

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
June 25, 2018 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, June 25, 2018 at 7:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Chairman Larry Chapman, Jason Chappell, Mike Hawkins, Vice-Chairwoman Page Lemel and Kelvin Phillips. Also present were County Manager Jaime Laughter and Clerk to the Board Trisha Hogan. County Attorney Misti Bass was traveling out of town and unable to attend.

Media: *The Transylvania Times* – Derek McKissock

There were over 130+ people in the audience.

CALL TO ORDER

Chairman Larry Chapman presiding declared a quorum was present and called the meeting to order at 7:02 p.m.

WELCOME

Chairman Chapman welcomed everyone to the meeting and thanked the members of the public for participating in their local government. He introduced Commissioners and staff in attendance.

PUBLIC HEARING

FY 2018-2019 PROPOSED BUDGET

Chairman Chapman reminded the public there is no sign up required to speak during the public hearing on the proposed FY 2018-2019 Budget for Transylvania County. Once the public hearing is open, he asked that those wanting to speak line up at the podium and limit their comments to three minutes. All those wanting to speak during the public hearing will be given an opportunity to provide input. Following the public hearing, will be a public comment period in which citizens may address the Board on any topic. Chairman Chapman pointed out the vote on the Courthouse project has already taken place and is a separate issue from the budget.

The Manager gave an overview of the budget for the benefit of the public. The Manager presented the recommended FY 2018-2019 Budget to the Board of Commissioners on May 21, 2018.

Highlights for FY 19

- 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 meal program onsite
- Implement free public Wi-Fi in community centers and support capital improvements
- Library program with School System so each child has a library card; waive fines for juvenile material to remove barriers for children to access resources
- Partnership between 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 for another grant funded fellowship position with the 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
- Continue to reestablish Solid Waste program and catch up on deferred capital; change in disposal fee; Pisgah Forest site operations change
- New Finance and Human Resources software to avoid losing staff time to modifying, fixes and creating liability
- Make recommendations on pay plan
- New Adventure re-envisioning project
 - 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 renovations to Brevard High, Rosman High and Rosman Middle Schools
- USDA Loan application process for new funding cycle to begin in October
- Funds Education at more than \$106,000 over request for operational spending and changes the paperwork process for capital project spending for transparency purposes

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 NCGS 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 County Administration continues to raise concern that funding increases are outpacing revenue growth in some areas

Manager's Recommended Summary

- Balanced budget of \$51,268,153 reflecting less than 1% total increase
 - \$1 million Golden Leaf grant was booked as revenue in FY 18; 2% total increase if that is factored into account
 - Increases for capital expenditures to move forward on deferred maintenance; five-year projections developed on facility needs
- Recommended budget does not include prior tax increase for capital needs as an expenditure line, but staff projects a surplus at the end of the 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
- Work with Board of Education on bond referendum

Commissioners met in a Budget Workshop on May 31 and directed staff to:

- Add 2.5 cent tax increase for the courthouse project (2.5 cents/\$100 valuation)
- Add purchase of a tactical rescue vehicle for the Sheriff's office and remove one patrol vehicle replacement (additional \$270,000 expenditure, removal of \$50,000 expenditure, \$60,000 contribution from City of Brevard, and remaining from Fund Balance)
- Add an Environmental Health Specialist position into the budget

- Remove staffing requests and the commercial kitchen (Lake Toxaway Fire Rescue) from fire department proposals for funding and add funds to Balsam Grove Fire Rescue to allow participation in the Volunteer Fireman’s Pension Program
- Present options for funding the fire department budgets (this has potential to change the tax rate for the General Fund)
- Schedule public hearings for both the June 12 and the June 25 meetings

Commissioner held their first public hearing on June 12 and staff presented fire and rescue funding options. Commissioners directed staff to make the following changes to the Manager’s recommended budget:

- For FY 19, cap the fire districts’ tax rates at 14 cents, which fully funds the approved fire department budgets with the exception of North Transylvania Fire Department
- Fund the amount over the 14 cents cap for North Transylvania Fire Department, totaling \$102, 112 from fund balance
- Reflects increase in tax rate for five districts, decrease for two districts, and remaining the same for one

District	Budget Request	Current Fire Tax Rate	District Fire Funding Method Rate with cap*
City of Brevard Residents	None (City Budget)	City Tax only	City Tax only
Brevard/Sylvan Valley II	\$480,000	5.5 cents	5.5 cents
Rosman	\$554,125	11.59 cents	12.09 cents
Little River	\$457,230	9.11 cents	9.06 cents
Conneestee	\$782,258	7.67 cents	8.33 cents
Cedar Mountain	\$193,100	13.78 cents	13.76 cents
Lake Toxaway	\$892,786	4.79 cents	5.44 cents
Balsam Grove	\$100,207	10.98 cents	11.18 cents
North Trans.	\$276,655	12.70 cents	14 cents

Budget Summary with Changes

- \$53,091,637 General Fund Budget for FY 19
- Tax rate proposed at 53.6 cents/\$100 valuation

Property Valuation	Annual Tax Bill Change
\$100,000	\$25.00
\$150,000	\$37.50
\$200,000	\$50.00
\$250,000	\$62.50
\$300,000	\$75.00
\$350,000	\$87.50
\$400,000	\$100.00

Revenue Projections

- Revenues this year reflect a greater dependence in the budget on property tax
 - This is the only revenue that is of local control

- Makes up 58.3% of revenues

Expenditures

- By function, predominant expenditures are Education and Public Safety, followed by Health and Human Services
- By natural classification, Education makes up 28.4% of expenditures, Personnel comprises 43% of expenditures (typical given human services organizations require human resources)

Chairman Chapman declared the public hearing open at 7:13 p.m.

The comments made by the public represent the individual speaker's opinion or point of view. No attempt was made to vet their statements for accuracy or modify them based on facts.

Maureen Copelof: Ms. Copelof is a member of Brevard City Council. She wanted to comment on the proposed tax increase to pay for the new courthouse on Morris Road. She reminded Commissioners that it was a year ago that Brevard City Council expressed concern and opposition to moving the Courthouse out of downtown Brevard. As a new member of Brevard City Council, she wanted to state her opposition to the move and tax increase as well. Ms. Copelof stated she listened to the various presentations and read the studies that have been done over the past several years. She also listened to the comments from the public hearings, read the letters to the local newspaper and talked with many residents and business owners. She reported the overwhelming majority of people she has spoken to do not support the plan as reflected in the County's budget. Ms. Copelof stated that no one is questioning the need for improved court facilities and added that staff has done an incredible job of conducting business within the limitations of the historic Courthouse; however, moving court functions out of downtown Brevard is not the only option. She stated that relocation would be bad for downtown businesses, inconvenient for citizens as there is no public transportation available, and it will diminish the sense of civic community, civic involvement and the overall vibrancy of the City of Brevard. She requested Commissioners reconsider their budget and the tax increase, as well as to reconsider their decision to relocate the Courthouse. She asked them to relook at the option to renovate the historic Courthouse and use it for some of the court functions while building an annex within the center of Brevard. Keeping court functions downtown will allow Brevard to remain the combination of government, community and business functions that work together that create our unique community.

Kathryn Kendell: Ms. Kendall is a Licensed Clinical Mental Health Counselor and former court advocate for SAFE, Inc. As a court advocate, she accompanied victims of domestic violence as they went through the legal process of obtaining restraining orders, providing emotional support as they navigated through a confusing, frightening and dangerous time in their lives. She revealed that domestic violence courts are more dangerous than any other type of court. In addition, beyond the Courthouse are many security issues. There are psychological dangers as well. She pointed out it is a common abuser tactic to use the building itself as a method of intimidation victims into dropping charges. They are able to glare at victims in the narrow hallways and able to walk by them and curse them and eavesdrop on their conversations with their attorneys. Limited parking forces victims to be nearer to their perpetrators. The hallways are dark, overcrowded and impossible to monitor. The absence of a safe waiting area, unsecured bathrooms and entry/screening process causes victims and abusers to wait lengthy in lines and in close proximity to each other. These structural barriers provoke PTSD symptoms and many times lead the victims to drop the charges against their abusers. Ms. Kendell reiterated that previous consultants for the County have said these are not structural barriers that can be changed through renovations. The 130 year old Courthouse was simply not built to protect and support victims of domestic violence. Ms. Kendell stated Commissioners have an amazing opportunity because there has been a movement across the State to build court facilities that mitigate physical and psychological risks to victims. She was encouraged to see some of those informed designs featured by the architect. She also noted that victims

are not frequenting downtown businesses. Victims of domestic violence are traumatized individuals and most likely were escorted to their vehicle by law enforcement following court and all of them are considering dropping the charges against their abusers. Not only do they have to relive the abuse during court, they have to do so in a building that is cold, musty and confined and not vibrant at all. While she understands the decision to relocate court functions outside of downtown is not popular, she felt she was speaking for those who do not have a voice. Commissioners can still support the historic nature of the building without punishing victims of domestic violence. She thanked Commissioners for supporting the construction of a new building that protects survivors and victims.

Karla Marr: Ms. Marr expressed concern about the proposed tax hike to pay for a new Courthouse. She pointed out the Board of Commissioners has for more than 10 years made promises of no tax increases and small government, yet now there is a proposal to build a new facility and add to the County government payroll. She suggested the County seek creative funding methods. The Courthouse provides few services to the citizens of Transylvania County and she questioned the Board's priorities.

Will Cathey: Mr. Cathey expressed concern that the proposed tax increase is a ploy to ensure the school bond does not pass. He also referred to the proposed increase in the budget for Emergency Management and questioned the amount going toward EMS and ambulance services noting that many times there is no ambulance service available. Mr. Cathey asked Commissioners to share the amount of funds budgeted for the upkeep and any renovations planned for the current Courthouse for the current year and next 5-10 years.

Bianca Mitchell: Ms. Mitchell encouraged Commissioners to reconsider the budget and suggested they call for a referendum vote on a new courthouse. Because citizens have so many various points of view, if citizens had choices, it would help everyone come to an agreement on what should be done. She also asked Commissioners to reconsider approval of the commercial kitchen for the Lake Toxaway Fire Rescue. She stated there aren't many places to dine in this remote part of the County and it would be beneficial for the department.

Paul Averette: Mr. Averette asked Commissioners to reconsider their decision to locate a new courthouse on Morris Road in favor of keeping it downtown at its present location. He expressed that he was not sure a new courthouse was needed. Having it downtown impacts the economic vitality of the City of Brevard and represents and symbolizes the freedoms guaranteed by the Bill of Rights as provided in the Constitution of the United States. He stated it is important for the Courthouse to be at a location where it can be seen regularly by citizens. Citizens should be able to come together and have civil discourse and he believes the Courthouse stands in the center of downtown for that proposition. Citizens must be reminded that the Courthouse exists to ensure equal justice under the law. He again asked Commissioners to reconsider their decision.

Peter Offen: Mr. Offen reminded Commissioners that their budget is a reflection of their priorities. He commented that when this Board decided to propose a tax increase on its citizens to pursue a decision that he felt can and should be revisited, while undercutting the Board of Education's ability to sell the school bond referendum for the much needed school renovations, that showed the Board's priorities are backwards. He asked Commissioners to revisit their decision. Mr. Offen commented that moving the Courthouse out of downtown removes the authenticity of small town. It is no longer a town where the business happens (the business of government, private business and the business of the citizens) and it becomes a tourist trap. He asked the Board to keep Brevard authentic by keeping the Courthouse in downtown.

Faye Yager: Ms. Yager is a downtown business owner. She expressed concern that the citizens of the community cannot afford the millions of dollars it will take to build a Courthouse and renovate schools at

the same time. For that reason, she felt the schools will be slighted and the school bond will not pass. She accused Commissioners of approving the new Courthouse project in secret and without citizen input. She felt that the Courthouse should remain downtown. She questioned the Sheriff's ability to transport inmates safely from the jail to the Courthouse and suggested better utilization of the courtrooms in the jail, specifically for domestic violence victims. Ms. Yager was outraged that Commissioners spent funds on architectural services prior to receiving citizen input. She reported she has talked to no one that thinks the move is a good idea. She thought all of the Commissioners should be voted out of office because their decision was going to result in downtown Brevard shutting down.

Tony Dalton: Mr. Dalton is the former County Attorney. He joined many of his colleagues in asking that Commissioners reconsider their decision to build a new Courthouse on Morris Road. He submitted a letter that was signed by 20+ members of the Transylvania County Bar, noting that the next speaker intended to read the letter into record. Mr. Dalton recalled being at the joint meeting with Brevard City Council where they urged Commissioners to keep the Courthouse downtown. He felt that the City and County could work together to find a solution that would be beneficial to both. He pointed out that at one time the architect reported an addition to the current Courthouse would only serve court functions for 20 years because of the population growth. Mr. Dalton challenged Commissioners on the population growth figure, noting the County's population growth of approximately 100 people annually is not going to impact court services. He believes there is space available in downtown Brevard that will allow the County to maintain a Courthouse in the County seat.

Davis Whitfield-Cargile: Mr. Whitfield-Cargile is the President of the Transylvania County Bar. He read the letter signed by 21 members of the Transylvania County Bar and asked that it be submitted as part of the record. (The letter is attached as part of these minutes). In addition, Mr. Whitfield-Cargile asked why Commissioners only looked at one downtown option and stated he felt as the decision makers for this County the Commissioners should have demanded more options from the architect. He also asked why Commissioners did not consult the Planning Board, Planning Department or other stakeholders before making their decision. Lastly, he asked why the Board of Commissioners will not allow the voters decide this issue by referendum. He believes the reason is because Commissioners know that it will fail and if that is the case, Commissioners should go back to the drawing board and study all of the alternatives before making such a drastic decision.

Mike West: Mr. West is a candidate for County Commissioner. He reported that he visited the Courthouse and he agreed something needs to be done. However, his concern is with the school bond referendum. While he understands the referendum on the bond is approval of a funding method, he found it inconceivable that if the bond fails that the County Commissioners will find another way to pay for school capital needs. He said Commissioners will find the bond will be about what the people believe, so it did not make sense to him that the Courthouse, as a \$31 million capital project, could not be considered a bond issue. Mr. West thanked Commissioners for holding a public hearing during the evening meeting. He attended last Tuesday's meeting and it was not nearly as well attended as tonight's meeting. He said he hopes Commissioners are listening to the citizens and he suggested Commissioners change their schedule and return to holding two evening meetings.

Larry Wilson: Mr. Wilson stated he was present during the Courthouse discussions last year and his input at the time was his concern about the children. He said he expects this project to cost more than anticipated. Furthermore, the proposed tax increase may not seem much to some, but it will be a burden to others. He did not think the proposed tax increase was a conservative move on behalf of the Board of Commissioners. Mr. Wilson reminded Commissioners that a major employer left the County because they cannot find space for expansion purposes. He was concerned that the tax increases may continue and he was tired of not seeing outcomes. He stated that the Courthouse should not be the Board's priority.

Mike Pratt: Mr. Pratt is a local attorney and signed onto the letter by the Transylvania County Bar. He also submitted a separate letter to Commissioners on behalf of himself and law partner Gayle Ramsey. He agreed with the many of the comments made so far this evening. The purpose of his comments was his concern for the schools and he felt that the way the Board approached the Courthouse project will ensure the referendum fails. He stressed that the schools need the support of the County, and that without them there will be no need for a new courthouse because there won't be anyone coming to Transylvania County. Mr. Pratt believes Commissioners' decision to build a new Courthouse and impose a 2.5 cents tax increase will discourage people from voting for the school bond. He encouraged Commissioners to delay action on the Courthouse until after the referendum. He stated that both issues are important, but if Commissioners must choose, schools should come first.

Patrick Holden: Mr. Holden expressed concern about the proposed tax increase. He read scripture from Matthew that supported his concern. He noted this County has lots of wealth and he urged Commissioners to stop taking from the poor and working class. The poor and working class desperately need the extra money they work so hard for. Mr. Holden questioned what happened to education lottery funds that were supposed to pump dollars into education. He thanked Commissioners for their time and hoped they would reconsider their position.

Volney Tinsley: Mr. Tinsley questioned why there is not a voter approval required when a county wants to spend over a certain amount of money because he felt there should be. He also asked if Commissioners had calculated the expected financial return on a new courthouse. Furthermore, he asked if the Board had considered the best long term return on their investment between constructing a new courthouse to prosecute criminals and house offices versus making better investments in the School System. He stated an investment in schools provides them with a safer environment, smaller classes, expanded areas for more activities, upgraded buildings and equipment, and improved areas for higher education. He suggested that an appropriate investment in today's youth and schools will make investment in a courthouse more affordable. He questioned the design and cost for the new courthouse and asked if it was suitable for Transylvania County or if it included fluff. If and when the County does move forward with constructing a new courthouse, Mr. Tinsley encouraged Commissioners to construct a building that fits the needs of the County. He also inquired about what is required to change the makeup of the Board. He preferred to have a Board makeup of seven rather than five because it required a larger majority to make a decision.

Gerry Hunsicker: Mr. Hunsicker reported that he moved to Transylvania County 26 years ago and it was the schools that attracted his family here. He commented that in his experience the Board of Commissioners has not made decisions that represented locals. He reminded Commissioners that two years ago he presented them with figures in reference to where he thought the County was headed financially and he was confident they were factual. He commented that Commissioners continue to be disrespectful of the wishes of the majority of the people who do not wish for the Courthouse to be relocated outside of downtown. Mr. Hunsicker cited that *The Transylvania Times* reported that 80% of the people in this County do not want the Courthouse moved out of downtown. To deal with parking issues, he suggested removing Walker Park, which is currently used as a smoking area, to gain additional spaces. Mr. Hunsicker felt that moving the Courthouse would cause downtown businesses to suffer and possibly go out of business. Furthermore, Mr. Hunsicker noted how difficult it is to travel through town and moving the Courthouse would just add to the traffic issues. He also expected a new courthouse to add to the County's staffing levels. Mr. Hunsicker reported that he asked locals why they do not attend County Commission meetings and they responded to him that Commissioners already know what they are going to do.

Rodney Remus: Mr. Remus informed Commissioners they need new microphones because he cannot hear what they are saying.

Jamie Ramsey: Ms. Ramey is a local OB-GYN in Brevard. As one of the two physicians who care for women in this County, she is deeply concerned about their safety, wellbeing and healthcare, as well as the education of their children. She asked Commissioners to reconsider their budget and put more of a priority on healthcare and education and reconsider the relocation of the Courthouse.

Nancy DePippo: Ms. DePippo stated she spoke at a County Commission meeting many years ago when the issue of the Courthouse was being debated. She questioned if the County had performed a thorough inventory of usable space. She inquired if Commissioners Chambers or the Elections Center conference room could be used for court space because the set up appeared to be what would be needed for a courtroom setting. She felt that the County missed a big opportunity by not talking with Brevard College about property at the bottom of the hill because it would have solved many problems, allowed the County to keep court functions downtown, and added much needed parking. To her, it seems the County had already decided a long time ago to relocate the Courthouse to Morris Road. Perhaps many of the options were not thoroughly examined as a result. Lastly, Ms. DePippo stated with the needs facing the School System, and the combined impact on taxpayers on these large projects, plus the recent tax increase proposed by the City of Brevard, is probably a big deal to many citizens, and perhaps if more money were spent on schools and children, there would be no need to spend so much money on courthouses.

David Watkins: Mr. Watkins felt that moving the Courthouse was not just an economic, court or safety decision, all of which are important elements of making this decision. He stated that for most citizens that do not use the courts, the Courthouse symbolizes a simpler way of life, our values, quaintness and charm. It reflects a simpler time and it is cherished by many. Being able to say “this is our Courthouse” and “it is a functioning Courthouse” has a very strong emotional tie to a lot of people and holds great symbolism for our County. The decision should not be made as merely a business decision. Unfortunately, the Courthouse is no longer the symbol of the County when Commissioners decided to change its logo a few years ago. (Sue Ives, Commissioner Lemel’s mother, made the drawing that became the County Seal.) He said out town/community and Transylvania County is what people think of when they think of the ideal place to live, invest and spend time in and moving the Courthouse out of downtown, even though the building would remain, is not the same. He asked the Board to reconsider their position.

Heath Seymour: Mr. Seymour stated that the Heart of Brevard’s official position is that it is the wrong move for Commissioners to move the Courthouse to Morris Road and that it should remain downtown. The majority of the Heart of Brevard members surveyed felt the same way. He offered the Heart of Brevard’s assistance to look for downtown possibilities. Mr. Seymour reported developers are hesitant to do business here because they are unsure how moving the Courthouse will impact downtown Brevard. For this reason, he stated that the Courthouse decision is important and is worth another look by Commissioners. He noted that other counties that moved their courthouses out of their downtowns have negatively impacted their communities.

There were no further comments and **Chairman Chapman declared the public hearing closed at 8:15 p.m.**

PUBLIC COMMENT

The comments made by the public represent the individual speaker’s opinion or point of view. No attempt was made to vet their statements for accuracy or modify them based on facts.

Peter Mockridge: Mr. Mockridge stated he has attended many County Commission meetings over the years and observed Commissioners wrestle with the Courthouse decision. He concluded there are four main issues at hand: safety of all users, direct economic impact of the removal of the Courthouse function from downtown to Morris Road adjacent to jail, the impact of re-siting of Courthouse on the overall

appearance of downtown viability in Brevard, and capability of any action taken by Commissioners to accommodate future needs. He understands there will be a major cost to any approach they take, but he agreed something must be done. Mr. Mockridge noted that Transylvania County has a low tax rate and is well poised to absorb the significant costs of many of these options. Mr. Mockridge stated that safety should be paramount and he did not want to see Commissioners take the approach to wait until someone dies to do something about the Courthouse. He was not convinced the direct economic impact to downtown Brevard would be large. He inquired about the amount of business, restaurants and other services that are represented by attorneys. He would expect the impact to be even smaller by other users. Mr. Mockridge stated that Commissioners have provided clear evidence of being committed to the Courthouse itself, recognizing its historic nature and its value to downtown Brevard. He concluded that neither option is ideal; however re-siting it to Morris Road next to the Public Safety Facility addresses both the safety issues and the looming capacity issues in the future. He urged Commissioners to support both expenditures for the Courthouse and the School System with the same enthusiasm.

David Morrow: Mr. Morrow signed up to speak about the WNC Military History Museum, but when called upon requested to defer his comments to a later date.

Debra West: Ms. West stated she is afraid that if Commissioners move the Courthouse out of downtown, then downtown Brevard will die. She did not think the relocation was in the best interest of the community. She asked what happened to Commissioners' plans for a walkable campus. Ms. West also inquired about past plans to renovate and expand onsite. Ms. West wanted to know why citizens weren't able to vote on this issue. She said the School System needs money and that should be the County's priority. She asked Commissioners to reconsider their decision.

Faye Yager: Ms. Yager reported she recently visited Mont Pelier, VA where they had a similar Courthouse situation and they were able to expand on site and added parking. She wanted Commissioners to know that expansion was doable.

Larry Wilson: Mr. Wilson read a letter that he presented during the public comment period at a County Commission meeting last fall about making children the priority. He said he has heard many times over the last few years how badly a new courthouse is needed. He said he does not see how a new courthouse would ever be a benefit to our children. Mr. Wilson commented that it appears that the County's "wants" have become priority over its needs. The estimated cost will be a tax burden for every taxpayer in the County and there are very few families that can afford more taxes. He is concerned about education and having adequate facilities for learning. Mr. Wilson pointed out that a new courthouse will not change the mindset of criminals and make the community safer, but adequate facilities will make a difference in the lives of children and their education and therefore that is where Commissioners' priorities should be.

Terry Crowe: Mr. Crowe spoke on behalf of Lake Toxaway Fire Rescue. He thanked Commissioner Lemel for meeting with him and Chief West. While they may not agree on everything, he said they now have a better understanding of her position. He commented that the County's budget process for the fire departments changed over the last two years in that staff was not making as many recommendations. He stated if the department had known this process ahead of time, they would not feel so far behind. Mr. Crowe asked Commissioners to consider funding one of the two requested paid positions. He said the department has data to support the need for the position, noting the department responded to a waterfall death over the weekend and several calls today despite having a broken down truck. Lastly, Mr. Crowe inquired about the agenda and being able to speak during an agenda item prior to Board action. It was the first time he had seen this provision on the agenda.

Gerry Hunsicker: Mr. Hunsicker stated that the best research and study information about the Courthouse has been presented by the local attorneys and he felt they would know best as routine users of

Courthouse. He also commended them for their ideas on resolving many of the issues. Transylvania County does not need a new Courthouse of this magnitude based on the current population growth. He urged Commissioners to put our youth and schools first. He felt that Commissioners' actions force locals to have to sell their family land to pay taxes. Instead, he asked Commissioners to redirect the money toward schools rather than toward a new courthouse.

Will Cathey: First, Mr. Cathey urged Commissioners to use tax dollars wisely and to do everything they can before ever deciding they need to ask for more from their citizenry. Secondly, he pointed out that being Brevard is the county seat, it is therefore important and should be protected. Mr. Cathey stated there is plenty of room downtown, noting the County is the largest landowner in downtown Brevard. Mr. Cathey said his main issue is that citizens should have a voice and be allowed to vote on the issue. He noted that Commissioners have cited safety as a reason for a new facility, but was unaware of any major issues or of any assaults reported on court officers. He felt that opening the front door of the Courthouse would resolve any safety issues the Commissioners may be concerned about. There are three entrances not being used and one of these could be used to provide a separate entrance for domestic violence victims. He said opening the front doors may require additional staffing for security purposes, but it would not cost \$31 million which the projected cost of the new facility on Morris Road.

Peter Chaveas: Mr. Chaveas said he was surprised to learn that Commissioners reported they had heard from only a few citizens who were opposed to a new Courthouse. He reread his statements from the joint meeting between the County Commissioners and Brevard City Council. He stated that a functioning courthouse bears witness to the vitality of our democracy. It is a living symbol of our Constitution and our government by law. It should be where it can be seen by all citizens whether they have business there or not. Mr. Chaveas stated if the Courthouse is moved to Morris Road, there may be some practical benefits, but it will never be seen by anyone unless they have specific business before the court. This would do inestimable damage. Mr. Chaveas made two further points. First, he supported the proposal to increase the tax rate, but he urged Commissioners to dedicate the receipts toward reexamining the possibilities of keeping the Courthouse downtown. Secondly, he concluded we live in a time when many of our democratic norms are at great risk and we should be doing everything we possibly can to protect against further risks to our democracy.

John Gardner: Mr. Gardner reported a few months ago he met with a County Commissioner to discuss the Courthouse issue. The Commissioner explained to him that the County had to do something because they had been studying the issue for 15 years. Mr. Gardner commented that when government feels like they have to do something, many times the results are disastrous. He asked the Board to cease further actions and reconsider their decision. He stated the new Courthouse project represents the largest dollar investment ever made by the County other than the Public Safety Facility and none of the investment involves the education of children. He questioned the Board's priorities. Mr. Gardner said many people are questioning the timing of this and believe it is a conspiracy to ensure the school bond does not pass being that Commissioners and the Board of Education seems to be at odds. He wondered how the County would attract future employers with millions of tax dollars tied up in a new Courthouse and the school facilities were state-of-the-art at best in the 1960's. He also questioned why Commissioners would consider taking a risk with the fragility of the downtown economy when it's downtown Brevard that brings in the most revenue for the City. There are already several vacant storefronts in downtown already. Mr. Gardner called the decision poorly thought out and incomplete and one that does not attend to the future of the historic facility. It also leaves the County in tremendous debt. He again urged Commissioners to take another look at this issue because he believes Commissioners want to do what is right.

Nancy DePippo: Ms. DePippo asked for an update on the search for a new Animal Shelter Director. She reported that she recently visited the shelter and she was impressed at the condition.

Davis Whitfield-Cargile: Mr. Whitfield-Cargile said he understands Commissioners have a hard job and he stated that his disdain this evening is because of Commissioners' decisions, not for any personal reasons. He agreed with Commissioners that processes are important and that budgets are reflective of a County's policy. He said he knows that each Commissioner calls himself/herself conservative and tries to be conservative with taxpayer dollars. However, in this decision, Mr. Whitfield-Cargile believes Commissioners failed in all three areas. In terms of process, he believes Commissioners should have looked at all the alternatives. Mr. Whitfield-Cargile reported he visited the website dedicated to the new Courthouse project and it did not provide the information he needed to convince him that Commissioners made the right decision. He implored Commissioners to explore additional options. He questioned the Morris Road option and why Commissioners felt it was the ideal site. To him, there was no good rationale made for choosing this option. The land wasn't purchased for this purpose. He again encouraged the Board to explore further options. He stated that schools should be their priority and funding for education should be reflected in the budget.

Gale Henson: Ms. Henson felt that citizens should be able to vote on the Courthouse issue and she accused the Commissioners of voting on the project behind closed doors without public input.

Chairman Chapman thanked everyone for their comments. He stated the Courthouse project was a difficult decision for the Board of Commissioners, noting that decisions involving increasing tax dollars are even more difficult. He was pleased to see the crowd of people at this meeting, stating this process tonight was truly democracy at work. Chairman Chapman stated it was true that he had not heard from many people for or against the Courthouse. He commented about the meeting times and stated that the Board added a daytime meeting to give others an option. It is difficult for some elderly and retired folks to come out late at night and sit through long meetings. A daytime meeting offers an option for them. The second meeting remains an evening meeting for others. Chairman Chapman encouraged everyone to get involved and stay involved with their local government.

AGENDA MODIFICATIONS

Commissioner Lemel requested to add under Old Business Item VIII-B Courthouse Discussion. There were no agenda modifications from staff.

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

CONSENT AGENDA

Commissioner Lemel moved to approve the Consent Agenda, seconded by Commissioner Chappell and unanimously approved.

The following items were approved:

MINUTES

The Board of Commissioners held one budget workshop on May 31, 2018. Commissioners approved the minutes as submitted.

DISCOVERY, RELEASE AND MONTHLY SETTLEMENT REPORT

Per NCGS 105-312 (b), it is the duty of the Tax Administrator to see that all property not properly listed during the regular listing period be listed, assessed and taxed. The Tax Administrator shall file such reports of discoveries with the Board of Commissioners. Per NCGS 105-381 (b), it is the duty of the Tax

Administrator to provide a monthly report to the Board of Commissioners of the actions taken by the Tax Administrator on requests for release or refund, which shall be recorded in the minutes.

For the May 2018 Report, total tax dollars released was \$252.81 and refunds totaled \$671.50. For the June 1-25, 2018 Report, total tax dollars released was \$694.96 and refunds totaled \$1,175.85. Commissioners approved the Discovery, Release and Monthly Settlement Report for May 2018 and June 1-25, 2018.

LETTER IN SUPPORT OF CITY OF BREVARD'S APPLICATION FOR A 2018 BETTER UTILIZING INVESTMENTS TO LEVERAGE DEVELOPMENT GRANT

The City of Brevard approved its streetscape plan in 2012 and has been allocating funds in its annual budget as a local contribution toward the plan. The City intends to apply for a 2018 Better Utilizing Investments to Leverage Development (BUILD) Grant through the US Department of Transportation to help make the plan a reality. BUILD grants are for the purposes of investments in surface transportation infrastructure and will be awarded on a competitive basis for projects that will have a significant local or regional impact. BUILD funding can support roads, bridges, transit, rail, ports or intermodal transportation. USDOT intends to award a greater share of BUILD grants to projects located in rural areas that align well with the selection criteria. Projects for BUILD will be evaluated based on merit criteria that include safety, economic competitiveness, quality of life, environmental protection, state of good repair, innovation, partnership, and additional non-federal revenue for future transportation infrastructure investments. The City of Brevard feels the implementation of their streetscape plan will encourage investment and redevelopment of privately owned property thereby generating additional tax revenue. The deadline to apply is July 9. Commissioners approved the letter in support of the City of Brevard's application for a 2018 Better Utilizing Investments to Leverage Development Grant.

PRESENTATIONS/RECOGNITIONS

RECOGNITION OF CITIZEN ADVISORY COUNCIL MEMBERS

In July 2015, the Board of Commissioners implemented a recognition program for the purposes of expressing appreciation to citizens who volunteer their time and expertise on the County's many citizen advisory councils. Commissioners recognize citizens on a semi-annual basis. This period will cover January 1-June 30, 2018. Each person in attendance was presented with a certificate of appreciation and a coffee mug with the County logo. The Clerk will mail certificates to those citizen volunteers who could not attend either the June 12 or June 25 Board of Commissioners' meeting. (Those listed in bold below were in attendance received a certificate and coffee mug.)

Citizen Volunteer	Citizen Advisory Council
Coty Ferguson	Brevard Board of Adjustment and Appeal Parks and Recreation Commission
Donna Ross	Brevard Planning and Zoning
Jeff Carter	Joint Historic Preservation Commission
Jake Dalton	Juvenile Crime Prevention Council
David Watkins	Library Board of Trustees
John Welch	Library Board of Trustees
Lori Galloway	Mountain Area Workforce Development Board
Jeff McDaris	Mountain Area Workforce Development Board
Debbie Felker	Nursing and Adult Care Home Advisory Committee
Annie Burgess	Parks and Recreation Commission
Scotta Orr	Personnel Board
Mike West	Planning Board
Nan Lee	Western Carolina Community Action Board of Trustees

APPOINTMENTS

CHILD FATALITY PREVENTION TEAM

The Child Fatality Prevention Team is a mandated element of Public Health designed to review child fatalities to identify system failures and the opportunities for systems corrections. Participants on the team are identified by NCGS, with certain members/disciplines requiring County Commissioner appointment.

The recommendation is to reappoint Mae Clayton (General Public), Kevin Creasman (Local Law Enforcement) and Teesie Townsend (Community Advocacy Partner). Due to high turnover at Transylvania Regional Hospital, this position is vacant at this time. The position that requires a parent of a deceased child willing to participate is vacant as well. Recruitment is ongoing.

Commissioner Lemel moved to reappoint Mae Clayton, Kevin Creasman and Teesie Townsend to the Child Fatality Prevention Team, seconded by Commissioner Phillips and unanimously approved.

COMMUNITY CHILD PROTECTION TEAM

The Community Child Protection Team was established by NCGS as one means for the State and local communities to form a partnership to strengthen child protection. It was designed to review selective active cases in which children are being served by child protective services and cases in which a child died as a result of suspected abuse or neglect. The membership is mandated by law.

The recommendation is to reappoint Mae Clayton (General Public), Kevin Creasman (Sheriff's Office), Gale Mackey (Local Law Enforcement) and Teesie Townsend (Community Advocacy Partner). Due to high turnover at Transylvania Regional Hospital, this position is vacant at this time. In addition, the executive director for the local community organization, in this case WCCA resigned and staff needs to confirm the new director will fill the position. This position is not appointed by the Board of Commissioners.

Commissioner Lemel moved to reappoint Mae Clayton, Kevin Creasman, Gale Mackey and Teesie Townsend to the Community Child Protection Team. The motion was seconded by Commissioner Chappell. Commissioner Lemel reported that in her work on the Social Services Working Group at the State level, this has been an area of discussion for her particular group. She became aware earlier this year that the Community Child Protection Team is required to submit annual reports to the Board of Commissioners. NCGS 7B-1406 spells out the requirements. She is very concerned that the Board of Commissioners has never received a report from this team in her six years as a County Commissioner. Given an item on the agenda later under New Business regarding Social Services, she thinks it is very important that the County Commissioners are clear in their expectations of these groups. The Manager responded that she will communicate the expectation on behalf of the Board. **The motion was approved unanimously.**

JUVENILE CRIME PREVENTION COUNCIL

The following terms expire at the end of June. The second column indicates the recommendation or status effective July 1.

Member	Recommendation/Status
Madeline Dierauf (Student)	Reappoint
Mandi Bentley (Parks and Recreation)	Resign at end of term; will recruit
Jake Dalton (Business)	Resign at end of term; will recruit
April Owenby (Health Department)	Reappoint

Jerry Stone (County Commissioner Appointee)	Reappoint
William Sullivan (District Attorney or Designee)	Reappoint
Rhodney Norman (County Commissioner Appointee)	Reappoint
Julia Smith (County Commissioner Appointee)	Reappoint
Brian Weaver (Transylvania County Schools)	Reappoint

In addition, there are three other vacancies that staff and JCPC members will be recruiting to fill.

Commissioner Lemel moved to reappoint Madeline Dierauf, April Owenby, Jerry Stone, William Sullivan, Rhodney Norman, Julia Smith, and Brian Weaver to the Juvenile Crime Prevention Council, seconded by Commissioner Phillips and unanimously approved.

Commissioner Lemel moved to authorize Chairman Chapman to sign the JCPC Certification for the NC Department of Public Safety, seconded by Commissioner Chappell and unanimously approved.

NURSING AND ADULT CARE HOME ADVISORY COMMITTEE

Kay Hunter's term on the Nursing and Adult Care Home Advisory Committee expires at the end of June. She is eligible and willing to serve another term. There remain two vacancies on this committee and no applications on file. The Clerk and Regional Ombudsman will continue to recruit.

Commissioner Lemel moved to reappoint Kay Hunter to another term on the Nursing and Adult Care Home Advisory Committee, seconded by Commissioner Phillips. Commissioner Lemel noted that recruitment for this committee is a statement problem. Henderson County recently featured a front page article in the local newspaper making note of the challenges in recruiting for these positions. She noted this is a great opportunity for citizens to get involved. **The motion was unanimously approved.**

VOTING DELEGATE TO THE NORTH CAROLINA ASSOCIATION OF COUNTY COMMISSIONERS ANNUAL CONFERENCE

The NC Association of County Commissioners (NCACC) will hold its 111th Annual Conference in Catawba County August 23-25, 2018. The NCACC requires counties to elect a voting delegate to the Annual Conference. The voting delegate is authorized by the counties to vote on business items during the conference. Chairman Chapman, Vice-Chairwoman Lemel and Commissioner Hawkins are registered to attend the Annual Conference. The voting delegate is due to the NCACC by August 17.

Commissioner Lemel moved to nominate Chairman Chapman to serve as Transylvania County's Voting Delegate to the NCACC Annual Conference, seconded by Commissioner Hawkins and unanimously approved.

Chairman Chapman stated it has been an honor serving on the NCACC Board of Directors for the past six years. He reported his term ends in August and he encouraged Commissioners to consider serving.

OLD BUSINESS

BOARD OF EDUCATION CAPITAL FUNDING PROCESS

The Manager presented this agenda item. She gave a recap of the timeline of capital funding decisions. Commissioners met with the Board of Education in February to discuss capital needs identified by the Board of Education in a Clark Nexsen study that reflects renovations in the amount of \$94 million. At this meeting, the Board of Education requested that the Board of Commissioners hold a referendum for

the public to consider bond financing for \$68 million for renovations to Brevard High School, Rosman High School and Rosman Middle School. Commissioners instructed the Manager to work with the Superintendent to negotiate the full architect's contract and fee for the work being requested in phase one in order to prevent design costs from becoming excessive. Also, in February the Board of Education invited Commissioners to tour the facilities with school staff in which they distributed a FY 19 capital needs list of just over \$2 million. In late April, the Board of Education submitted a capital request to the County for review. Staff of the two Boards corresponded with questions and answers about the capital requests that totaled approximately \$5 million for FY 19. At the same time, the Manager reported that the Superintendent indicated he did not want to negotiate the full architect's fees and that the Board of Education would "go in a different direction" to fund the architectural work. The Manager noted that Commissioners will see conflicting information in their backup documentation regarding the amount of the architectural contract based on Board of Education minutes, media reports and other documentation. In May, Commissioners reviewed the capital submittal, along with staff correspondence, and discussed the need for more information and detail to fully understand how funds were to be utilized by the Board of Education on capital improvements. The Board of Commissioners publicly acknowledged at that meeting that the County is statutorily responsible for school capital. They directed County Administration to work on ways to better understand the capital projects being completed using County funds.

During the recommended budget presentation in May, County Administration suggested a process that uses the NC State General Statutes as guidance for capital funding. The recommended budget included:

- To fund a total of \$1,850,000 in education capital funding. The operating expenses recommended due to the formula adopted by the Board of Commissioners reflected \$106,000 in excess of what the Board of Education submitted as needs. The Manager recommended that the Board of Commissioners consider with the Board of Education to add the \$106,000 to help with capital needs and the Board of Education requested that it remain as operational funds.
- To approve \$713,071 in furniture and equipment needs by function code. (Category 2)
- To approve the remaining \$1,136,929 on a per project (Category 1) basis utilizing the list of projects requested by the Board of Education. Projects over \$50,000 in parts or in total would require submittal of the draft contract of work showing scope and fee or purchase order before funds are dispersed.
- That Board of Education submit budget changes prior to moving more than 10 % of the project funds between line items as has been indicated in the County Budget Ordinance for years (draft ordinance for FY 19 is reflecting 15% to be consistent with prior ordinances). This is intended to allow for midyear flexibility while building communication into the financial process between Boards.

The process is not atypical to how other counties process the needs for education capital given the statutory dictated roles of the elected Board of Education and Board of Commissioners. While both Boards are elected, statutes indicate that the Board of Commissioners is responsible for capital improvements. The process to share paperwork allows the County to have a paper trail to show how funds are being spent. This process by design builds in transparency and regular communication between the two Boards which has been a struggle the last several years. As stated, counties are responsible for school capital, yet Commissioners are continually criticized for not adequately funding school capital, while at the same time they are not able to track where the funding goes and how funds are spent once sent to the School System. Having the paperwork trail will help assure Commissioners of what is being accomplished with capital funds so that they can use that information to make decisions on capital funding. It should not burden staff of either Board because this is the kind of paperwork both entities have to produce as public bodies beholden to the public and maintain under public records law in order to

have work completed or make purchases, so it is just a matter of sharing information between staffs. The \$50,000 threshold would require sharing the required paperwork for only up to seven projects.

This item was added to the agenda at the request of Commissioner Chappell due to concerns expressed by several Board of Education members during the June 12 Commissioners' meeting. The Manager asked Commissioners to discuss the process and determine whether or not to utilize the process as recommended or to modify it in some fashion to be included in the Budget Ordinance for FY 19.

The Manager reported that the auditors will be auditing the lottery funds for education capital and they felt it is best to implement this process to have clarification on how funds are spent vs requested in order to be in compliance with statute accountability and the standards of the uniform guidance. The Board of Commissioners is responsible for any funding that leaves the County budget and for assuring how it is spent. This is the very reason the County implemented new rules for working with nonprofits and community centers to ensure there is a reporting mechanism for how funds are spent once they are disbursed. The FY 19 Budget Ordinance is drafted with this measure in place. After discussion today, if the Board decides to change any of the provisions, the Budget Ordinance would need to be modified prior to adoption later in this meeting.

At the request of Board of Education Chairwoman Tawny McCoy, Chairman Chapman allowed her to comment prior to Board discussion. Mrs. McCoy stated the Board of Education is concerned about new funding procedures in that the Board of Education had no opportunity for input. She recognized that the Manager contacted the Superintendent via email explaining the new procedures. The Board of Education is specifically concerned that the County will hold money in reserves for projects exceeding \$50,000. They believe this could add weeks or months to the bidding process and subject their School System to lose advantageous bids. Without the actual appropriation of these funds, they were unsure how they would be able to solicit and award bids for contracts. She recognized the explanation and need for the funding method resulted from questions Commissioners have about capital funding from previous years. Mrs. McCoy stated that the Board of Education preferred open communication between the two Boards and pointed out this did not happen between the two Boards prior to implementation of the new procedure. Mrs. McCoy pointed out the Board of Education is not requesting any increase in capital funds that are allocated in the proposed budget; however, they did request a larger appropriation. She requested an opportunity for input from the Board of Education before implementing a significant change in the method of capital funding. She commented that the level of district between the two Boards is not healthy for the community. Mrs. McCoy stated that the offer from the County for a joint meeting is agreeable, but they would be more productive meetings if the Board of Education felt like they had a voice in the funding method. She asked Commissioners to not include the new funding method in the FY 19 Budget and allow for communication between the two Boards prior to implementation.

Commissioner Chappell stated he asked for this item to be placed on the agenda. He felt this would be an opportunity to open up better communication and collaboration between the two Boards and this can be one of the first items the Boards discuss moving forward in a joint meeting setting. He asked Commissioners to consider delaying the new method so that the both Boards have a clear understanding of the expectations.

Commissioner Hawkins asked if the auditor suggested an alternative method to addressing these concerns. The Manager responded staff reviewed the proposed procedures with the auditor and their feedback was that our process was consistent with what was required for the State lottery funding, except the \$50,000 threshold.

Chairman Chapman reported this new method came about when the County received the Board of Education's capital budget and Commissioners found that prioritized budget items kept showing up from

previous budget years. He said the Board of Commissioners does not intend to micromanage the Board of Education's budget, but they need to ensure that projects are completed. Commissioners understand that priorities change and Commissioners are asking that they be informed when they do. He pointed out the reporting process impacts seven projects and is simply a matter of accountability. Chairman Chapman pointed out that statutes allow County Commissioners more control over the Board of Education's budget, but they have only chosen to implement this route to ensure the major prioritized projects are completed. The process does not hold up projects, it just shows documentation of completion.

Commissioner Hawkins responded to Mrs. McCoy and said he did not understand how the process would delay projects because the money has already been appropriated. He stated that Commissioners do not intend to micromanage the Board of Education, but he did not understand how the new process would delay projects. He noted that all that is needed is a contract or a purchase order and he did not see that as being onerous. Mrs. McCoy read from the new procedure where it is stated that for projects or sums of payments exceeding \$50,000 Commissioners will hold funds in reserve and request that a project contract, invoice or similar documentation be submitted for their review before distributing the project funds. She concluded that the funds will not have been allocated to the Board of Education. The Manager explained that the confusion is that an allocation does not necessarily mean a check is written. An allocation also means funds are earmarked in the budget. So even if funds are not in hand to the final destination, the funds are still considered allocated under the Fiscal Control Act, making the funds available to go to RFP or purchase order. Mrs. McCoy responded that this is the very reason why it is confusing for the Board of Education because there has been no discussion or explanation of how this process is really going to work. Commissioner Hawkins agreed there was a lack of collaborative discussion about this and this is an area both Boards need to address. With that said and with this particular item, he did not feel it was something that would hold up the Board of Education's ability to enter into contracts or lost potential bids.

Commissioner Lemel agreed that many issues have not been discussed in a public forum, but there have been many two-on-two meetings, more specifically around the bond issue, but there have been opportunities to talk about things. She said Commissioners understand the Board of Education's fund balance is being depleted and that they have substantial expenses. Commissioners have heard from the public tonight their concern over the repairs for the schools, yet the County has been providing \$1.8 million in capital each year and it is difficult for the County to track the projects or the money. Commissioner Lemel conducted some research on the amount spent on HVAC chillers and found that the Board of Education has spent \$1.3 million over the last five years on HVAC replacements, in addition to the annual HVAC maintenance contract for \$250,000. This equates to roughly \$2 million spent on HVAC over the last five years, so it was hard for her to understand why capital projects were not being completed across the organization. Commissioner Lemel expressed the same frustration with reading the Board of Education's audit and struggled with understanding the reasons for their assets fluctuating year to year. She reported that she contacted the School of Government and Local Government Commission for assistance. She emphasized that it is the Board of Commissioners that is responsible for school capital funding. She noted she is proud of our schools of which she is a graduate. She wants to see our children prioritized and to see the schools be the best. Transylvania County funds the schools at the 6th highest level in the State and it is beholden upon the elected officials to be as open and transparent and clear on where the money goes. She shared a story about a local high school teacher that had teaching class with a leaking roof for years. She did not understand why this was not a priority. Commissioner Lemel revealed that when she contacted the Local Government Commission for assistance on following the money, she learned about their concern with the health of Board of Education's general fund, which is the level of fund balance and is recognized by the Board of Commissioners. However, they also noted substantial statutory violations or findings were identified by the auditor, then that gave her pause for thought. The Board of Commissioners sends the Board of Education \$12,429,613 for local current expense out of the County's budget of \$53,091,637, leaving the County with a budget that

Commissioners are managing specifically for the citizens of Transylvania County of \$40,662,024. With all of the sources of funding, the School System's budget is larger than the County's at \$41,282,158. Commissioner Lemel stressed that we owe the citizens an open understanding of how those dollars are spent. She said she wants the best schools, but she wants to understand that we are making the necessary improvements in a prioritized fashion that is going to make a difference for our public schools. Commissioner Lemel suggested moving in another direction. She wanted to take the Category 1 funding and fund capital by project as specified in the budget.

Vice-Chairman of the Board of Education Ron Kiviniemi requested to speak. He stated that the Board of Education must carry over projects from year to year because their request for capital is not fully funded. He reported that School Administration has been providing Commissioners with quarterly updates on capital projects, to included projects completed, projects bid, and projects not started. He pointed out that \$1.8 million in capital funding is considerably below the amount requested and is only what the County is statutorily required to pass through to the School System under Article 40 and Article 42 State sales tax revenue. He reported he also contacted the Local Government Commission and he confirmed they are concerned about the School System's fiscal health because of the limited fund balance. He reminded that past Boards of Commissioners required the Board of Education to spend down their fund balance. While the Board of Education has a larger overall budget than the County, the County has a fund balance of \$24 million, and the Board of Education's current expense fund balance is \$400,000 and roughly the same for capital outlay. In terms of the significant findings in the audit report, he learned it was related to an activity bus purchase before money was allocated through a budget transfer. He questioned why it was classified as a significant statutory violation and the LGC reported to him it did not appear to them to be such. He pointed out the person he spoke with was new to the department and she would conduct further research. Mr. Kiviniemi was disappointed these issues were brought up in a public meeting and not directly to the Board of Education and he considered it an ambush. Furthermore, he felt the proposed tax increase for the new Courthouse would be detrimental to the passage of the school bond referendum and he pointed out he raised this concern in one of the two-on-two meetings. He suggested Commissioners pay for the Courthouse using fund balance and with no tax increase. Mr. Kiviniemi requested Commissioners delay implementation of the new documentation process and allow time for both Boards to work together so everyone is hearing the same thing. In response to Commissioner Lemel about funds spent on HVAC chillers, he noted that several of the schools are 44 years old or older and have serious infrastructure issues. Chillers are much needed pieces of equipment and unfortunately they are expensive.

Commissioner Chappell pointed out the discussion thus far highlights the purpose for this item being on the agenda because it is clear that both Boards have valid questions and concerns. He felt it would be the worst thing to do to change a process without knowing the parameters and understanding the expectations. He hoped this would be the first topic of discussion for a joint meeting and suggested a facilitator for the meeting.

Commissioner Phillips disagreed that implementation of this method would cause hardship for the Board of Education. He felt it would add transparency which was much needed. He pointed out that there remain questions that he had yet to get answers to. His most recent question was the ADM for desks/chairs being set at \$24/student and how he could not get the figures to total correctly. Like Commissioner Lemel, he has had trouble following their budget. In addition, he said he was tired of getting calls from teachers and others in the School System asking him why the Board of Commissioners cannot fix leaks in the roofs. His response to them has been that it is not the Board of Commissioners that sets the priorities. He did not understand why new carpet in an office became a priority over fixing a leaky roof. Commissioner Phillips stated the intent of this method is not to delay any of the School System's projects; it is to understand how the money is being spent and to be transparent. He was not opposed to joint meetings, but he was ready to move forward as recommended. Mr. Kiviniemi responded to questions from Commissioner Phillips. He stated that during the recession, there were a number of

years in which no monies were allocated for furniture and equipment because the capital request from the County was severely reduced. When the Board of Education reinstated furniture and equipment monies, they started with 50% of the amount it had been pre-recession, and increased steadily until they reached full allocation. The schools were in considerable deficit in needs in furniture and equipment from the recession. For that reason, three of the nine schools every year are chosen to receive a double allocation of furniture and equipment money to help catch up on backlog. Commissioner Phillips responded their decision is understandable, but it is not the way it was laid out in the budget sheet. He pointed there are other budgetary issues and “following the money” concerns as well.

Chairman Chapman read the letter that the NC Department of the Treasurer sent to the Department of Public Instruction in reference to concerns over the Board of Education’s audit. He thought it was pertinent to note Board of Education had not received the letter. It indicated substantial statutory violations or findings as found by their auditor. Chairman Chapman wants to ensure this does not occur again. He stressed that the Board of Commissioners is responsible for capital for the School System and is therefore trying to ensure transparency. As stated, the process impacts seven projects that have been identified in their budget as being over \$50,000.

In response, Superintendent Dr. Jeff McDaris approached the podium and played a recorded message from the Local Government Commission stating that they saw no substantial issues with the School System’s budget.

Commissioner Chappell moved to delay the implementation of the new capital funding process until January 2019 and use it as jumping off point for a joint meeting as soon as possible.

Commissioner Hawkins seconded the motion. Commissioner Hawkins said what has been proposed is a good idea and that it is based on legitimate fiduciary concerns; however, if it is a good idea now, it will be a good idea in a few months following the joint meetings and it has been determined there is not an alternative process. He felt delaying it would open up opportunities to discuss the details further with the Board of Education during a joint meeting. **The vote carried the motion 3 to 2, with Chairman Chapman and Commissioner Phillips voting against.**

COURTHOUSE REVISITING

Commissioner Lemel asked for this item to be placed on the agenda. She acknowledged the concerns about the school bond and she believes it is important for the community to consider fully and effectively. Listening to the audience on the Courthouse issue, she said it is hard for her to hear accusations that the Board made the decision in secret and that the public was not invited. She reminded the public that Commissioners have had public discussions about the need for a Courthouse for more than 13 years and have convened public committees to study the issue, but now it appears Commissioners have the attention of everyone in Transylvania County. She was disappointed that many of the speakers tonight have already left the meeting. She had a hard time believing that people would feel so passionately about a topic and then leave before it is potentially discussed. She found it even more disappointing that she had to sit through lectures about how she is not being a good public servant, and yet they are not being good responsible citizens to raise these charges and then leave the meeting. Commissioner Lemel informed citizens they do not have the ability to vote on a building because it is not something we are allowed to do by North Carolina law. What citizens do have is representative government, one in which the Board of Commissioners is elected to represent citizens and try hard to make good decisions on their behalf. She stated this County does not have a Courthouse that functions well. She felt that now that the public is fully engaged, that she would be willing to postpone the construction of a new courthouse. However, she felt the proposed tax increase should remain in the budget for this project because everyone is aware there are substantial challenges with the current facility so the County would have to acquire property. She noted perhaps the City of Brevard may be able to assist the County with eminent domain because she cannot imagine what the County would be up against by taking someone’s private land for a public

building. She pointed out that will be for the public to help Commissioners decide as they all so willing wanted to see happen this evening. Commissioner Lemel felt it was important to focus on the schools because they have tremendous needs.

Commissioner Lemel moved to remove action on the Courthouse and figure out in FY 19 how to proceed forward with it and allow all of the concerned citizens who showed up tonight to participate and follow the process since they seem to have missed the last 13 years. The Manager asked for the clarification that she is directing staff to stop work on the courthouse at this time pending Commissioners bringing it up on a future agenda. Commissioner Lemel stated the public needs to realize the County has already spent \$40,000 in architectural fees and that the County will lose a very low interest rate on a 40-year loan. She calculated that by taking today's dollars and looking at the total cost of the project, by the time the project would be finished, the \$31 million courthouse, assuming a 3% inflation rate, would cost the County only \$29 million over the life of the loan. Approval of her motion means the County would lose the option of funding, the low interest rate, and today's dollars opportunity, and the County will have flushed the funds spent on the architect for at least the time being. The Manager stated it would be appropriate to give staff specific direction, such as cease work on the USDA loan and on the courthouse project. She noted the architect is not currently under contract. The programming fees the County has paid over the years are closed contracts. The items under review currently are the pieces for the USDA loan. She asked if Commissioners wanted to stop the work being done and pay for the obligations on work done up to this point. Current financial obligations include the financial feasibility report as part of the loan package at \$30,000 and another \$10,000 for the environmental assessment. These funds were allocated in FY 19. The Manager stated she can contact USDA to discontinue the remaining application process and obligate the funds toward other projects. This should wrap up the County's financial obligations. Commissioners can then direct staff to bring it back on a future agenda to determine the direction they would like to head. **The motion died for lack of a second.**

Commissioner Chappell inquired if any of the financial feasibility study could be carried forward. The Manager noted the environmental review is specific to the Morris Road site. The fiscal report is specific to the USDA funding which is secure through October. The Manager reported there is no certainty of availability of funding in the future.

Chairman Chapman pointed out there are two issues at hand. One is to stop the current work on the new Courthouse project on Morris Road and the second is to finalize funding commitments. Commissioner Hawkins suggested directing staff to provide Commissioners with a more complete report what pausing the project would involve in terms of the pros and cons, costs and a list of items in the timeline that would be delayed as well.

Commissioner Chappell said he decided earlier today that he was ready to delay the project. Although he has been a Commissioner for 13 years and he has the data to make a decision, he does not want to do anything at this time that would distract or persuade a statutory allowed bond referendum on a funding mechanism for school bonds in November. Therefore, he preferred Commissioners stop any further work at this time and look at alternatives. He stated that unfortunately the USDA loan is the best funding mechanism. Based on the concerns raised and his admitted lack of leadership, he felt stopping at this time would be the right decision. He said he would be okay with putting the project on pause until 2019, but he was not supportive of including the tax increase in the budget at this time.

Commissioner Chappell moved to delay the Courthouse project and any further expenditure outside of what has been obligated until at least January 2019. Motion died for lack of a second.

Commissioner Lemel moved to cease all work, fulfilling all contracts remaining on the Courthouse, until a later date. Commissioner Hawkins seconded the motion. Commissioner Hawkins said if

Commissioners have learned anything tonight, it should be humility. Commissioners have lived and examined the Courthouse issue extensively from many angles and explored many options. He pointed out the alternative to keep the Courthouse downtown would be less expensive, but there is more to the decision. There is significant question whether renovation of the existing site would serve the County's needs beyond 15-20 years. Commissioners have opinions that it will not; however, the local attorneys disagree. Therein lies the rub, because whichever decision the Board of Commissioners makes, they have to be right. For example, if Commissioners choose to expand on the current site and it turns out to be a short term solution, the County will have spent millions of dollars to be on a landlocked site. Local attorneys are suggesting the County exercise eminent domain, but that is not a workable solution. Alternatively, future Boards of Commissioners could try to acquire property around the site as it becomes available, which will probably deem difficult as well. If neither of these are options, the only solution is off site. He said this may not be the right solution; it just makes the issue complicated. Commissioner Hawkins commented that everyone seems to agree with the condition of the existing building. The fact is part of it dates to 1881 and it is not designed for today's court functions and it is not convertible to a 21st Century building. That is not to say the space cannot be used, but it would be hard to compensate for the deficiencies in the building. With a downtown renovation on site, the public would be assured an end product that would be suboptimal space for the most part and undesirable. Commissioner Hawkins stated that part of what makes downtown Brevard appealing is the look and the feel of it and the Courthouse site is a very big component. It's precisely what someone from outside of Brevard would think a small town should look like. In his opinion, if Commissioners decide to build an addition onto the side of the Courthouse, it would ruin that appeal. He pointed out that a 21st Century courthouse is built for security, not to have a warm inviting vibe. It would essentially be a big wall with windows and potentially be the biggest structure in downtown. He did not think this is what the public wanted to see. Commissioner Hawkins stated the decision is complicated and anyone can make a case against any the options. However, he said at some point Commissioners are going to have to choose an option. Commissioner Hawkins said he heard from many speakers tonight that there are other alternatives downtown. He noted that a few months ago Commissioners worked with the City of Brevard to look for sites for workforce housing and the result was unsuccessful. He did not think it was going to take very long for this topic to come back on the agenda, noting that people who look at this in depth will come to the same conclusion the Board has come to. He expressed concern about stopping the work since the County was getting close to finalizing the USDA loan application. It will be a huge loss that will add significantly to the cost of the Courthouse decision. He wanted the public to know that Commissioners have agonized over this decision. Commissioner Hawkins still thought the best option, based on the information the Board has to date, was the Morris Road option. With that said, he was willing to support the motion. Commissioner Lemel clarified once more the direction the Manager needs from Commissioners in to tackle exploring other options, especially given the pressure with the USDA loan. The Manager reported that the USDA loan application requires the programming for completion. It would require a programming study, to include site identification. It would be appropriate to add this to a future agenda so she can have clear understanding of the information Commissioners are requesting, such as available property in downtown. She said Commissioners can move in many directions, but they need time to determine how to move forward. Commissioner Phillips was appreciative of Commissioner Hawkins' comments. He asked the Manager to clarify the tax impact of the proposed tax increase to tax bills for the benefit of the public. The Manager reported the increase to a tax bill would be \$25 per \$100/valuation. For example, for property worth \$100,000, the increase would be \$25 for the year. Commissioner Phillips said citizens reported they were going to have to move because of the proposed 2 cents tax increase and he thought those comments were unbelievable, so he thanked the Manager for clearing this up for the public. He addressed the accusations that the Board voted on the Courthouse in closed session. He informed the public that Commissioners spent hundreds of agonizing hours on this issue and he was satisfied with the Board's decision because he thought it was the right thing to do. Commissioner Phillips was bothered the most by people that actually do support the Board's decision that will not be vocal about it because they understand what the needs are, building costs, loan rates, etc. He commented that Commissioners are

never going to please everyone and while he encouraged public input, unfortunately it normally does not occur until Commissioners make a decision at this level. Commissioner Phillips stated as a citizen he would feel shorted if he was not aware of the issues the local elected board discussed. County Commissioners work too hard on behalf of the citizens for them simply to be unaware of the issues. He said he has great respect and confidence in all of the Commissioners sitting on this Board and they all have the best interest of the community at heart. Commissioner Phillips responded to citizens' comments that education should be the priority over the Courthouse and stated that education funding has always been a priority for Transylvania County. In fact, Transylvania County is the 4th highest funder of schools in the State of North Carolina. Commissioner Phillips stated he does not want to waste the monies that have been spent so far. He encouraged citizens to contact Commissioners with any questions because they have been open and transparent about this project. He noted that Commissioners do not make decisions lightly. Chairman Chapman commented that he agreed with the statements made thus far. He was offended by the public comments that accused Commissioners of making decisions in secret or that they did not study the issues. He said the Courthouse issue has been delayed too long. With the safety and security concerns, ADA noncompliance, issues with comingling, and structural problems he was surprised no one had been killed. The Board of Commissioners has not made this decision in haste. Chairman Chapman believes an onsite expansion will not be attractive, just as Commissioner Hawkins mentioned. He responded to comments about the "Taj Mahal" jail. He commented that the jail has been able to house prisoners from other communities where judges have forced them to move prisoners to other counties. If Commissioners do not act, he is afraid what happened in Graham County will happen here, where a judge ruled their courthouse inadequate and forced Graham County to transport jurors, witnesses, etc. to Cherokee County. That could very well happen here. Chairman Chapman wanted the public to know the issues with the facility are not going away and there could be serious consequences for not doing so. Commissioner Hawkins pointed out that people who agree with the actions of the County Commissioners usually do not attend Board meetings. He said tonight's meeting was real and humbling and it influenced him. He said there is obviously a segment of the community that is opposed to building a new Courthouse on Morris Road, so now it will be the job of the Board of Commissioners to either make a better case for this option or find a better option. He is not interested in delaying the project and said he wants to make a decision to ensure the County is still able to secure the USDA loan. The issue is this will be problematic because County Administration/Finance is short-staffed. Commissioner Phillips inquired how staff goes about ensuring the County can still secure the USDA loan. The Manager said it would require an update to the programming scope of work. She pointed out that a downtown option cannot satisfy surface parking, so the programming will need to factor in a parking deck at \$20,000/vehicle in order to apply. So at this point the County will have to wait and look at the next federal fiscal year cycle in FY 20. All the pieces have to be updated with a new site. There was no further discussion and **the motion carried by a vote of 4 to 1, with Commissioner Phillips voting against.**

NEW BUSINESS

APPROVAL OF FY 2018-2019 BUDGET ORDINANCE

The current FY 19 Budget under consideration by Commissioners totals \$53,091,637 in expenditures for the General Fund with a proposed tax rate of 53.6 cents/ \$100 valuation with a tax valuation estimate of \$5.8 billion.

Fire tax rates are proposed to be set as follows with a \$102,112 supplement from the General Fund to North Transylvania Fire Department to fully fund their budget:

<u>Fire Service District</u>	<u>Tax/\$100</u>
Sylvan Valley 2 District	\$0.0550
Rosman	\$0.1209

Little River	\$0.0906
Connestee Falls	\$0.0833
Cedar Mountain	\$0.1376
Lake Toxaway	\$0.0544
Balsam Grove	\$0.1118
North Transylvania	\$0.1400

The Solid Waste Fund is proposed at \$2.9 million with \$767,364 coming from the General Fund to supplement expenditures. It also includes a tipping fee increase from \$55 to \$60 effective July 1 and a change to stop weighing garbage at the Pisgah Forest Convenience Center and to accept recycling and waste that is bagged and tagged with disposal stickers, as currently used at all convenience centers.

The total for all funds in the Budget Ordinance is \$59.9 million. The recommendation was to approve the FY 2018-2019 Budget Ordinance, fire tax rates and fee schedules as presented.

Commissioner Lemel moved to approve the FY 2018-2019 Budget Ordinance, seconded by Commissioner Phillips. The Manager pointed out the approval, based on the earlier vote on the Board of Education accountability, modifies page 3, Section 2, of the Budget Ordinance, as shown with the language stricken below.

SECTION 2. The appropriations to the Board of Education shall be made first from any funds which are dedicated to the use of the schools and secondly from general county revenues to the extent necessary. An example of such an appropriation would be forestry receipts, which are transferred to the Board of Education as a part of the current expense appropriation. The Board of Education is authorized to transfer a maximum of 15% between function codes in the current expense budget ~~and the same between capital projects as approved on the capital projects list in the recommended budget without prior approval of the Board of Commissioners. For capital projects greater than \$50,000, draft contracts reflecting the scope of work and fee or purchase order shall be submitted to the County for disbursement of funds.~~

The Manager asked if Commissioners wanted to allocate funds by project as shown in the recommended budget. This is a decision that must be made during the passage of the budget and cannot be made mid-year. NC General Statutes indicate that the maximum that can be moved without approval is 25%, but it allows as little as 10%.

Commissioner Lemel clarified there is \$1.1 million in Category 1 and \$700,000+ in Categories 2 and 3. Specifically on capital funding, noting the earlier vote to delay implementation of the documentation on projects over \$50,000 until January, Commissioner Lemel inquired about appropriating 50% of the capital funding for the period and putting the rest in reserves pending the decision in January. The Manager stated this could be an alternative, and statutes allow counties to allocate by project on Category 1 expenditures only. Furniture, fixtures, and vehicles are typically paid in 1/12 payments to the School System. On the projects, the funds are still disbursed on the pro rata basis, but they are specifically to fund those projects and that would trigger a request if they wanted to pursue another project or if they wanted to move funds more than 15% as is shown in the current expense. This is the process that is laid out in statutes. The other option is to approve a lump sum in capital and pay in 1/12 payments as well. Commissioners will need to address the paper trail piece for the auditors, but it can be addressed mid-year after the January discussion. With the 2/5 cents tax increase and knowing there are critical needs; Commissioner Lemel inquired about taking an additional \$500,000 and putting it toward school capital in a reserve fund for FY. The Manager confirmed the Board has the latitude to put funds in a reserve for this purpose. **Commissioner Lemel moved to amend the motion to approve the FY 2018-2019 Budget**

Ordinance, funding Category 1 school capital as presented in our Budget Ordinance, and additionally setting aside \$500,000 in a reserve fund for specific projects the Board of Education may bring to us during FY 19. The Manager pointed out the amendment, if approved, will change the transfers line item in the Budget Ordinance, reducing the Courthouse Construction/Repairs Reserve by \$500,000. In addition, it amends page 3, Section 2 as follows:

*SECTION 2. The appropriations to the Board of Education shall be made first from any funds which are dedicated to the use of the schools and secondly from general county revenues to the extent necessary. An example of such an appropriation would be forestry receipts, which are transferred to the Board of Education as a part of the current expense appropriation. The Board of Education is authorized to transfer a maximum of 15% between function codes in the current expense budget ~~and the same between capital projects as approved on the capital projects list in the recommended budget without prior approval of the Board of Commissioners. For capital projects greater than \$50,000, draft contracts reflecting the scope of work and fee or purchase order shall be submitted to the County for disbursement of funds.~~ **Capital projects approved by project as shown in the recommended Manager's Budget.***

Commissioner Hawkins seconded the amendment. Commissioner Hawkins pointed out the rationale for the proposed tax increase was because the Board had made a decision on the Courthouse and wanted to be responsible for proposing a way to pay for it. Being that the decision was made to cease all work, he felt that took away the rationale for a tax increase. Commissioner Lemel responded the discussion has been and citizens have indicated they understand something needs to be done about the Courthouse. The reason for her motion is that Commissioners intend to move forward with the Courthouse, but it is ideally a long term finance deal with the cost spread over time. Given the pause on the project and knowing there are other critical needs, however, she felt comfortable keeping the tax increase in place and allocating the dollars toward school capital. She pointed out she heard a lot of support from the public for schools at this meeting tonight. Commissioner Chappell stated that based on the decision to cease work on the Courthouse and the tax increase was proposed specifically to pay for the new Courthouse, he was not supportive of keeping the tax increase in the budget. Commissioner Phillips agreed with Commissioner Chappell and he felt to use the tax increase for anything else at this point was not the right thing to do. **The amendment failed 4 to 1, with Commissioner Lemel the only yes vote. The main motion failed unanimously.**

Commissioner Chappell moved to approve a tax rate of 51.5 cents/\$100 valuation and revise the Budget Ordinance to remove the stipulations regarding prior capital approval for schools. Commissioner Chappell clarified for the Manager that his motion includes lump sum funding for the School System. **The motion died for lack of a second.**

Commissioner Lemel moved to approve the FY 2018-2019 Budget Ordinance at a tax rate of 53.6 cents and fund school capital Category 1 as presented in the Manager's recommended budget, seconded by Commissioner Phillips. It was noted the motion was to include the tax increase for the Courthouse. **The motion failed 2 to 3, with Chairman Chapman and Commissioners Chappell and Hawkins voting against.**

Commissioner Hawkins wanted Commissioners to move forward with approval of the Budget Ordinance less the tax increase. However, he thought that the County still needs to have in place the reporting capabilities as discussed with the Board of Education for the larger projects. The Manager pointed out Commissioners have options to help trigger accountability. She suggested appropriating funds by project as an option and then addressing other details in a future meeting with the Board of Education. Another option is for the Commissioners to review the Board of Education's quarterly reports and request additional information based on how Commissioners perceive the reports. Commissioners allocate by

function, but it is not uncommon to allocate by project. NC General Statutes allow for all of these options.

Commissioner Lemel moved to approve the FY 2018-2018 Budget Ordinance at a tax rate of 51.1 cents/\$100 valuation and that we fund the Category 1 capital by project as specified in the recommended budget, seconded by Commissioner Phillips. The Manager will modify Section 2 on page 3 and balance the Budget Ordinance with the elimination of the 2.5 cents tax increase. **The motion passed 4 to 1, with Commissioner Chappell voting against.** Commissioner Chappell stated he voted against the motion because of the school capital project piece. Chairman Chapman challenged the public to ask Brevard City Council if they had also enacted a tax increase to prevent the school bond from passing.

BUDGET AMENDMENTS

Finance Director Gay Poor presented the following budget amendments for the Board's approval:

1. \$150: \$80,972 from jail fees collected from other counties in excess of the revenues originally budgeted to pay for related increases in costs
2. #151: \$165,175 from Fund Balance Assigned for Accrued Vacation for vacation paid out in lieu of time taken (\$69,065) and vacation paid upon termination (\$96,110) during FY 18
3. #152: \$13,161 from Fund Balance Assigned for Attorney Office FF&E to purchase furniture, computers, and software to set up the office for the County attorney and paralegal
4. #153: \$45,891 from Fund Balance Assigned for Economic Development for an incentive grant for New Excelsior, per the agreement between New Excelsior and the County
5. #154: \$20,000 from Fund Balance Restricted for Special Child Adoptions

If approved, these amendments will increase the General Fund budget by \$325,199, bringing it to a total of \$55,646,248 for FY 18.

Commissioner Lemel moved to approve the requested budget amendments, seconded by Commissioner Phillips and unanimously approved.

Chairman Chapman is concerned about paying employees in lieu of them taking their vacation time and he encouraged future Boards to consider a policy addressing the issue.

SUMMARY OF BUDGET AMENDMENTS

Finance Director Gay Poor provides semi-annual recaps of the budget amendments that have been approved and entered year-to-date and their impact on the fiscal year General Fund budget. This is her annual report:

During the second half of the year, amendments were made that increased the budget by \$991,088. This was driven by \$1,210,874 in appropriations from fund balance, which included \$405,745 for storm water mitigation measures at the light industrial building site on Ecusta Road; \$387,220 for Solid Waste to address critical compliance issues and urgent equipment, maintenance, and staffing needs at the landfill; \$165,175 for vacations paid out in lieu of time taken and upon termination of employment.; and \$61,483 for a training simulator for the Sheriff's Office. A number of smaller appropriations were made from fund balance for purposes such as economic development incentives, Medicaid cost settlements, the Hemlock Restoration Initiative Project, and Building Permitting and Enforcement personnel. The budget was also amended to account for an overall reduction of \$708,114 in State and federal funding. While Planning and Community Development, the Health Department, Emergency Management, and other functions received \$141,579 in additional funds, a transition by the State to direct benefit payments for subsidized child care and Medicaid transportation eliminated \$849,693 in pass-through funds, decreasing

both revenues and expenditures. Other amendments totaling \$488,328 reflected an increase of \$302,017 in Education lottery funds requested by the school system and increases in fees collected by the Sheriff's Office, Register of Deeds, and other County services; proceeds from insurance claims; and donations.

Assuming the budget amendments presented today are approved, FY 18's amendments to the General Fund budget will total \$4,402,275. Through carry forwards from FY 17 and appropriations made in FY 18, \$5,539,678 has been withdrawn from total fund balance - \$177,058 from restricted fund balance; \$3,963,734 from assigned fund balance; and \$1,398,886 from unassigned fund balance. Included in this total is \$4,124,045 transferred from the General Fund to the Light Industrial Building Project Fund. In spite of \$218,919 in grants and increases in outside funding for several County functions, the change in the funding mechanism for the programs mentioned above resulted in a net decrease in the budget of \$630,774 for State and federal funding. Amendments for other items further reduced the General Fund by \$506,629, led by the transfer of the \$1,000,000 Golden LEAF Foundation grant to the project fund for the industrial building. Offsetting this partially were increases attributable to Education lottery funds, fees for services, insurance payments, and donations. With these amendments, the FY 18 General Fund budget as of June 25, 2018, is \$55,646,248.

UNIFORM GUIDANCE/PURCHASING POLICY

Finance Director Gay Poor presented this item. The Office of Management and Budget implemented *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (referred to as "Uniform Guidance") in December 2014. The Uniform Guidance, which supersedes OMB Circular A-133, establishes the federal requirements that apply to most categories of federal loans, financial assistance programs, and grant funds. The procurement standards set forth in the Uniform Guidance go into effect on July 1, 2018, and will affect how counties bid purchase and construction contracts, procure services, document procurement procedures, and avoid conflicts of interest when federal funds are involved. In order to be in compliance with the Uniform Guidance requirements, the Board of Commissioners must formally adopt a written procurement policy that includes a statement that the County will comply with all federal laws and regulations applicable to federal funds and a written conflict of interest policy governing financial conflicts of interest in contract awards and gift bans. Noncompliance with the Uniform Guidance has serious consequences including the de-obligation of federal financial assistance program funds and grants such as those received by Social Services and Public Health, USDA loans, and FEMA disaster assistance funds.

Staff submitted policies that meet the Uniform Guidance requirements. *The Procurement Policy and Procedures with Federal Funds* sets forth the steps the County must follow to be in compliance with the regulations and outlines the specific procurement procedures to be used based on the type and cost of the contract. *The Conflict of Interest Policy: Use of Federal Funds* defines a real or apparent conflict of interest and prohibits parties subject to the policy from receiving personal benefit from the selection, award, or administration of a contract supported by federal funds. It also prohibits them from accepting gifts and favors from vendors and contractors.

Commissioner Lemel moved to approve the *Procurement Policy and Procedures with Federal Funds* and the *Conflict of Interest Policy: Use of Federal Funds*. The motion was seconded by Commissioner Chappell. Commissioners thanked staff for staying on top of what is required of the County to be compliant. They thought the policies were well written with very clear guidelines. **The motion was approved unanimously.**

MEMORANDUM OF UNDERSTANDING BETWEEN NC DEPARTMENT OF HEALTH AND HUMAN SERVICES AND TRANSYLVANIA COUNTY DEPARTMENT OF SOCIAL SERVICES

Social Services Director Darrell Renfroe presented this item. The State of North Carolina Department of Health and Human Services came about as a direct result of HB630 and Session Law 2017-41 requesting

that NCDHHS enter into an annual written agreement between them and the local County Social Services agency. This law requires the agreement to contain certain performance requirements and administrative responsibilities related to all social services programs with the exception of Medicaid. There is no initial financial impact; however, the State could eventually withhold funds from local County DSS agencies that are not meeting the performance measures. If approved, the contract is to be signed by the Manager and DSS Director.

Commissioner Lemel moved to approve the MOU between NCDHHS and Transylvania County DSS with the County Manager and DSS Director being co-signers, seconded by Commissioner Phillips. Commissioner Lemel pointed out that HB630 is the same legislation that created the Social Services Working Group that she serves on. It looks at the relationship and accountability for child welfare and other DSS operations across the State. The MOU is very important and it will be brought up more and more as processes are put in place regarding the supervision of DSS operations. Commissioner Lemel felt this agreement was a great step, helps with accountability and spells out who is responsible. It is important to have the partnership between DSS and the County, because the Board of Commissioners is the legal body responsible for the operations with Social Services. **The motion was approved unanimously.**

REORGANIZATION OF POSITIONS IN MAINTENANCE DEPARTMENT (COMBINE 2 PT TO 1 FT)

The Manager presented this item for consideration. Maintenance currently has two part-time maintenance technician positions with one working three days weekly and the other two days weekly. They are primarily assigned to grounds maintenance activities, but are also utilized in building maintenance. The part time classifications have been difficult to recruit and retain. In late May and after the budget requests were already made, the three day per week employee resigned. The Maintenance Manager is requesting to combine the two part time positions in order to create more stability and to maximize the ability to schedule both grounds and maintenance staff to be mutually supportive. The ability to combine the two part-time positions into a full-time position will also support the grounds activities. The department is currently utilizing a maintenance technician to assist with grounds care activities due to the resignation of the three days per week part-time position. While the department is making it work in the interim, maintenance staffs are being stretched thin. If approved to combine the two part-time positions, the maintenance manager will utilize a maintenance technician position to assist in grounds maintenance activities as needed. This gives flexibility to the maintenance manager to assign employees to grounds care activities based on building maintenance needs and expertise. Combining the two part-time positions also provides the flexibility needed to change mowing and grounds schedules resulting from weather conditions. The use of part-time limits the maintenance manager's ability to rearrange staff hours to meet the grounds and building maintenance needs. The financial impact is an increase of \$19,598 in the FY 19 maintenance budget.

Commissioner Lemel moved to approve the combination of two part time maintenance technicians into one full time maintenance technician position, seconded by Commissioner Hawkins and unanimously approved.

REQUEST FOR PARTIAL FUNDING FOR DAVIDSON RIVER BIKE AND PEDESTRIAN BRIDGE

City and County leadership meet monthly to discuss opportunities to collaborate on mutually beneficial projects. The City of Brevard Manager raised this request in the June meeting and requested consideration for funding.

The Davidson River Bike/Pedestrian Bridge will connect Eastatoe Trail to US Highway 276 providing a safe and separate crossing from the vehicular bridge crossing the River on 276. This connection is expected to cost a total of \$600,000 and is being funded by NCDOT for \$480,000 with \$120,000 required

local match. The City of Brevard is proposing to contribute \$80,000 with \$20,000 coming from the county and \$20,000 coming from the Tourism Development Authority. The City has entered into the project agreement with NCDOT so funding would first go to the City to be used for the project match.

Participation in the project is consistent with the Strategic Plan for Transylvania County and is consistent with the recommendations of the adopted Parks and Recreation Master Plan. The PRM indicates the need for a combined county/city greenway master plan in addition to creating new connections. The County is in the process at this time of developing the first County Bike Plan with a grant from NCDOT.

Commissioner Lemel moved to grant funding in the amount of \$20,000 from the Parks and Recreation Fund Balance Reserve and join the City in a request to TDA for \$20,000, seconded by Commissioner Hawkins. Commissioner Hawkins noted that the City has not yet come to the TDA with this request. The Manager reported that City intended to fund the match themselves. The City approached the County just recently. She has informed the TDA of the potential request. Commissioner Lemel thought it was a great opportunity to move forward with steps on the Parks and Recreation Master Plan. Commissioner Hawkins also thought it was a good opportunity to support the City of Brevard. **The motion passed by a vote of 4 to 1, with Commissioner Phillips voting against.**

REQUEST FOR PROFESSIONAL SERVICES FOR DEVELOPMENTAL ASSOCIATES FOR PROFESSIONAL SERVICES FOR FINANCE DIRECTOR

On Thursday, June 14, 2018 Finance Director Gay Poor announced her intent to retire as of July 27, 2018. Gay has served the county for over 16 years and has been a critical part of the county team in her role as Finance Director. With the relatively short time frame to departure and broad range of critical duties that are part of this role, it is critical to initiate both an interim plan and a recruitment strategy as quickly as possible.

The County Manager is currently formulating a transition plan to bridge the interim, but recruitment for a position like Finance Director will take time to identify the right candidate to lead the department. The proposal from recruitment firm Developmental Associates reflects a not to exceed fee of \$19,825 for recruitment services including holding an assessment center. The basic fee is reflected at \$18,000, but the proposal also includes a discount of “on the base” if Commissioners agree to conduct focus groups and 1st and 2nd screens on the phone, which is recommended by staff. The scope timeline indicates a timeline of 60 days, but given the challenge of scheduling assessors and candidates for assessment, 90 days for recruitment and assessment would be reasonable along with an additional 30-60 days for negotiation and notice to current employer. This results in a target to have a permanent appointment in place in 5-6 months.

Commissioner Lemel moved to approve Administration to move forward with the scope of work for recruitment by Developmental Associates with a not to exceed of \$19,825 and begin recruitment of the Finance Director position and to include maximize the use of digital communications to potentially reduce the cost, seconded by Commissioner Chappell. Commissioner Lemel commented that losing Ms. Poor is a huge loss for the County. Because of her work, she has received incredible recognition from outside organizations. She thanked Ms. Poor for all she has done for the community and said she will be missed. Commissioner Chappell stated it is important to expend these funds on an appropriate candidate search because the position is essential. He noted that bad things happen in counties that do not have the right staff person in this position. Chairman Chapman agreed, pointing out the market is limited, so the search for a new Finance Director will be difficult and competitive. **The motion was unanimously approved.**

MANAGER’S REPORT

The Manager’s reported the following:

- Parks and Recreation Director search resulted in over 50 applications; currently in the process of screening/assessing with hopes to have a selection soon.
- Selected candidate for Animal Control Director that decided not to move to our community; staff is regrouping and expects recommendation soon on how to move forward
- Kudos to Kenn Webb, Solid Waste Director for his help to Patricia Sacco and her son who had vehicle trouble at the landfill for his polite and above and beyond assistance.
- Kudos to Senator Chuck Edwards and Representative Cody Henson! State Budget has been adopted and sent to the Governor's desk for signature. For Transylvania County, includes:
 - Funds for landslide mapping
 - \$20,000 earmarked for French Broad River clean up
 - \$50,000 for Transylvania County to use with the Early Childhood Initiative for preparation to partner with Sesame Street in Communities
 - \$126,000 for Stop the Bleed Kits and Training in Transylvania County Schools

<p>Public Input Wanted!</p> <hr/> <p>Let's Talk Bikes</p>  <p>828.884.3205 http://planning.transylvaniacounty.org/</p>	<p>Drop-In Sessions will be held:</p> <hr/> <p>June 26th 6:30-8:30 Little River Community Center</p> <hr/> <p>June 28th 4:30-6:30 Rosman Town Hall</p> <hr/> <p>July 9th 4:30-6:30 Transylvania County Library, Rogow Room</p> <hr/> <p>July 16th 4:30-6:30 Cedar Mountain Community Center</p>
<p>The Transylvania County Comprehensive Bicycle Plan is a collaborative effort of the NC DOT and Transylvania County Planning and Community Development</p>	

Chairman Chapman noted the State budget includes a significant increase in the allocation of lottery proceeds. The State Legislature is finally listening to counties.

PUBLIC COMMENT

The comments made by the public represent the individual speaker's opinion or point of view. No attempt was made to vet their statements for accuracy or modify them based on facts.

Brian Stretcher: Mr. Stretcher is a local attorney. He thanked Commissioners for their vote to rethink the Courthouse project and to set aside tax increase proposal. He asked Commissioners to keep in mind that no plan is going to guarantee 100% security. Having a facility downtown is a quality of life issue. He pointed out that annexes in downtown are possible. If the architect believes a fortress is the only option, the County should select another architect. Mr. Stretcher also asked Commissioners to seek the opinion of the local Bar who would be more than happy to point out to Commissioners what they feel should be done. Their experiences are varied and they know the issues the Commissioners are struggling with and a wide range of advice. In the end, the consensus is same that the Courthouse needs to stay downtown.

Davis Whitfield-Cargile: Mr. Whitfield-Cargile applauded Commissioners for their willingness to change their decision on the Courthouse. He informed Commissioners there is a provision in State code (NCGS 159-67) that calls for a referendum before a County is allowed to move its courthouse or county seat. He questioned Commissioners' authority to move the Courthouse. He was also pleased to see State dollars in the budget to conduct the landslide mapping. He pointed out he is a member of the Transylvania Natural Resources Council and as chair of the landslide mapping subcommittee he was hopeful this County would receive funding because it was good for citizens and landowners to be knowledgeable.

Patrick Holden: Mr. Holden thanked Commissioners for the decision to remove the tax increase and for listening to citizens' comments and concerns.

COMMISSIONERS' COMMENTS

Chairman Chapman commented that the insinuation that Commissioners did not involve attorneys in the Courthouse decision process is a misconception.

Commissioner Phillips responded to Mr. Whitfield-Cargile noting that the State statute he is referring to involves relocating the county seat. He also responded to Mr. Hunsicker's comments that the local newspaper reported that 80% of the citizenry was opposed to the Courthouse on Morris Road and he requested to see documentation.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Lemel moved to adjourn the meeting at 11:45 p.m., seconded by Commissioner Hawkins and unanimously carried.**

Larry L. Chapman, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board

A Letter to the Citizens of Transylvania County from the Transylvania County Bar

The Transylvania County Bar consists of attorneys who live and practice in Transylvania County. We represent you in court, assist you with estate planning and administration, real estate matters, and anything else which requires professional legal assistance. We also use the courthouse almost every single day.

The County Commissioners did not include us in the talks regarding the courthouse in recent years, but some citizens have asked us to make a public position statement, which seems to be even more important considering the Commissioners' statement that no one has opposed their decision to build a new courthouse on Morris Road. We don't all agree on every aspect of what the County should do with the courthouse, but the overwhelming consensus of our members is that the courthouse function should stay downtown, and that the County Commissioners should seek additional options on how to address the needs of the courthouse while keeping it downtown.

There is no doubt that the County has done a thorough job of analyzing and studying the needs of the courthouse. The historic courthouse is iconic and has served our county well over time, but it is pretty well established that there are space and safety issues associated with the courthouse in its current state, that need to be addressed by the County Commissioners. Some of these issues overlap. Currently, prisoners, judges, court staff and the public all use the same entrance. For the most part, we all use the same elevator and hallway. Prisoners are often held in the jury room while awaiting trial. The lack of separate entrances for prisoners and court staff poses a significant risk. The members of the Transylvania County Sheriff's Department assigned to Court Security Detail have done an exceptional job of managing these risks, but we agree that it would be appropriate for the County Commissioners to look for a solution that increases safety for everyone.

There is also a space issue with the courthouse. Currently we have a large courtroom and a small courtroom. The small courtroom's capacity is very limited, and on days when the large courtroom is needed for Superior Court, sizeable dockets in the small courtroom can create a large overflow of persons standing in the hallway or the second-floor lobby. The crowd usually decreases significantly by 11:00 a.m., or so, but it is undeniable that the space is overcrowded for a period of time some mornings. This is not only a fire hazard, but creates awkward, and potentially dangerous scenarios as attorneys, judges, and court personnel must walk through the gauntlet of people filling the hallways. We agree that a second larger courtroom is needed, and would address this issue.

We believe that each of these issues can be addressed without moving the courthouse out of downtown, and without the tremendous expense and burden on the citizens associated with the move to Morris Road. While the County Commissioners have thoroughly studied the courthouse needs, we have not seen evidence that supports the notion that they have thoroughly studied the different options for addressing the courthouse needs while keeping it downtown. It is our understanding that the County Commissioners and County Administration have not even consulted their own planning department or planning board, or the city, regarding the impact of relocating the courthouse. We believe that there are multiple possible solutions to addressing the

courthouse needs that would keep the courthouse downtown, cost much less than the proposed 32-million-dollar facility on Morris Road and be better for Transylvania County and our downtown.

We believe that there are likely options that would address the courthouse needs within the footprint of property owned by the County, but if not, the County has the power to acquire land if it determines that the courthouse needs cannot be addressed on the current property. Land has been available for sale immediately adjacent to the Courthouse in the very recent past. Some of these parcels may have recently sold or may be under contract, but the County has the power to acquire these properties for the purpose of expanding the courthouse if the County Commissioners determine it is necessary. The City of Brevard has also made known that it is willing to consider undedicating East Probart Street Extension and deeding that land to the County. Have these options been thoroughly explored, or are the Commissioners and Mosely Architects simply brushing them aside to build a new courthouse?

Whether the County wants to take a minimalistic approach cost wise and construction wise, or invest in substantial renovations or new construction, it is not difficult to conceive different possibilities that address the courthouse needs downtown at a lesser or similar cost to our citizens. Taking a minimalistic approach, the small courtroom could be made much larger by removing non-load-bearing walls and relocating the district attorney's office to the first floor (where the public defender's office is located), or to the former county administration office adjacent to the courthouse (the building which is owned by the County but is rented to the WNC Military History Museum). It would not be difficult to create additional entrances for judges and prisoners. Removing the district attorney's office from this floor could also create space for a larger and separate holding cell for prisoners who are waiting on their court appearance. Parking could also be addressed for a fraction of the cost. Parking decks could be constructed in the overflow lot across Gaston Street or on a portion of the existing parking lot without significantly detracting from the aesthetic appeal fronting Broad Street and Main Street.

If the County wants to invest more significantly in new construction, consideration could be given to demolishing the rear portion of the courthouse and/or the former county administration building which presently hosts the WNC Military History Museum. That would create ample space to build a new structure on the back of the historic courthouse that could house multiple larger courtrooms, multiple elevators, and separate entrances for prisoners and judges/court staff. It may even be feasible to do so in a manner that utilizes the front entrance of the courthouse as other space issues are addressed. This could be complemented by one or more parking structures tucked back behind the courthouse. There are many options that could be considered but have not. It is not accurate for the County Commissioners to state that the options have been studied thoroughly.

At the end of the day, this is a decision that should be made by the County Commissioners and by the citizens of Transylvania County on a bond referendum. While the County Commissioners should be applauded for their willingness to address the courthouse needs, there should be the same amount of effort and public input into identifying suitable alternatives to address those needs while keeping the courthouse function downtown. County Commissioners should also better study the potential economic impacts on downtown business, downtown property values,

downtown office rentals, and traffic and other impacts on the neighborhoods near Morris Road prior to making any decision to move the courthouse. The Commissioners should also look at other communities across the state that faced this situation, and study what they did and why.

We look with pride at having one of the few remaining historic courthouses where the legal needs of our citizens can be addressed. It keeps us unique and improves the overall quality of life in Transylvania County. We submit that moving the courthouse function, regardless of what eventually might move into the courthouse, effectively cuts the heart out of our county. The idea of equal justice under law is central to our democracy, and a county courthouse is central to that concept. As such, it should always remain in the public view to remind us of what is vital to our way of life. Therefore, a majority of the members of the Transylvania County Bar hope that the County Commissioners will reconsider their decision and engage the planning board, the planning department, the city, an additional architect and other stakeholders, to thoroughly review the options available to address the needs of our courthouse.

Paul Averette
Hannah Camenzind
Doug Campen
Will Cathey
Brentley Cronquist
Tony Dalton
Rick Daniel
Michael Eubanks
Ashley Fortune
Margaret Hunt
Donald Jordan
Barbara Lubin
Jim Kimzey (retired)
Mack McKeller
Nikki Melby
David Neumann
Brian Philips
Michael Pratt
Gayle Ramsey
Davis Whitfield-Cargile
Brian Stretcher