

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
February 25, 2019 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, February 25, 2019 at 7:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Will Cathey, Jason Chappell, Chairman Mike Hawkins and Vice-Chairman David Guice. Commissioner Page Lemel was traveling out of the country and therefore unable to attend the meeting. Also present were County Manager Jaime Laughter, County Attorney Misti Bass and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Derek McKissock

There were approximately 20 people in the audience.

CALL TO ORDER

Chairman Mike Hawkins presiding declared a quorum was present and called the meeting to order at 7:03 p.m.

WELCOME

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

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.

Karen Gorman: Ms. Gorman, Project Director with the Care Coalition, provided an update on the work of the organization. She was excited about the positive changes that were occurring in the community due to the contributions of the Care Coalition. The Care Coalition has existed since 2010 and has become the community convener for all areas dealing with substance abuse. Ms. Gorman reported that over the past eight years the Care Coalition has consistently met every month with a committed group of 15-20 members. Following receipt of their federal funding in 2014, substance abuse became the number one health concern in Transylvania County and remains a top concern as reported in the 2018 Community Health Assessment. Between 2012 and 2016, delinquency and school crimes, including drug possession, decreased greatly. In an annual high school survey fewer students reported using drugs and alcohol and cited more difficulty in obtaining them. With the distribution of hundreds of medicine lockboxes and drug take-backs, residents are committed to locking up and properly disposing of prescription medications. While the State rate of opioid overdoses continues to rise, Transylvania County has shown a marked decrease compared to other parts of the State, although the rate still remains high. The County Leadership Team – including Commissioner Guice, Manager Laughter, and Sheriff Mahoney – were selected as one of 10 teams statewide to create and craft a local community policy to respond to the opioid crisis. The Care Coalition has received regional and national recognition for many of its programs. The Care Coalition has also been a leader in the community by offering educational courses/training. The Youth Coalition meets weekly and continues to benefit from leadership training and opportunities. The group recently led a regional WNC youth summit. Their focus is on their peers and they call themselves

“Teens Advocating for Future Youth”. Since 2014, the Care Coalition has brought in more than \$975,000 in federal dollars to Transylvania County and nearly \$100,000 in State and local funds. Local matching and in-kind contributions amount to almost \$200,000 annually. The community has been very generous in time, resources, space, etc. Ms. Gorman thanked Commissioners for their support of the Care Coalition and their prevention efforts, especially through the Health Department which serves as the organization’s fiscal agent.

AGENDA MODIFICATIONS

The Manager requested to remove the approval of minutes from the Consent Agenda. There were no agenda modifications from Commissioners.

Commissioner Chappell moved to accept the agenda as modified, seconded by Commissioner Guice and unanimously approved.

CONSENT AGENDA

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

The following items were approved:

DISCOVERY, RELEASE AND MONTHLY SETTLEMENT REPORT

Per NC General Statute §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 NC General Statute § 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 January 2019, total tax dollars released was \$650.55 and refunds totaled \$1,133.29. Commissioners approved the January 2019 Report as presented.

VAYA HEALTH FISCAL MONITORING REPORT

Per NC General Statute § 122C-117 (c), the quarterly Fiscal Monitoring Reports (FMR) for the local management entities and managed care organizations must be presented to the Board of Commissioners and read into the minutes of the meeting at which it is presented at least twice a year. Staff presented the FMR from Vaya Health for the second quarter of FY 2019. Commissioners accepted the report

BAD DEBT WRITE-OFF 1/1/2018-6/30/2018

The Department of Public Health’s Bad Debt policy identifies the process for handling aging accounts with no payment activity greater than 180 days. Pursuant to this policy, Health Director Elaine Russell recommended to the Board of Health to write off bad debts totaling \$622.80 for the time period January 1, 2018 through June 30, 2018. On February 12, 2019, the Board of Health approved the debt write-off. Account balances less than \$50 totaled \$177.60 and will be considered bad debt. Balances greater than \$50 totaled \$445.20 and will be sent through to the NC Debt Setoff Program for potential collection. Commissioners approved the write-off of \$622.80 as submitted.

MINIMUM AD VALOREM TAX BILL AMOUNT

NC General Statute §105-321(f) allows the governing body to set a minimum tax bill amount up to \$5.00. The County’s current resolution directs staff not to collect taxes if the principle amount is less than \$1.50. Several North Carolina counties have a minimum tax bill amount of \$5.00. A list of those counties was included in the Board’s agenda packet. For the 2018 tax year, Tax Administration mailed 543 tax bills

with an amount owed of less than \$5.00. The total revenue for those tax bills was \$1,687.04, which includes \$1,329.07 for County only levy. \$1,329.07 represents approximately .0048% of the total County levy of \$27,582,521.28.

SouthData, the department's printing vendor, charged roughly \$310.57 to mail the original 543 bills. Of those, 156 were not paid, which prompted a final notice to be mailed, costing roughly \$80.00. This does not include staff time spent making additional collection efforts.

Staff requested Commissioners increase the Transylvania County minimum tax bill amount from \$1.50 to \$5.00 per NC General Statute §105-321(f), amending Resolution 49-07 via approval of Resolution 02-2019 Directing the Tax Collector Not to Collect Ad Valorem Taxes When the Original Principal Amount Due is \$5.00 or Below. Commissioners approved the request.

**RESOLUTION 02-2019
(Amending Resolution 49-07)**

**DIRECTING THE TAX COLLECTOR NOT TO COLLECT
AD VALOREM TAXES WHEN THE
ORIGINAL PRINCIPAL AMOUNT DUE IS \$5.00 OR BELOW**

WHEREAS, by adoption of Senate Bill 496 and in accordance with G.S. 105-321(f) the 1995 General Assembly has authorized the governing body or bodies of a taxing unit that collects its own taxes to direct, by resolution, its assessor and tax collector not to collect minimal taxes charged on the tax records and receipts; and

WHEREAS, minimal taxes are the combined taxes and fees of the taxing unit and any other units for which it collects taxes, due on a tax receipt or on a tax notice in a total original principal amount that does not exceed an amount, up to \$5.00, set by the governing body or bodies; and

BE IT RESOLVED by the Transylvania County Board of Commissioners that the Transylvania County Tax Collector is directed not to collect the combined taxes and fees of Transylvania County and any other unit of government for which it collects taxes, due on a tax notice prepared pursuant to GS 105-350, when the total original principal amount is \$5.00 or less; and

BE IT FURTHER RESOLVED that this resolution shall be in effect with respect to the 2019 tax year, and shall remain in effect until amended or repealed by resolution of the Transylvania County Board of Commissioners.

Approved the 25th day of February, 2019.

S: //Mike Hawkins, Chairman
Board of County Commissioners

PRESENTATIONS/RECOGNITIONS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FY 2017-2018

The laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require that all local governments in the State publish a complete set of financial statements annually. The County has received final approval of its audit from the Local Government Commission. Elsa Watts with Martin Starnes & Associates presented an overview of the FY 2018 Financial Report. This is a summary of her presentation:

Transylvania County Annual Financial Report for Fiscal Year Ended June 30, 2018

Audit Highlights

- Unmodified opinion (clean audit opinion)
- Appreciative of being able to work with cooperative staff

General Fund Summary

- Revenues totaled \$50.4 million; increase of approximately 1%
- Expenditures totaled \$46.5 million; decrease of nearly 1%

Total Fund Balance-General Fund

- Total Fund Balance General Fund \$26.5 million; decrease of \$848,000
- Although revenues exceeded expenditures by \$3.8 million, there were transfers to other funds of \$4.7 million; hence the net decrease of \$848,000

Fund Balance

- Available fund balance as defined by Local Government Commission (LGC) is calculated as Total Fund Balance less Non-spendable (not in cash form, not available) less Stabilization by State Statute (by State law, not available)
- This is the calculation utilized as the basis for comparing the County to other units and calculating fund balance percentages

Fund Balance Position-General Fund

- Total Fund Balance=\$26,592,224, less:
 - Non spendable – inventory and prepaid; total \$37,238
 - Restricted – (outside source – grants law) Stabilization for State Statute \$3,809,638 – other restricted totaling \$779,875 includes general government, public safety, human services, and culture and recreation
- Total available fund balance=\$22,745,348; decrease of more than \$1.2 million, primarily due to transfers out and increases in items restricted by State Statute

Five Classifications of Fund Balance

- Non spendable - not in cash form
- Restricted - external restrictions (laws, grantors)
- Committed - internal constraints at the highest (Board) level-do not expire, require Board action to undo
- Assigned - internal constraints, lower level than committed
- Unassigned - no external or internal constraints

Fund Balance Position-General Fund (calculation of unassigned Fund Balance)

- Total Fund Balance=\$26,592,224, less:
 - Non spendable – inventory and prepaid; total \$37,238
 - Restricted – (outside source – grants law) Stabilization by State Statute \$3,809,638
 - Restricted, all other - \$779,875
 - Committed – \$4,601,399 general government, public safety
 - Assigned – \$11,948,237 – includes general government, economic and physical development, and various items for public safety, human services, and culture and recreation
- Total unassigned fund balance=\$5,415,837

Unassigned Fund Balance as a Percent of Expenditures-General Fund

- Calculated dividing Unassigned Fund Balance by Total Expenditures plus Transfers Out
- Unassigned Fund Balance as a percent of expenditures was 10.6% at year end
- Different from Local Government Commission calculation because this calculation excludes all restrictions, commitments and assignments

Fund Balance as a Percent of Expenditures and Transfers to Other Funds-General Fund

- For 2018, LGC calculated available fund balance as 44.3%
- The decrease from the previous year is mainly due to transfers out

Top Three Revenues: General Fund

- Top three comprise \$44.5 million, or 88%, of revenues
 - Ad Valorem Taxes 59%
 - Local Option Sales Tax 17%
 - Restricted Intergovernmental 12%
 - Other Revenue 12%

Property Tax

- Increased to \$29.8 million, a slight increase of about 2%

Sales Tax

- Increased to approximately \$8.4 million
- Represents 6% increase over the previous year

Restricted Intergovernmental

- Decreased to nearly \$6.3 million
- Represents 13% decrease over the previous year due to a statewide change
 - Child Care benefits are now being directly paid from the State to the recipient and no longer flow through the County; represents a decrease in revenues and correspondence decrease in Human Services expenditures

Top Three Expenditures: General Fund

- Top three functions comprise \$36 million, or 77%, of expenditures
 - Education 31%
 - Public Safety 27%
 - Human Services 19%
 - Other Expenditures 23%

Education Expenditures (Excluding Related Debt Service)

- Increased to \$14.6 million
- Represents 6% increase over the previous year

Public Safety Expenditures

- Increased to \$12.6 million
- Represents 2% increase over the previous year

Human Services Expenditures

- Decreased to \$8.8 million
- Represents decrease of 6% over the previous year due to decreases in Child Care benefits

OPEB – GASB (Governmental Accounting Standards Board) 75

- Implemented GASB 75; new reporting change required statewide
- Related to Other Post-Employment Benefits
- Change had net significant impact on net position for governmental activities and enterprise fund
- Liability in previous years was amortized over a 30-year period, now the entire liability is required to be reported on the face of the financial statements

Compliance

- Changes that took place in FY 2018:
 - Direct benefit programs' expenditures are no longer reported on the Schedule of Expenditures of Federal and State Awards; these are the dollars that flow directly from the State to the recipient; lowers the County's threshold for a single audit to \$750,000 making the number of programs that are required to have a single audit higher; predicting five programs (up from two)
 - Office of State Auditor required Agreed Upon Procedures engagement for State selected programs (Medicaid), separate from audit engagement

This concluded the presentation.

Board Discussion

Commissioner Cathey inquired further about the breakdown of the committed fund balance. Ms. Watts reported that the County's committed fund balance totaled \$4.6 million. Of that, \$2.5 million was committed for general government purposes and just over \$2 million was committed for public safety.

Commissioner Guice asked for clarification on GASB changes with regards to reporting Other Post-Employment Benefits on the County's financial statements. Ms. Watts explained the procedure is similar to reporting debt balances. Counties are now required to report the entire liability for Other Post-Employment Benefits, not just liability from year-to-year over a 30-year period. This change implemented by GASB affects every governmental unit across the nation that has Other Post-Employment Benefits.

Chairman Hawkins commented about Ms. Watts' point that the outcome produced a clean audit and sought confirmation that there were no issues. Ms. Watts pointed out there was major turnover in the Finance Department this year resulting in one finding. When a key employee leaves, it impacts internal controls at that time.

Chairman Hawkins referred to the pie chart of revenues and asked if the mix of various revenues was typical for a small county. Ms. Watts did not have comparative information with her at this time, but her recollection was that Transylvania County's Ad Valorem Tax percentages were on par with counties of like size.

Chairman Hawkins pointed out the education expenditures chart indicates a significant increase in spending over the previous year but does not include debt service. He further pointed out that the County has been replacing the decrease from debt service with an increase in education funding. He expected education spending to be somewhat higher if the debt service were included in the figures. The Manager responded that the figures would be slightly different. In prior years, debt payments were greater. The County has been adding revenue above and beyond the debt service payments. Chairman Hawkins' point was that there has been a shift in the source rather than a shift in expenditures. The Manager explained that the debt service roll payments for capital have been shifted to operational expenses. The funding has

continued to be put toward the purpose of education, but rather than have the ability to dedicate those funds to ongoing capital or debt service, the funds have been shifted to operational expenditures.

Chairman Hawkins noted that major changes in fund balance from the previous year are due to the County using the funds for specific projects.

Commissioner Guice asked if there was a portion of the fund balance used this past year to pay for ongoing reoccurring expenses. The Manager explained that the use of fund balance has been budgeted to cover reoccurring expenses; however, because of conservative budgeting practices, frugal spending and higher tax collection rates, the County has not had to use fund balance at year's end since she came on board as County Manager more than four years ago. Expenditures from fund balance have been for capital improvements, such as the industrial building on Ecusta Road and parks and recreation improvements. She encouraged the Board to continue budgeting conservatively on anticipated revenues. While the County has been fortunate on the revenue side, she expects there will come a year when the County is not so fortunate. Rather than not being able to meet operational obligations, she thought it was more important to be conservative on revenue projections. Commissioner Chappell wholeheartedly agreed. He noted that each year Transylvania County anticipates having one of the highest tax collection rates in the State. This practice is scary when trying to project budget revenues. There are other revenues outside of the County's control, such as sales tax. He was very much appreciative of the Board's conservative budgeting practices and he felt that fund balance has been used appropriately for non-reoccurring capital expenses.

Chairman Hawkins noted the undesignated fund balance is less than 10% of expenditures which is the lowest it has been since he has been on the Board.

Commissioner Guice recalled the healthy fund balance when he served previously.

The Manager pointed out one of the factors that had led to the reduction in the undesignated fund balance is the requirement to increase reserved fund balance for restricted revenues. She also noted that with other commitments Commissioners are not necessarily locked into spending funds as designated, but she felt it allows Commissioners to think long term with regards to capital planning, particularly for expenditures that cannot be borne in a single year. Over time, designated funds build up and provide dollars for projects and needed investments. This practice has allowed the County to save for expenditures toward parks and recreation and economic development, for example.

Commissioners thanked Ms. Watts for her presentation and commended staff for their dedication to managing the County's finances.

SEMI-ANNUAL DEPARTMENTAL UPDATE: COOPERATIVE EXTENSION

Director Bart Renner presented the six-month annual update for Cooperative Extension. This is a summary of his presentation:

Cooperative Extension has an office in all 100 counties in North Carolina. The organization is connected to a powerful network of educators and resources. While their primary job is to serve local citizens, Cooperative Extension receives approximately 50% of its funding from NC State University. Their job is to design and deliver educational programs and implement best management practices using research-based information produced at the universities.

Each year Cooperative Extension produces a report called a Program Impact Report that describes the organization's impacts to the local community. The entire report was included in the Board's agenda packet, but Mr. Renner highlighted a few major points here:

Accomplishments

- Trained and motivated over 200 volunteers through Master Gardeners and 4-H, dedicated over 3,000 hours to educational programs
- Over \$15,000 in additional revenue to cattle farmers through Mountain Cattle Alliance
- Contributed to increased sales at the Farmers Market
- Served as staff on the Transylvania Natural Resources Council and Agricultural Advisory Board
- SHIIP Coordinator of the Year- Elaine Deppe

Goals for 2019

- Continue to provide a high level of service to all clients
- Keep volunteer force educated, motivated and engaged
- Assist farmers with compliance to changing State regulations
- Provide as many CEC's as possible
- Provide high level of support to County advisory boards
- Continue AmeriCorps program; over the past year, this program significantly expanded the organization's capacity to provide educational programs around natural resources
 - Upper French Broad RiverFest
 - Transylvania Farmers Market
 - Additional 4-H programming
 - Programs at Rise & Shine Neighbors in Ministry
- Support SHIIP program and hire new director to replace Elaine Deppe who recently retired

FCS Position Opportunity

- 0.5 FTE position, partnering with Henderson County
- 100% covered in 2018-19
- 17% of salary in 2019-20
- 33% of salary in 2020
- Increase CES budget by about 15%

Trends

- Wide variety of programs available in addition to SHIIP
- Trending between 800 and 1,000 client consultations over the last few years
- SHIIP Program has saved citizens an average of \$200,000 annually on prescription drug plans
- Program comes with additional grant funding to support operations

Mr. Renner asked Commissioners to consider his department's funding request. He expressed appreciation for the County's support.

2017 & 2018 COMMUNITY CHILD PROTECTION TEAM REPORTS

Kenny McAbee, Chair of the Community Child Protective Team, presented the group's 2017 and 2018 annual reports.

North Carolina's Community Child Protection Team (CCPT) is addressed in Article 14 of the North Carolina Juvenile Code, N.C. General Statute 7B-1400 through 7B-1414. According to Article 14, the purpose of the Community Child Protection Team is to assess selected cases in which children are being served by Child Protective Services (CPS), in order to:

- Develop a community-wide approach to child abuse and neglect
- Understand causes of childhood deaths

- Identify gaps or deficiencies in service delivery in public agency systems designed to prevent abuse, neglect, and death
- Make and implement recommendations for laws, rules, and policies that will support the safe and healthy development of children and prevent future child abuse, neglect, and death

The CCPT membership is designated by statute, consisting of various representatives of public and private community agencies that provide services to children and their families, including the local Department of Social Services (DSS), Health Department, law enforcement, Guardian Ad Litem, and school systems.

The purpose of these reports is to give a summary of the activities and accomplishments of the Transylvania County CCPT during the calendar year 2017 and 2018, including the number of fatality reviews conducted, the number of DSS reviews conducted, and the recommendations for system improvements and needed resources to prevent child abuse, neglect, and death.

In 2017, the Transylvania County CCPT reviewed two deaths that occurred in children who resided in Transylvania County at the time of their deaths and one child who was in foster care and resided in Rutherford County. The causes of the three fatalities were as follows:

- 1 – Child drowning
- 1 – Infant still born
- 1 – Teenage suicide of child in foster care

The team identified the following recommendations for future prevention efforts:

- More public awareness and safety around safe swimming and open water
- Prenatal education for mothers, including teen moms
- More public awareness on the effect of substance abuse on unborn children
- More foster parent training centered on LGBTQ children and placement

In 2017, the Transylvania County CCPT reviewed four cases of maltreatment. Common themes among those cases were the need for improved access to mental health and substance abuse treatment for adolescents and parents and more collaboration with DSS, the school system, and the Department of Juvenile Justice surrounding truancy issues.

Recommendations to Transylvania County DSS Board and the Transylvania County Board of Commissioners:

- Funding possibilities for communication to the community involving commercials, signage, stickers, or brochures informing the public about safe swimming
- A website dedicated for the community to review the monthly safety concerns i.e.; safe swimming and not leaving your child in a hot car during the summer months and carbon monoxide risks during cold months, etc.

In 2018, the Transylvania County CCPT, along with the State Fatality Reviewer, reviewed one death that occurred with a teenage child in 2016 who resided in Rutherford County, but was in the custody of the Transylvania County Department of Social Services. This case was reviewed on February 19, 2018. This child death was reviewed by the local CCPT in 2017.

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| <p>Finding #1: There is a significant shortage of inpatient psychiatric-treatment beds across the state, creating a burden on law enforcement agencies, county departments of social services, emergency rooms and the criminal justice system which lack the training and resources to deal with the psychiatric care of individuals. Without access to inpatient psychiatric treatment facilities, mental-health professionals are forced to triage the most acutely ill individuals and not all patients are receiving the level of care deemed most appropriate for them in a timely manner.</p> | <p>Recommendation: The North Carolina Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (MH/DD/SAS) and the North Carolina Division of Medical Assistance (DMA) should consider expanding residential treatment services for adolescents and adults statewide to sufficiently meet the demand for intensive mental health services.</p> |
| <p>Finding #2: Lesbian, gay, bisexual, transgender, and queer or questioning (LGBTQ) youth in foster care have the right to safe and accepting environments.</p> | <p>Recommendation #1: The Transylvania County Department of Social Services and Community Child Protection Team should consider creating a task force to study the needs of the LGBTQ community, locally. The task force should explore strategies for enhancing public education, outreach and advocacy, and support LGBTQ competent suicide prevention services within the community</p> <p>Recommendation #2: The North Carolina Division of Social Services should consider developing a training curriculum for child welfare practitioners, licensed or otherwise approved caretakers, and other professionals working with LGBTQ youth in foster care. At a minimum, the goals of training should be inclusion and LGBTQ competency and should focus on building affirming and supportive environments for youth and helping develop ways to alleviate issues arising from prejudice, bias, and/or discrimination.</p> |
| <p>Finding #3: Residents of Transylvania County have limited access to effective early intervention programs. Increased access to early intervention services could improve the health and well-being of children and parents within the community</p> | <p>Recommendation #1: United Way and Smart Start of Transylvania County should explore implementation of an evidence-based, trauma-informed home visiting program for pregnant women and first-time parents, in an effort to promote positive parenting techniques and help parents build positive and healthy attachments with their children.</p> <p>Recommendation #2: The North Carolina state legislature should consider increasing funding for preventative services across the state and particularly in rural communities.</p> |
| <p>Finding #4: Therapeutic foster care (TFC), a residential intervention for youth with emotional or</p> | <p>Recommendation: In an effort to improve practices across a wide range of TFC agencies, the North</p> |

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| behavioral problems, is a community-based program; however, not all providers of TFC deliver an evidence-based or best practice model of this service. | Carolina Division of Social Services should consider enhanced standards of care for TFC licensure, informed by practice and research. The Division should specifically consider strengthening guidelines for supervision, safety and crisis planning. |
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In 2018, the Transylvania County CCPT reviewed five cases of maltreatment. A common theme among those cases were the continued need for improved access to mental health and substance abuse treatment for both adolescents and parents, and truancy issues across all County schools.

Recommendations to Transylvania County DSS Board and the Transylvania County Board of Commissioners

- Continue to dialogue on the issues of substance abuse in the community
- Create a Truancy Task Force to further address issues surrounding countywide truancy

Commissioner Guice commended the CCPT's recommendation for each finding. He inquired about the status of each of those recommendations and the action that has been taken to prevent these tragedies from occurring in the community. He noted there has been a lack of adequate mental health services in the community for many years. He felt it was critical to receive a follow up from CCPT.

Chairman Hawkins stated some of the areas of recommendation require local support. While mental health is a bigger issue than Transylvania County can handle alone, there are steps the County can initiate.

Commissioner Guice stated it is obvious there is a tremendous need in the community for additional mental health services and professionals to help people deal with the underlying issues that led to the problems they are battling. He again wanted to know if any of the recommendations have been followed up on because he was passionate about this issue. He agreed the Board of Commissioners needed to offer support and find ways to be successful.

Commissioners thanked to Mr. McAbee and the members of CCPT for their work and commitment.

APPOINTMENTS

PERSONNEL BOARD

Health Director Elaine Russell serves in a department head position on the Personnel Board. Her term expires February 28, 2019. She is eligible and willing to serve another term. It is the recommendation of Human Resources Director Sheila Cozart that she be reappointed; especially since she is the director of a department that reports to a Board and the State Personnel Division. There are no other applications on file.

Commissioner Guice moved to reappoint Elaine Russell to the Personnel Board, seconded by Commissioner Cathey and unanimously approved.

REQUEST FOR WAIVER OF ELIGIBILITY OF APPOINTMENT REQUIREMENTS

The County's Policy and Procedures for Appointments to Citizen Advisory Councils states that no resident may serve in more than two appointed positions. It also states the Board may waive the policy if it is determined that the removal of a number of individuals made ineligible by the policy would be detrimental to the functioning of the Citizen Advisory Council.

Kathe Harris serves on both the County and Regional Councils on Aging. The County COA meets every other month. The Regional COA meets quarterly. She has an application on file to serve on the Nursing and Adult Care Home Advisory Committee and she remains interested in serving. The positions on this CAC have been difficult to fill and there are currently three vacancies. It is heavily regulated and appointment rules for this CAC require that the applicant must go through training first, confirm there is no conflict of interest, and then be recommended to the Board of Commissioners for appointment. The frequency of the TCCOA and RCOA meetings will not interfere with Ms. Harris' ability to participate and complete the training or serve on the CAC. The Clerk continues to advertise for the vacancies but rarely receives applications for this CAC. To help fill one of the vacancies, the Clerk requested the Board waive its policy that Ms. Harris be allowed to serve on only two boards and recommend her to the Regional Ombudsman to begin the necessary training required to serve on the Nursing and Adult Care Home Advisory Committee.

Commissioner Chappell moved to waive eligibility of appointment requirements for Kathe Harris thus allowing her to begin the training necessary for future appointment to the Nursing and Adult Care Home Advisory Committee, seconded by Commissioner Guice. Commissioner Chappell expressed his appreciation that Ms. Harris was willing to serve in this capacity. She is a strong advocate for citizens in the community. Commissioner Guice agreed and commented that Ms. Harris gives a great deal of her time to serving the community. Chairman Hawkins echoed their comments and expressed his sincere appreciation for her willingness to serve. **The motion was unanimously approved.**

LAND OF SKY RPO TRANSPORTATION ADVISORY COMMITTEE ALTERNATE

The Land of Sky Rural Planning Organization's (RPO) Transportation Advisory Committee (TAC) will meet on Thursday, February 28 at 11:30 a.m. at the Land of Sky Regional Council office. The TAC is the governing body of the RPO and is made up of elected officials from local governments plus the representatives from the NC Board of Transportation.

Commissioner Chappell represents the Transylvania County Board of Commissioners on the RPO TAC, but he is unable to attend the meeting on February 28 in person and via conference call due to work obligations. He felt it was important to appoint an alternate who could serve and vote in his stead, if necessary. The alternate appointee will need to complete the ethics filing/training required of RPO TAC members.

Chairman Hawkins said he could attend and he has already completed the ethics training.

Commissioner Chappell noted the agenda consists of a presentation about 2050 and noted no items to take action on. An email sent by the RPO TAC is asking Commissioners to respond to two questions about their 2050 priorities. He asked Commissioners to review it and respond.

Commissioner Cathey nominated and moved to appoint a Chairman Hawkins to serve as an alternate for the February 28 RPO TAC meeting, if needed, seconded by Commissioner Guice and unanimously approved.

BUDGET REVIEW COMMITTEE

In March and April the Manager, Finance Director and Budget Management Analyst will begin meeting with departments to conduct FY 20 budget reviews. The Manager is requesting Commissioner representation on the following budget review committees:

1. Sheriff
2. Register of Deeds
3. Non-profit – to review and score funding applications

The Manager noted she has a Commissioner interested in serving on the Sheriff and Register of Deeds budget review committee. Ideally, she would like to have two Commissioners serving. She will call them personally to discuss their schedules and assign them to a budget review committee. There was no need to make a commitment at this meeting.

BREVARD/TRANSYLVANIA CHAMBER OF COMMERCE EX-OFFICIO MEMBER

Per the bylaws of the Brevard/Transylvania Chamber of Commerce Board of Directors, Transylvania County may appoint an ex-officio member. Planning and Community Development Director Mark Burrows served in this role until his retirement last fall. Commissioners appointed Commissioner Chappell to serve in the position temporarily. At this time, he is requesting the Board reconsider and appoint a staff member to serve in this role provided that no Commissioner is interested in serving. Staff recommended Commissioners designate the position to staff or the Board of Commissioners. If the Board chooses to designate staff, the Manager recommended representation come from Planning and Community Development. The Manager currently serves as interim director of the department. Once a new director is hired, she will transfer the role to the new director if the Board so chooses.

Chairman Hawkins called upon interest from Commissioners. Commissioner Chappell noted that the City of Brevard has appointed a staff member to serve.

Chairman Hawkins moved that the County's slot on the Chamber of Commerce be filled by the Planning and Community Development Director, seconded by Commissioner Guice. Chairman Hawkins thanked Commissioner Chappell for agreeing to serve in the interim period. **The motion was approved unanimously.**

OLD BUSINESS

INTERLOCAL AGREEMENT BETWEEN BOARD OF COMMISSIONERS AND BOARD OF EDUCATION FOR THE ADMINISTRATION OF SCHOOL BOND PROJECTS

The Board of Commissioners and the Board of Education held a joint workshop in January to hear from Kara Millonzi with the North Carolina School of Government on the statutes and case law that govern the relationship between the two boards. This session also touched on the wide variety of ways that boards have collaborated to deliver large education capital improvement projects and the pros and cons of different approaches. At the end of the meeting, the boards directed staff and legal counsel to negotiate an agreement for consideration.

The Board of Education had initially proposed an interlocal agreement that provided for the construction administration of the \$68 million school bond projects for Rosman Middle and High Schools and Brevard High School to be the sole responsibility of School Administration while utilizing an advisory committee comprised of School System and County government representatives. The interlocal agreement has been modified primarily to articulate the responsibility of the School System in managing the contracting and project administration duties and provides for documentation necessary for the County to meet the statutory requirements for being the financial agent to process the bond sale and turn over the funds. The interlocal agreement establishes a School Bond Construction Committee, made up of two Board of Education members, two Transylvania County Schools employees, two County Commissioners, and the Transylvania County Schools Finance Officer.

The Committee shall perform the following tasks as outlined in the interlocal agreement:

- A. The Committee shall interview the architectural firms who submit responses to the RFQ for the Project and shall make a non-binding recommendation to the Board of the top three architectural

firms in ranked order. Pursuant to Board of Education Policy 9110(B)(2)(c), the Superintendent hereby delegates his recommendation role to the Committee. The Board of Education shall consider the Committee's recommendation and select the architectural firm(s) for the Project.

- B. Should the Board of Education decide to use the construction manager at risk ("CMAR") construction delivery method, the Committee shall interview the CMAR firms who submit responses to the RFQ for the Project and shall make a non-binding recommendation to the Board of Education of the top three CMAR firms in ranked order. Pursuant to Board of Education Policy 9110(B)(2)(c), the Superintendent hereby delegates his recommendation role to the Committee. The Board of Education shall consider the Committee's recommendation and select the CMAR firm(s) for the Project.
- C. If the Brevard High School site and/or the Rosman Middle/High School have multiple construction options, the Committee shall review those options and shall make a non-binding recommendation to the Board of Education. The Board of Education shall consider the Committee's recommendation and select the option(s), if applicable, for each site.
- D. Beginning with the month immediately following the execution of this Agreement, the Committee will meet monthly and, at such meetings, the Superintendent and the Board's (of Education) Finance Officer will provide a comprehensive update on the status of the Project. In preparation for these monthly meetings, the Superintendent and the Board's (of Education) Finance Officer will provide a written status report to the Committee at least one week in advance of each meeting in a format agreed upon by the Committee.

Bond counsel for the Board of Commissioners and Counsel for the Board of Education have reviewed the agreements and are satisfied with them as presented.

Commissioner Cathey moved to approve the Interlocal Agreement, seconded by Commissioner Guice. Chairman Hawkins emphasized that the Board of Commissioners cannot overstate the level of autonomy being given to the Board of Education via approval of this agreement. He pointed out the committee will serve in an advisory role only and will not have the final say with regard to choosing firms, construction methods, etc. The Board of Education and School Administration has crafted a structure they envisioned will work for them to accomplish these projects. He stated that this agreement demonstrates the level of confidence and trust the County has in the Board of Education's ability to execute this project. Commissioner Guice pointed out that while the two Boards continue to build relationships, they are also learning about each other's responsibilities. He felt that both Boards learned a great deal about school funding laws during the joint meeting facilitated by the Ms. Millonzi with the UNC School of Government. He also expressed great confidence in the Board of Education's ability to see these bond projects through and the upcoming work of this committee. He said it is very important to him that both entities are clear on their roles and he expressed support of this path forward. **The motion was approved unanimously.**

Commissioner Guice nominated and moved to appoint Chairman Hawkins and Commissioner Chappell as the two County Commissioners to serve on the School Bond Construction Committee, seconded by Commissioner Cathey and unanimously approved.

Chairman Hawkins thanked Board of Education Chairwoman Tawny McCoy for attending this evening.

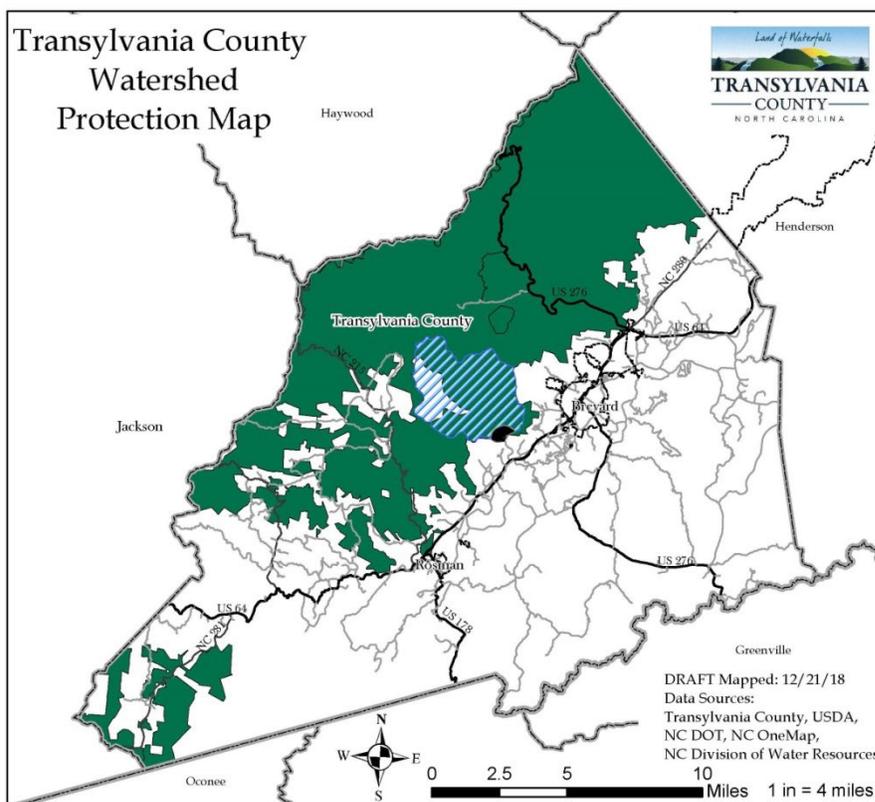
NEW BUSINESS

WATERSHED PROTECTION ORDINANCE OF TRANSYLVANIA COUNTY

The Manager presented this item as she is serving as Interim Director of the Planning and Community Development Department. She reported that the Planning Board has been reviewing County ordinances to determine if they are in line with statutes and make any necessary updates. Their review of the current Watershed Protection Ordinance determined it was adopted in 1993 and last amended in 1997. The Planning Board proposed the following changes:

- Highlighting the administrator in the front of the ordinance (currently the administrator is not referenced until later in the ordinance)
- Clarifying the definition of Critical Area
- Using the NC Division of Water Quality model ordinance to identify exceptions/exemptions
- Streamlining process to a single permit

Below is a proposed Watershed Protection Map revision. Transylvania County has one primary watershed and a piece of a watershed that enters into Henderson County that is completely in the Pisgah National Forest and in which the County has no jurisdiction over.



Legend

- | | |
|--------------------------|---|
| — State Line | ■ Federal Lands |
| □ County Boundary | ■ Cathey's Creek Water Supply Watershed II: |
| — State Maintained Roads | ■ Critical Area |
| — State Route | ▨ Balance of Watershed |
| — NC Highway | |
| — US Highway | |

The Planning Board recommended scheduling a public hearing to receive public input for the purpose of moving toward the adoption of the proposed revisions.

Commissioner Chappell moved to schedule a public hearing during an evening meeting of the Board of Commissioners, seconded by Commissioner Cathey and unanimously approved.

AUDIT FEE PROPOSAL FY 2019

Finance Director Jonathan Griffin presented this item. Earlier in this meeting the Board received a presentation from Elsa Watts with Martin Starnes & Associates concerning the results and figures of the FY 2018 audit. This is the last year of the existing proposal for audit services provided by the firm. Given turnover in the Finance Director position and the existing long relationship with Martin Starnes & Associates, staff recommended accepting the proposal from this firm to enter into an audit contract for FY 2019 at a price of \$65,000. The total invoices paid to the firm for the FY 2018 audit by Transylvania County was \$66,000. Their hourly staff rate is \$75 per hour.

The proposed rates are consistent with small growth from prior years, but this is expected and consistent with an overall growth in expenditure statewide on audits. Federal audit requirements have increased on many federally funded programs with the implementation of the uniform guidance standard and similarly, the Government Accounting Standards Board (GASB) has promulgated increasingly complex standards on how to record the inflows and outflows of financial resources related to providing post-employment benefits.

These are comparable counties' expenditures on audit services in FY 2017 (FY 2018's data will not be made available until all FY 2018 audits are complete). Based on this information, staff views the \$65,000 fee proposed for FY 2019 as fair.

| | 2017 Fees |
|------------|-------------|
| Dare | \$63,900.00 |
| Macon | \$65,150.00 |
| Jackson | \$75,000.00 |
| Haywood | \$59,900.00 |
| Montgomery | \$62,500.00 |
| Henderson | \$59,750.00 |
| Ashe | \$40,000.00 |
| Anson | \$53,500.00 |

Commissioner Chappell moved to authorize the Chairman of the Transylvania County Board of Commissioners to execute an audit contract with Martin Starnes & Associates, CPAs, PA, seconded by Commissioner Cathey. Commissioner Chappell asked the Board to consider going out for RFP next year. He was supportive of moving forward this year due to the relationship and the turnover at the Finance Director position, but he felt that it is always positive to obtain a different outlook and view on the County's finances. Commissioner Guice agreed. Mr. Griffin noted that staff solicited for proposals in 2017 and received only two responses. Staff will proceed as directed in 2020. **The motion was approved unanimously.**

MANAGER'S REPORT

The Manager reported the following:

- Kudos to Katherine Cox in DSS for completing the SOG training Leading for Results

- Kudos to Bruce Grooms and Raime Hebb in the Health Department from citizen Carolyn Graham for providing excellent customer service
- Kudos to the Animal Services staff from a temporary volunteer Christiane Marchio for being very effective professionals and to Board of Commissioners for investing in animal services and achieving a high live release rate
- \$15,000 grant to add a hearing loop in Commissioners' Chambers is being granted to Transylvania County by the WNC Community Foundation from the Gibbs Trust; open to additional grants from Transylvania County government
- \$10,000 grant provided by Transylvania County Tourism Development Authority to help with river cleanup projects; County sets aside \$25,000 annually toward this effort
- Early Childhood Workshop scheduled for March 21; Sesame Street will be returning, along with NC Department of Health and Human Services Secretary, Dr. Mandy Cohen
- Get Set's fourth annual Kindergarten Readiness Rally is also scheduled for March 21 at the Recreation Activity Center from 4:00-6:00 p.m.

PUBLIC COMMENT

There were no comments from the public.

COMMISSIONERS' COMMENTS

There were no comments from Commissioners.

Chairman Hawkins moved to enter into closed session per NC General Statute § 143-318.11 (a) (5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease, after a 5 minute recess, seconded by Commissioner Cathey and unanimously carried.

CLOSED SESSION

Pursuant to NC General Statute § 143-318.11 (a) (5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease, closed session was entered into at 8:30 p.m. Present were Chairman Hawkins, Commissioners Cathey, Chappell and Guice, County Manager Jaime Laughter, County Attorney Misti Bass, Attorney MaryAnn Hollocker, and Clerk to the Board Trisha Hogan.

The Manager reported to Commissioners that the County received an offer to purchase privately owned property which she is obligated to bring forth to the Board for consideration and possible negotiation. As the Board's negotiating agent, she sought and received direction on how to proceed.

Chairman Hawkins moved to leave closed session, seconded by Commissioner Cathey and unanimously carried.

OPEN SESSION

Chairman Hawkins moved to seal the minutes of the closed sessions until such time that opening the minutes does not frustrate the purpose of the closed session, seconded by Commissioner Chappell and unanimously approved.

ADJOURNMENT

There being no further business to come before the Board, **Chairman Hawkins moved to adjourn the meeting at 8:40 p.m., seconded by Commissioner Guice and unanimously carried.**

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board