public meeting were concerned and distressed about the exhaust fumes from the proposed plant, as well as the negative impact to their real property. She believes it would have been a good opportunity for both Commissioners to see firsthand what residents have to go through because of the absence of zoning. Ms. Marr quoted Commissioner Chappell as being opposed to excessive regulations and government control of private property, but she believes zoning can be positive in that it protects people's private investment. Ms. Marr thinks it is wrong that citizens' property should be devalued or that they must relocate because of the negative effects of private enterprise.

Robert Stoutamire: Mr. Stoutamire is a resident of Transylvania County. He echoed the previous speakers' concerns about the biomass facility. His research found the appearance of toxic pollutions being created during this process. He thought a facility such as this one would be better suited in the eastern part of North Carolina where in many parts there are hog farms.

Chairman Hawkins announced to the public that the biomass issue is not on the agenda for discussion; however, the Manager intends to address the topic during his report later in the meeting.

AGENDA MODIFICATIONS

There were no agenda modifications. Commissioner Chapman reminded staff that he would like as an agenda item at the next meeting discussion on the employee vacation accrual policy.

Commissioner Hogsed moved to approve the agenda, seconded by Commissioner Chappell and unanimously approved.

CONSENT AGENDA

Commissioner Chapman moved to approve the Consent Agenda as submitted, seconded by Commissioner Hogsed and unanimously approved.

The following items were approved:

MINUTES

The minutes of the April 8, 2013 regular meeting and sealed closed session were approved.

DISCOVERY AND RELEASE REPORT

The Discovery and Release Report for March 2013 was approved.

PROCLAMATION OLDER AMERICANS MONTH 2013

Louise Koontz with the Department of Social Services and Transylvania County Council on Aging has requested that the Board of Commissioners recognize the many contributions of senior citizens in Transylvania County and designate the month of May 2013 as Older Americans Month. Commissioners have adopted proclamations annually for the past few years. Commissioners approved Proclamation 12-2013 Older Americans Month 2013.

(Proclamation 12-2013 Older Americans Month 2013 is hereby incorporated by reference and made a part of these minutes.)

PROCLAMATION NATIONAL POLICE WEEK 2013

The week of May 12-18, 2013 is National Police Week with Peace Officers Memorial Day designated on May 15. Sheriff David Mahoney has requested that the Board of Commissioners publicly recognize and salute the service of law enforcement officers in this community and in communities across the nation. This is an annual proclamation approved by the Board of Commissioners. Commissioners approved Proclamation 13-2013 National Police Week 2013.

(Proclamation 13-2013 National Police Week 2013 is hereby incorporated by reference and made a part of these minutes.)

PROCLAMATION NATIONAL DAY OF PRAYER 2013

In 1988 both Houses of Congress adopted legislation declaring the first Thursday in May of each year as National Day of Prayer. Commissioners wish to designate May 2, 2013 as "A Day of Prayer in Transylvania County". The Board of Commissioners has adopted similar proclamations over the past few years. A National Day of Prayer ceremony will be held at the Courthouse gazebo on this date at 12 noon. There will also be a prayer ceremony in the Penrose community at the Transylvania County Airport from 6:30 p.m. to 7:30 p.m. Commissioners approved Proclamation 14-2013 National Day of Prayer 2013.

(Proclamation 14-2013 National Day of Prayer 2013 is hereby incorporated by reference and made a part of these minutes.)

PROCLAMATION IN HONOR OF TRANSYLVANIA COUNTY'S CENTENARIANS

On Wednesday, May 15, 2013 at 2:00 p.m. there will be a ceremony at Kingsbridge House recognizing all centenarians in Transylvania County. The Manager asked Commissioners to consider a proclamation recognizing these citizens who live in this community and congratulate them on reaching this milestone. Commissioners approved Proclamation 15-2013 In Honor of Transylvania County's Centenarians.

(Proclamation 15-2013 In Honor of Transylvania County's Centenarians is hereby incorporated by reference and made a part of these minutes.)

OLD BUSINESS

RECOMMENDATION ON NEXT STEPS IN ECONOMIC DEVELOPMENT PROCESS

On March 11, 2013 the Board of Commissioners discussed the Goldsmith Report and charged staff to bring back a recommendation on what the next steps should be and how they should be accomplished. As a result, the Manager decided to meet with a small group of individuals (Mark Burrows, Linda Coye, Joe Moore, Larry Nelson, and Frank Porter) to review the recommendations in the Goldsmith Report. The group reviewed three alternatives to accomplish forming a steering committee whose responsibility would be to recommend an organizational structure for economic development. The first was to hire a consultant and let them form a task force and bring back recommendations to Commissioners. A second was to charge the Economic Development Advisory Board with the task. The third alternative was for the Board of Commissioners to appoint an independent task force and allow them to engage a consultant, if needed, to help them evaluate the organizational structure. This process is going to take approximately 12 months. As such, staff recommends the following actions to be taken by the Board:

- I. Select an Independent Economic Development Task Force
 - A. Membership - The task force will consist of seven members who must be willing to commit their time and effort up to a 12 month period to achieve the assigned task. The members should be willing to demonstrate the following characteristics: be strategically oriented, be open-minded to change, have business and management experience, knowledge of economic development, and the ability to communicate and work as a team player. A member of the task force cannot be an employee of any local government in Transylvania County. If a member of one of the potentially impacted organizations (Chamber of Commerce, Transylvania Partnership, Economic Development Advisory Board, Heart of Brevard, and Tourism and Development Authority) is appointed to serve, the member would have to relinquish their position in that organization in order to be able to serve.
 - B. Appointment of Membership - The Board of Commissioners will advertise for individuals interested in serving on this task force having the above qualifications. Advertisements will be made for a two week period. The selection will be made by the Board of Commissioners and a chairperson appointed by the Board of Commissioners.
 - C. If the task force finds it necessary to engage the services of subject matter professionals this is to be done in accordance to State and County policies. In the event this occurs the task force will make the selection of the professional.
 - D. Responsibilities of the task force:
 1. Make a recommendation on an organizational structure for Economic Development in Transylvania County.

- a. Evaluate the recommendation made by J. Goldsmith regarding the creation of a new public-private economic development organization (EDO) that will encompass a number of existing organizations. The evaluation process would involve the task force meeting with each agency and gaining an understanding of the agency's current role in economic development including their revenue stream and operational costs.
 - b. If the task force believes there is a more effective organizational structure, it will evaluate that structure comparing/listing the pros and cons against the Goldsmith recommendation.
 - c. Structure alignment and support of existing organizations/agencies under a new organizational structure and define their specific support role(s) in economic development.
 - d. Define staffing and operational requirements, how the organization will be funded and how the organization will be governed.
2. Review the current mission, vision and brand statements and modify as necessary to grow and attract jobs paying a living wage that promotes quality of life and place.
 - a. Identify target industries, develop marketing strategies for each target industry, and develop target industry task forces to carry out the strategies.
 - b. Develop a first year marketing budget and submit to Commissioners for review and funding
 3. The deliverables from the Economic Development Task Force include:
 - a. A detailed organizational structure which merges, consolidates or utilizes, aligns and focuses the County's economic resources for maximum efficiency. If the Goldsmith model is not recommended there must be an explanation of the pros and cons of the new organization as compared to the Goldsmith model. Included would be a plan on what specific responsibilities would be assigned to whom, a staffing plan, a proposed budget and proposed funding source of revenue, a timeline for implementation and a governance structure for the organization.
 - b. A mission, vision and brand statement consistent with creating an environment to grow and attract jobs paying a living wage that promotes quality of life and place.
 - c. Identification of target industries, marketing strategy for each target industry, target industry task forces to carry out the strategies, and a proposed marketing budget.
- II. Move forward with Product Development to identify a 50-100 acre parcel as a potential location for a business park.

- A. Board of Commissioners to select a nine member committee consisting of the following: one member from the Transylvania County Planning Board, one member from the City of Brevard Planning Board, five at-large members consisting of business people, bankers, etc., the Transylvania County Planning and Economic Development Director and the City of Brevard Planning Director. Advertise for people to serve on this Product Development Committee. Anyone serving on the Economic Development Task force is not eligible to serve on this committee.
- B. If this committee feels a consultant is needed to provide professional guidance/assistance this will be done in accordance with State and County policies. The committee will make the selection of the consultant.
- C. Tasks to be accomplished:
 - a. Identify a 50-100 acre parcel or parcels as a potential location for a business park
 - b. Develop a plan and recommendation on how to control the property or properties
 - c. Develop a plan to extend utilities to the property including cost estimates and time frames to construct utilities
 - d. Analyze and recommend whether the concept of a virtual building is feasible

III. Other

- A. Charge the County Manager to work with the City Manager to develop a plan to make the community more business friendly. (The Manager originally thought this could be done by June but with the budget process going on he believes that date is a bit ambitious.)

In summary, staff is recommending the Board of Commissioner move forward with the four recommendations in the Goldsmith report. The first recommendation is to establish a seven member Economic Development Task Force to evaluate and recommend an economic development structure for Transylvania County. The second recommendation deals with marketing which the group proposes to be part of the seven member Economic Development Task Force's responsibility. The third recommendation is the establishment of a Product Development Task Force. The fourth recommendation is to develop a plan to make the community more business friendly.

The Manager recommended Commissioners set aside \$185,000 for the purposes of continuing the economic development process. This amount is the total listed in the Goldsmith report for the Task Force (\$70,000), Product Development (\$55,000) and Marketing (\$60,000). These funds should cover any professional expenses and other expenses incurred. At the end of June 2012 there was \$206,316 in funds Assigned for Economic Development in the General Fund Balance.

To get the discussion started, **Commissioner Lemel moved to approve the plan as recommended to set aside \$185,000 in funds to come from the funds Assigned in the General Fund Balance for Economic Development, with the understanding that the plan for the County Manager working with the City Manager to develop a more business friendly community would be presented by the end of August. The motion was seconded by Commissioner Chapman.** Commissioner Chapman asked how Commissioners will remain updated on the status of the activities and progress. The Manager intends for the task force to report to the Board on a monthly basis. Commissioner Chapman expressed concern about the stipulation that members of the task force may not serve as members of any potentially

impacted organizations because some of the County's most talented individuals currently serve in these areas and it would be a loss if they were unable to offer their expertise on the task force. Otherwise, he is supportive of moving forward. Commissioner Chappell asked for clarification on the task of listing pros and cons of alternatives to the Goldsmith recommendation. The Manager said this is to ensure that when recommendations are made by the task force they can provide justification for their recommendation. Commissioner Lemel asked the Manager how he envisions the monthly updates being provided to Commissioners. The Manager said it is important that this process is transparent and that citizens are aware of what is going on. He suggested a monthly report directly to the Board from the task force. Commissioner Chapman asked for a better understanding of how the process of identifying sites would work. He does not want this process to adversely affect private property owners. The Manager noted that the Board previously directed the Planning Board to identify areas of potential growth around the County. The Product Development Committee will include a member of the Planning Board. He said it is imperative that no one divulges information that will be detrimental while being transparent at the same time. Both task forces will be operating under the guidance of the Open Meetings Law. Commissioner Lemel asked for an explanation of when staff intends to advertise for these task forces. The Manager said staff intends to move ahead quickly with advertising and establishing these committees. He proposed to bring the applications to the Board for their consideration and appointment at the first meeting in June. Commissioner Chapman believes the County will need to make major investments in the community in the future in terms of purchasing property and extending utilities and he encouraged citizens to offer their input to help Commissioners make the best decisions for them. Commissioner Hogsed thanked the Manager and staff for their recommendation and all those who have worked on this process. Although he has some reservations, overall he believes this is a good plan. He asked staff to make sure they include the Town of Rosman and the upper end of the County as well. Chairman Hawkins inquired about the site selection committee and the time frame for a task completion date. The Manager said the time frame for this committee has not been discussed at this point but that date will be determined soon. He noted that the Planning Board intends to report their findings to Commissioners in May or June. Chairman Hawkins asked for clarification on the funds to be set aside and asked if the recommendation is to set aside the funds in a lump amount or allocate funds as recommended in the Goldsmith report. The Manager recommended the funds be allocated towards the two task forces as recommended. As the project moves forward, the members will develop a budget to meet their needs. Chairman Hawkins also commented on the collaboration between the Manager and City Manager. He believes the term business friendly needs to be defined before they can complete their task. The Manager agreed and stated that staff has already been exploring ways to accomplish this. For instance, staff is trying to make it easier for builders to obtain permits. Henderson County is reviewing its ordinances and the Manager believes that is something the County and City should do to ensure there are not measures in them that would hinder business and others from coming into the community. Lastly, Chairman Hawkins commented that these committees are not study committees, but action committees. Members should be ready and willing to take action. **The motion passed unanimously.**

NEW BUSINESS

REQUEST TO MODIFY THE ELIGIBILITY CRITERIA FOR EMPLOYEE HEALTH INSURANCE

The Board of Commissioners recently established an employee wellness clinic. One of the recommendations by the consultant was to implement an incentive to encourage employee participation but it was not approved by Commissioners. So to help familiarize employees with the clinic and ensure they have a chance to discuss their health screening results with a physician, Human Resources Director Sheila Cozart recommended that Commissioners add a second component to the eligibility criteria for participation in the Transylvania County Employee Health Insurance Plan. The second component would require employees to have a follow up consultation with staff at the wellness clinic within 90 days of receipt of their health screening results. For this year, employees would have until December 31, 2013 to complete the follow up since the clinic does not open until early September.

Commissioner Lemel moved to approve the addition of a second component to the eligibility criteria for participation in the Transylvania County Health Insurance Plan which requires employees to complete a follow-up consultation with the wellness clinic staff within 90 days of receipt of the health screening results. For this year, employees would be given until December 31, 2013 to complete the follow up with the clinic staff. The motion was seconded by Commissioner Hogsed. Commissioner Hogsed thanked staff for this alternative because it does not affect employees' paychecks and just requires reasonable action by the employees. Commissioner Chapman noted that employees are allowed to have their wellness screening performed by their family physician. He asked if employees would be allowed to do the same for the follow up to the wellness screening. He does not want this requirement to frustrate the relationship employees have with their family physician. Ms. Cozart said this requirement in no way is intended to take the place of an employee's primary care physician. In the past there have been no follow up visits to encourage employees to help themselves, so she sees this as a critical need and it would help the County meet its long term goal of having healthier employees thereby reducing the costs of healthcare. The wellness clinic staff would also make referrals to a physician should a significant health concern arise with an employee. **The motion was unanimously approved.**

GENERAL WARRANTY DEED .378 ACRES AT ROSMAN HIGH SCHOOL

When the Board of Education and Board of Commissioners agreed to fund a new Career Technical Education (CTE) building at Rosman High School, the new CTE building was going to be located near the old gymnasium. Initial architectural estimates indicated the building could be constructed for \$1.3 million. The County proceeded by borrowing the funds from BB&T. In order for the County to borrow the funds, the bank required the Board of Education to deed the property to the Board of Commissioners. When the project went out for bids the project came in significantly higher than the estimate. The Board of Education modified the plans and instead renovated the existing building at Rosman High School, rather than constructing a new building. The initial location for the new CTE building needs to be deeded back to the Board of Education.

Commissioner Lemel moved to authorize the Chairman to sign the North Carolina General Warranty Deed transferring a .378 acre parcel to the Transylvania County Board of Education. The motion was seconded by Commissioner Chappell and unanimously approved.

BUDGET AMENDMENTS

Finance Director Gay Poor presented budget amendments submitted by the Health Department that require approval from Commissioners.

#79. To budget for \$1,750 received from the NC Public Health Foundation for participation in the Quality Improvement 101 program

#80. To budget for a \$2,500 grant awarded by Mountain Valleys Resource Conservation and Development to assist low income homeowners with the costs of maintaining/pumping septic tank systems

#81. To budget for \$5,501 distributed by the NC Division of Public Health for the Breast and Cervical Cancer Control Program (BCCCP) to provide services related to the prevention of breast and cervical cancer

If approved, these budget amendments will increase the FY 2013 General Fund budget by \$9,751, to a total of \$40,815,339.

Commissioner Lemel moved to approve the budget amendments. The motion was seconded by Commissioner Hogsed. Commissioner Lemel commended the Health Director for pursuing these grants. She offered the possibility of partnering with the Board of Education to hire a professional grant writer to pursue more of these opportunities in the future. **The motion was unanimously approved.**

FY 2014 BUDGET UPDATE

At the March 19, 2013 Commissioners' meeting, staff gave an overview of the initial requests for the FY 2014 Budget. The initial requests reflected an increase in costs of approximately \$4.9 million. Over the past month staff has received information from the North Carolina Association of County Commissioners and the Local Government Retirement System and had more time to examine the revenue assumptions and review expenditure requests. As a result, staff made \$0.9 million in changes. Staff continues discussions with school administration staff regarding the school's request and is still planning for Commissioners to hold a joint meeting with the Board of Education on May 14, 2013. Staff continues to review all elements of the budget and is on track to present a budget to the Commissioners on Tuesday, May 28, 2013.

Finance Director Gay Poor provided a detailed update to the Board, noting that the budget is still a work in progress.

Changes in Revenue Projections

In March when staff reviewed the budget projections, there was no significant increase in revenues expected. Since then, based on new information received, staff is expecting an increase of approximately \$347,000. The main contributor of this increase would be an increase in motor vehicle collections and interest. The new law governing collection of these taxes will become effective July 1, 2013 and will be called the Tax and Tag Together System. It will require citizens to pay their automobile property taxes when they renew their license tag. In the past, motor vehicle taxes were due four months following the tag renewal. What this means to the County is that in FY 2014 the County will get to collect 16 months worth of motor vehicle taxes (4 from FY 2013 and 12 from FY 2013). This will result in a onetime increase of these taxes in the amount of \$312,000. In addition, the County will no longer have to remit to the State approximately \$9,000 annually which was used to fund the development of the new collection system. For sales taxes, staff had another month of data to consider and therefore revised the estimates for the current year and the projection for next year. The original inflation factor used of 2% was increased to 2.5% based on the recommendation by the North Carolina Association of County Commissioners. Conversely, the projection for Medicaid Hold Harmless monies was decreased by \$17,000. Other increases in revenue are projected to be approximately \$29,000 and are the net impact of changes in revenues related to changes in expenditures.

Changes in Expenditure Projections

In March staff projected an increase in expenditures in the amount of \$4.9 million, which included \$30,000 for economic development. Removing those funds brought the projections down to \$4.828 million. Over the last several weeks, staff has been able to reduce the expenditures by \$733,000, therefore reducing the deficit to \$4.095 million. Ms. Poor noted that earlier in the meeting the Board approved \$185,000 for next year for economic development which will come from the Assigned Fund Balance.

The mandated changes expected include changes in the retirement rate, unemployment insurance, voter identification, and retiree health. The only change since the March projection is a small reduction in the retirement rate for law enforcement officers.

Staff is working on the education budget. The additional amount requested was \$1.862 million and consists of a number of different items. The major items were a \$509,000 increase in current spending,

\$1.080 million in capital, \$130,000 in lottery funds, and \$120,000 for capital for Blue Ridge Community College. Staff continues to meet with school officials to gain a better understanding of their needs.

The most significant changes occurred in Personnel, decreasing by \$308,000 since the last projection. Initially there was a request for 16 new positions for an estimated cost of \$1.39 million. Over the last few weeks after reviewing the justifications for the positions, the additions have been reduced by five at a cost of \$268,000. Staff also reduced reclassifications and additional hours by \$35,000. Because of these reductions, the proposed salary increase dropped by \$5,000 as well.

The reductions in staffing, reclassifications and additional hours included:

- Reduced EMS request for four full time employees to two; net reduction of \$123,000 (Justification: Staff met with Emergency Management staff and discussed a number of shift configurations and staffing options to try to reduce the cost yet still provide the additional service coverage during the peak call hours. The proposal currently included is for two additional paramedics for the day shifts, meaning there would be four ambulances available to respond seven days a week between the hours of 8:00 a.m. and 8:00 p.m.)
- Two school nurse positions; net reduction \$115,000 (Justification: The original request was an effort to lower the nurse to student ratio to get close to the recommended rate of one nurse to 750 students; however the School System has not identified these positions as a high priority.)
- Removed Q&A Technician from the Health Department; net reduction \$30,000 (Justification: This request was given a lower priority than other personnel requests.)
- Reduced \$7,000 in overlapping salaries that was originally planned to cover overlapping salaries for an employee to replace a retiring maintenance technician (for the new employee's training period)
- Reduced additional page time of 7.5 hours per week and library assistance for the NC Desk on Saturdays in the amount of \$10,000; the local history room is currently closed on Saturdays
- Removed the library security patrol of three hours per day in the amount of \$10,000

In March staff requested additional capital in the amount of \$690,000. Staff reviewed each request and reduced them by \$255,000, therefore reducing the increase in capital requests to \$435,000. Ms. Poor reminded Commissioners that \$363,000 of the amount is related to the next phase of the community park in Rosman.

Actual reductions made in the capital requests included:

- Reduction of eight vehicles (five new in the Health Department; one replacement vehicle in DSS; one new vehicle in the Tax Office; one new vehicle for SRO) at a cost of \$161,000 (Justification: Staff researched the utilization of cars assigned to the various departments, their mileage and maintenance history, and also reviewed the cost of operating vehicles versus the cost of paying mileage reimbursement.)
- The Tax Office had requested pictometry and wanted to have a flyover in early 2014 at a cost of \$60,000. Staff proposed as an alternative to set aside \$15,000 a year for the next four years so the funds will be available in 2018 for a flyover prior to the 2020 revaluation.
- The Register of Deeds and Tax Office requested replacement windows for their building. This amount was removed at a net impact of \$13,000.
- EMS requested the purchase of six new cots but the amount was reduced to three, reducing the request by \$6,000.
- A skid steer loader was removed from request by the Solid Waste Department at a cost of \$30,000. Staff hopes to use white good funds to pay for this item in the future.

There were no changes to the requests for computers and printers. Staff has requested an additional \$148,000 in this area.

As mentioned earlier, an additional \$30,000 was requested for economic development purposes in March and an extra \$155,000 was approved at this meeting by the Board, for a total of \$185,000. The funds will come from the Assigned Fund Balance.

Other changes in March totaled an additional \$470,000. Changes since then included the removal of school nurses (\$115,000) and other miscellaneous reductions (\$51,000) for a total increase in these areas of \$304,000.

In summary, originally staff projected a deficit of \$4.9 million. Staff has been able to reduce that amount by \$900,000 to a deficit of \$4 million.

Discussion:

For the public's information, Commissioner Chapman asked what amount of increase would be needed in the tax rate to cover the current deficit. Staff responded that roughly 7 cents would be required to cover the deficit.

The Manager noted that Commissioners have previously discussed the use of fund balance; however there is other large capital projects coming up for consideration in the future that were not presented to the Board this evening. Those include renovating the old Library, Administration building and Courthouse, and paying for future school capital needs. Funds are also needed to cover the operational expenses of both the County and the schools. The Manager said it is important to balance the fund balance while covering the operational needs and making sure revenues cover expenditures. He pointed out that one of the major areas Commissioners control in terms of revenues is the ad valorem tax rate which is where the majority of the County's funds come from.

Commissioner Chapman asked what percent of the projected deficit of \$4 million will be recurring annually. The Manager said capital items are generally nonrecurring for both the County and the schools. He was unsure about the remaining items. He noted that the Board of Education has requested an additional \$1 million in capital for FY 2014 and County staff requested a slight increase in capital expenditures as well.

The Manager reminded Commissioners that the budget remains a work in progress. County departments have continually been asked to maintain the same level of service without making cuts, while at the same time inflation factors and other increases have not been taken into account.

Commissioner Chapman inquired about the percentage increase a 6.5 cents increase would mean to property owners. The Manager said the increase would equate to approximately 15%.

MANAGER'S REPORT

The Manager reported the following:

- Renovation of Phase 2 of the Courthouse is almost complete; furniture is on order and staff will be putting together a move-in schedule shortly.
- Mental Health continues to consume a lot of time. On Thursday April 11, six of the eight County Managers in the catchment area traveled to Raleigh to meet with Secretary Vos regarding the termination of the Medicaid Waiver contract. The Manager learned that Western Highlands Network has two options: merge with another managed care organization or possibly become a

pilot project as a coordinated care entity. The Western Highlands Network Board began exploring both paths. The County Managers made it clear to the Secretary that the way the announcement was handled caused a lot of unnecessary strife for consumers, providers and staff. Secretary Wos acknowledged the situation was not handled properly. Since the meeting with the Secretary, however, the Western Highlands Network Board learned they could not become part of a pilot project and must move forward with merging with another managed care organization. There are 11 of these organizations today and the State's goal is reduce that number to three coordinated care entities. The Board is still working on this issue with the goal being to continue providing services to the citizens in each community and a seamless transition for both consumers and providers. The Board is also trying to extend the deadline for the expiration of the Medicaid Waiver contract. The Board must submit a plan to the State by Thursday of this week. The plan must state how it intends to merge with another managed care organization. The details can be worked out in the near future, but a plan has to be submitted to the State this week.

- Attended a NC Association of County Commissioners District Meeting at Western Carolina University along with Commissioners Lemel and Chapman and received an update on legislative issues.
- Staff continues to review the budget.

The Manager provided an update on the status of the biomass facility for the benefit of the public. He reported that the County first learned about this project in 2011 through the Biofuels Center of NC. Over the last two years, the scope of this project has changed three times. The latest change occurred in January 2013 and is completely different than staff first learned about in 2011. The Manager stated that anytime the County begins working with a client, staff makes sure there is a business plan provided by the client. From this particular client, Renewal Developers (RD), staff has requested the following information:

1. Business plan
2. Technical information regarding the proposed technology to be used
3. Information regarding sites that are currently operating with the proposed technology
4. The opportunity to visit one of these sites where a project of this nature is in actual operation
5. Logistical details regarding the feedstock and disposal of any residue if any
6. To meet with the engineering firms involved with the project
7. Inquired about whether this project is taxable (many times projects involving renewable energy are not taxable)

The Manager explained that Commissioners and staff are doing their due diligence on this project and as of this date none of the answers to the aforementioned questions have been provided by RD.

RD held a public information session recently and since that time the County has received a lot of feedback from citizens and others. As a result, staff has sought assistance from several entities (NC Biofuels Center, NC State University Engineering Department, Appalachian State University).

The Manager emphasized to the public that this project is very different than it was in 2011. Staff has not brought Commissioners any recommendations on whether or not they should support the project because the due diligence process is not complete and RD has not provided responses to the County's questions and concerns. He vowed to share additional information as it comes available with the Board and public. The Manager noted that staff was just as surprised as the public to learn that RD had applied for permits with the State.

Commissioner Lemel asked the Manager to elaborate on what Commissioners' specific role is in supporting this project and what is within the County's purview. The Manager explained that RD will

need a feedstock and they are looking at using municipal solid waste (MSW) from the County's landfill and possibly surrounding counties as well. The Manager's responsibility is to ensure the County has a program in place that would be able to handle MSW in the future. Staff would need to evaluate whether or not the technology is sound. If the County were to close the landfill and then have to open a new one in the future, the cost to obtain permits for a new landfill is difficult and extremely expensive. There is much to be considered before the County should close the landfill. What makes the biomass project attractive is it costs over \$2 million to construct a new cell at the landfill. If there was a way to avoid building new cells, those monies could be used for other services. The Manager stated that RD made the County aware there was a plant operating a similar technology nearby and staff was hoping to arrange a site visit, but they learned the site is not in operation at this time and it was not using MSW. It is important for staff to study County operations and how a biomass facility will affect those operations.

Chairman Hawkins wondered if the State permits could be pulled while the County is in its due diligence stage. The Manager said in his conversations with State officials he learned the State will want to know if the County supports this project before approving the permits.

The Manager has also been in discussions with Henderson and Buncombe Counties about their waste streams and discussed with them their conversations with RD so everyone is on the same page. The Manager thinks RD would need support from these counties in terms of obtaining feedstock. There is an extreme amount of information that the County has yet to understand. The Manager reported he has had no direct contact with RD since their public information meeting other than email correspondence requesting answers to specific questions. It is his understanding that RD intends to provide responses in approximately two weeks. Commissioner Lemel reported that the client publicly stated during the public information session that they intend to provide answers to the questions and concerns posed by the County and the public and they will post the information on their website; however they have yet to do this.

The Manager believes RD will not be able to obtain the necessary permits from the State without the support of the Board of Commissioners. There is no site in North Carolina where this type of technology is being used. The due diligence is going to take some time on both parts.

Commissioner Chapman emphasized how critical it is that staff remains in communication with RD. If they anticipate gaining support for this project, they need to provide the answers to these questions and address concerns expressed by the public; otherwise the Board can make a decision now and move on. At this point, he does not have enough information to make a decision one way or the other.

Commissioner Lemel was surprised that the County's support is necessary for them to obtain permits because everything she learned prior to this evening was that if they met the EPA standards the County had no decision on whether this project came to Transylvania County. The Manager's understanding in speaking with State officials is that the NC Department of Environment and Natural Resources will seek to determine if the County is supportive of the project.

Chairman Hawkins wondered about the possibility of the Transylvania Natural Resources Council (TNRC) researching more about these facilities. The Manager said he spoke with County Cooperative Extension Director Eric Caldwell about this. Mr. Caldwell has discussed this briefly with some members of the TNRC. Commissioners suggested a possible agenda item at the next meeting to discuss charging the TNRC with this task.

For the benefit of the public, Commissioner Chappell asked the Manager if there have been any back room secret deals with RD on the biomass project. The Manager responded no. Commissioner Chappell then asked if the Board of Commissioners or staff had made any commitments to RD. The Manager

responded no. Commissioner Chappell emphasized to the public that there has been no proposal made to the Board or anything tangible the Board could bring forth to the public for consideration. The project was made public when RD decided to apply for permits with the State. Commissioners and staff have continually asked for information and have not received anything. At this point, the public is aware of the same information as Commissioners. While he appreciated the public's concern, he asked that they not make assumptions because Commissioners take their oath of office very seriously and will do their best to make informed decisions.

Commissioner Hogsed said the question was asked during the public information session why this facility could not be located at the landfill and RD responded that the landfill location had been vetted extensively. The Manager said the original discussion involved a site at the landfill for a transfer station, but staff has no way of knowing how much material can be used in the process. The material that could be used would be transferred from the landfill to the facility in Penrose. The Transylvania County landfill is not big enough to be the site of a transfer station and the quantity of MSW is not as large as other areas either. The question arose also of whether material from other sites would pass through the transfer station and whether the County would have knowledge of the composition of materials coming in from other locations. The unused material could be more than is going into the landfill today. This idea was not discussed any further with the County.

The Manager reiterated to the public that the County is in the early stages of completing its due diligence. Staff will communicate to RD that further information needs to be provided by them. The County is going to take its time to learn everything about this project before making any recommendation to the Board.

PUBLIC COMMENT

Robert Poole: Mr. Poole reminded Commissioners that he addressed them at a meeting in January about the biomass facility. He expressed opposition to a proposed biomass facility. He said the Biofuels Center is involved with genetically involved organisms (GMOs) which are not healthy for human consumption. No one knows at this point what feedstock will be used in the biomass facility so there is no way to know what might be affecting people's health and bodies as well. Mr. Poole believes this project is nothing but crony capitalism and should not be supported by County Commissioners.

Kevin Glenn: Mr. Glenn pointed out that no other facility exists of this nature in the United States. He said members of People for Clean Mountains would love to have a seat on the Economic Development Task Force.

Pauline Hawkins: Ms. Hawkins thanked Commissioners for listening to citizens' concerns about the biomass project.

Jeannie Falknor: Ms. Falknor encouraged Commissioners and County staff to also do due diligence on whether Transylvania County is the right place for a biomass facility and whether or not these are the right kinds of jobs for citizens. The jobs should be living wage jobs that promote quality of life, which is part of the mission for economic development. Ms. Falknor believes a message should be sent to the State that Transylvania County wishes for them to stop consideration of this project until the County does its due diligence.

COMMISSIONERS' COMMENTS

Commissioner Lemel expressed disappointment that so many people left the meeting after the first public comment period because they did not get to hear the Manager's presentation or the Board's discussion on

the biomass facility. She emphasized to the remaining members of the audience that County government is more than just one special interest.

Commissioner Lemel reported that she attended the regional meeting of the North Carolina Association of County Commissioners at Western Carolina University to learn about legislative issues that may affect counties. She also attended a School of Government course on rules and procedures for small boards. Commissioner Lemel attended the public information presentation by Renewal Developers on the biomass facility. She participated in a County health insurance plan meeting with Commissioner Chapman and staff to discuss how to implement the new wellness clinic. She represented the County on the Dupont State Forest Advisory Board at their quarterly meeting. Commissioner Lemel represented Commissioners at the Transylvania County Arts Council Student Art Show and she recommended everyone stop by the Arts Council to see the work those students have done. Along with Chairman Hawkins and Commissioner Chapman, she met with Representative Chris Whitmire to push for legislation that will have the most direct impact on citizens in Transylvania County. Much of the conversation centered on schools and lottery funding and other shortcomings in the State budget in terms of education. Lastly, she represented Commissioners at the Transylvania County Special Olympics program on Saturday which was a wonderful way to honor some very special people in the community. Commissioner Lemel thanked everyone for the opportunity to serve them.

Commissioner Chapman expressed to the audience that he cares about this community, despite emails he has received and other comments directed at him, and does not want Transylvania County to become a “waste capital”. He appreciated the constructive comments he has received and he said he tries to respond to every email. Commissioner Chapman also informed the public that he did not attend the public information session on the biomass facility because he does not care about this community. He was unable to attend the meeting because of work obligations which keep him traveling around the globe quite a bit. He assured everyone that he intends to represent all citizens and will cast his vote based on what he feels is best for the community.

Commissioner Chappell thanked all those who attended the meeting this evening and offered their input. He stood by his stance on zoning and made no apologies for his opposition to it. He hopes people will realize what happens with government interference into people’s lives.

Chairman Hawkins reported that he met with some members of the Transylvania Natural Resources Council and Dr. David Joyce, President of Brevard College. The TNRC has been holding a monthly series on the interaction between the environment and economic development in Transylvania County. They would like to pull all the material together and hold a symposium at Brevard College. The planning is in the early stages, but he thinks the goal is for the symposium to occur next spring. Chairman Hawkins thinks this will be an opportunity to expand on this and have a series of symposiums on different topics. Chairman Hawkins mentioned the meeting with Representative Whitmire last week where they discussed a number of different issues of interest to Transylvania County. One of the most important topics of discussion was mental health because there is potential for harm that could occur to many of the County’s most vulnerable citizens. He thanked the Manager for his work in this area. He also expressed disappointment with the arbitrary guidelines set by the State because it impacts citizens negatively, and it is also consuming an enormous amount of time by the County Manager at a time when there are so many other critical needs in this County. He hopes Representative Whitmire will be able to help with this issue. There were also discussions with him about the potential reduction in funding from the Golden Leaf Foundation and the NC Rural Center which, if passed, will disproportionately hurt Transylvania County. Chairman Hawkins reported that Senator Apodaca was unable to attend the meeting for unknown reasons which was disappointing. He believes Commissioners need to develop a strategy to engage with Senator Apodaca.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Chapman moved to adjourn the meeting, seconded by Commissioner Lemel and unanimously approved.**

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board