

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
May 28, 2019 – REGULAR MEETING & BUDGET WORKSHOP

The Board of Commissioners of Transylvania County met in regular session on Tuesday, May 28, 2019 at 7:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC. Following the regular business items, the Board of Commissioners held a budget workshop in which they discussed the FY 2019-20 Budget.

Commissioners present were Will Cathey, Jason Chappell, Vice-Chairman David Guice, Chairman Mike Hawkins, and Page Lemel. 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 60 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 public for participating in their local government. He introduced Commissioners and staff in attendance.

PUBLIC HEARING

WATERSHED PROTECTION ORDINANCE OF TRANSYLVANIA COUNTY

County Planner Joy Fields presented information for the purpose of the public hearing. She explained that the Watershed Protection Ordinance is designed to protect the public health, safety and general welfare.

The current Watershed Protection Ordinance was adopted in 1993 and was last amended in 1997. The NC Department of Water Quality created a model ordinance to assist local governments in crafting their respective ordinances. The Planning Board used the model ordinance as a tool for the proposed changes that are before the Board for consideration. Following initial presentation of the proposed changes, the Board held a public hearing on March 25, 2019. There was no additional public input.

The Planning Board proposed the following changes to the ordinance:

- Defining the administrator at the beginning of the ordinance
- Clarifying the definition of Critical Area to be that area that drains to the water supply intake
- Including exceptions
- Streamlining process to a single permit
- Making other changes to ensure that the ordinance is easier to read and like other County ordinances

The Watershed Protection Map was updated with current information from the USDA and Pisgah National Forest boundaries. The Pisgah National Forest is a large part of the Cathey's Creek Watershed.

Following the first public hearing, staff forwarded the draft ordinance to the Environmental Management Commission for their review and they provided a few questions for the County to consider.

1. Does Transylvania County want to include relaxation by a factor greater than 5% of management requirements under the high-density option? If so, then the county would have the responsibility of operating and maintaining the engineered stormwater controls used under the high-density option. If the high-density option is not included in the ordinance, then the Minor Variance definition will need to be modified to ensure consistency in the Ordinance.
2. Part of Section 8.1.5 appears to be deleted in error and it should read: "8.1.5 Non-residential development, excluding landfills and the use, storage, or manufacture of toxic substances and hazardous materials unless a spill containment plan is implemented". This does not significantly change the ordinance because it simply reverts to the original language of the ordinance that was inadvertently deleted.
3. While the Watershed Administrator shall keep records of all amendments and variances to the Water Supply Watershed Protection Ordinance, the Division of Environmental Quality no longer needs them submitted annually but does need them upon request. A procedural change in Section 17.3 should read:

The Watershed Administrator shall maintain the following records and furnish a copy of these records to the Division upon request:

- a) a copy of all variance requests and associated documents,
- b) findings of fact on all variance requests,
- c) a description of all projects for which the local government has granted a variance to the requirements,
- d) an accounting of projects approved under the local government's 10/70 Option, (Sections 8.2.2 and 17.5) as applicable, and
- e) records of inspections of stormwater control measures.

The additional information from the Environmental Management Commission was presented to the Board on May 14, 2019 and incorporated into the ordinance. This is a second public hearing to receive input on the inclusion of the items as referenced by the Environmental Management Commission.

Chairman Hawkins declared the public hearing open at 7:07 p.m.

There were no comments from the public.

Chairman Hawkins declared the public hearing closed at 7:08 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.

Jimmy Jones: Mr. Jones spoke for the purpose of clarifying Cedar Mountain Fire Rescue's budget request that will be considered later in this meeting. He stated the department is requesting the same amount of funding from fire district taxes as it did in the previous year. The department is requesting an additional amount of funding totaling \$160,000 for the purchase of two-way radios from the County's fund balance.

Carole Deddy: Ms. Deddy asked several questions related to the budget with the hopes that her questions would be answered during the meeting. She referenced a recent newspaper article regarding the County's

budget. The article stated that the unassigned fund balance increases beyond the 2 cents for capital projects are mostly attributed to employee turnover and unused operational resources. She did not understand how the unassigned fund balance could be driven by employee turnover. She asked if the Board anticipates the purchase of the property on Gallimore Road and if money had been set aside for that purpose. Ms. Deddy stated she did not understand how the School System could accrue a \$250,000 deficit in their food service program. She thought the program had to be self-contained. She felt that federal funding for free and reduced meals should cover the cost of food service; otherwise, prices should be raised to cover the cost. The County should not be supplementing a food and nutrition system that is federally funded. Ms. Deddy stated the article also mentioned a reduction in the retiree contribution and she felt it sent a message to retirees and current employees. Lastly, she commented that the Courthouse should be the Board's top priority.

AGENDA MODIFICATIONS

There were no agenda modifications from Commissioners or staff.

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

CONSENT AGENDA

Commissioner Lemel moved to approve the Consent Agenda as presented, seconded by Commissioner Guice and unanimously approved.

The following items were approved:

MINUTES

The Board of Commissioners met in special session on Friday, December 7, 2018. The Board held a regular meeting on Tuesday, December 18, 2018. This meeting was rescheduled from December 11, 2018 due to Winter Storm Diego. Commissioners approved the minutes as submitted.

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 April 2019, total tax dollars released was \$709.69 and refunds totaled \$481.59. Commissioners approved the Discovery, Release & Monthly Settlement Report for April 2019 as submitted.

RESOLUTION APPROVING CONVEYANCE OF REAL PROPERTY TO THE CITY OF BREVARD

The City of Brevard is working with the Trustees of the Mary C. Jenkins Community Center to build a new community center to serve the needs of Rosenwald and southwestern Brevard. The Trustees agreed to convey the property to the City in exchange for significant property improvements. As the City Attorney was finishing the title work on the property, he learned that the Trustees had deeded the property to Transylvania County in 1973.

It should be noted that over the past few years, the City of Brevard has caused the property to change in that they demolished the Community Center building because it was deemed unsafe and the City's Bike-

Hike path has been routed through the property in connection with the new Community Center design. These things and more have been done to the property with no idea that the 1973 deed existed.

It is unclear how the property came to be deeded to the County. It is recorded in the minutes of the Board of Commissioners in 1973, but there is no detailed explanation of how it came to be.

The Trustees and the City of Brevard request the County convey the property to the City of Brevard so that a Community Center can be built on the site. The City Attorney has agreed to prepare the deed to save the County that expense, if approved.

NC General Statute § 160A-274 authorizes a governmental unit in NC to exchange with, lease to, lease from, sell to, or purchase from any other governmental unit any interest in real or personal property upon such terms and conditions as the governmental unit deems wise, with or without consideration.

The tax value of the land is \$45,000. It is exempt from taxes since it is government owned. Convey property with no consideration.

Commissioners approved Resolution #18-2019 Approving Conveyance of Real Property to the City of Brevard Pursuant to NC General Statute § 160A-274 and instructed the County Attorney to coordinate with the City Attorney to execute the transfer of property and ensure that all documents are appropriately recorded.

Resolution # 18-2019
Resolution Approving Conveyance of Real Property to the City of Brevard
Pursuant to N.C.G.S. 160A-274

WHEREAS, Transylvania County owns a lot within the jurisdictional boundaries of the City of Brevard located at 140 Carver Street, legally known as the Mary C. Jenkins Community Center (PIN: 8586-31-0052-000); and

WHEREAS, the property was deeded to Transylvania County on June 25, 1973 by the Trustees of the Brevard Community Center, known as the Mary C. Jenkins Community Center; and

WHEREAS, the City of Brevard is working with the Trustees of the Community Center to build a new community center to serve the needs of Rosenwald and southwestern Brevard and during their due diligence on the title search found the property to be owned by Transylvania County, unbeknownst to either City or County officials; and

WHEREAS, North Carolina General Statute § 160A-274 authorizes a governmental unit in this state to exchange with, lease to, lease from, sell to, or purchase from any other governmental unit any interest in real or personal property upon such terms and conditions as the governmental unit deems wise, with or without consideration; and

WHEREAS, the Board of Commissioners has determined that it is in the best interest of Transylvania County and the City of Brevard to convey the Mary C. Jenkins Community Center property to the City of Brevard and deems it wise to do so for no consideration.

THEREFORE, THE BOARD OF COMMISSIONERS OF TRANSYLVANIA COUNTY RESOLVES THAT:

1. The County hereby conveys to the City of Brevard the following property: Mary C. Jenkins Community Center property, located at 140 Carver Street, Brevard, North Carolina (PIN: 8586-31-0052-000).
2. The property herein described shall be conveyed for no consideration.
3. The Chairman of the Board of Commissioners is authorized to execute all documents necessary to convey the property in the manner authorized by this Resolution.

Adopted this the 28th day of May, 2019.

S: //Mike Hawkins, Chair
Transylvania County Board of Commissioners

APPOINTMENT OF REVIEW OFFICERS FOR CITY OF BREVARD

North Carolina General Statute § 47-30.2 requires that the Board of County Commissioners designate, by name, one or more persons experienced in mapping or land records management to be appointed as a Review Officer to certify that maps or plats presented to the Register of Deeds are in compliance with all statutory requirements needed for recording. A recent check on the list of Review Officers for the City of Brevard that are recorded in the Register of Deeds Office revealed the need for an updated resolution. The City's Planning Department has experienced turnover and job title changes. Resolution #19-2019 lists the active Review Officers for the City of Brevard.

Commissioners approved Resolution #19-2019 Appointment of Review Officers for City of Brevard and instruct the Clerk to record with the Register of Deeds Office as required per statute.

RESOLUTION #19-2019 APPOINTMENT OF REVIEW OFFICERS FOR CITY OF BREVARD

WHEREAS, Chapter 47-30.2 of the North Carolina General Statutes requires the Board of Commissioners of each county to designate by name one or more persons experienced in mapping or land records management to be appointed as a Review Officer to certify the maps or plats presented to the Register of Deeds as complying with all statutory requirements for recording; and

WHEREAS, the review of statutory requirements is of a technical nature; and

WHEREAS, one of the services that the City of Brevard staff provides to the community is a similar technical process for subdivision plat review in order to verify compliance with the City's development regulations; and

WHEREAS, the City of Brevard has demonstrated a commitment to streamlining the review procedures for proposed developments; and

WHEREAS, it appears most efficient for the City of Brevard to avoid adding another layer of development review by providing for the certification of statutory compliance for all maps or plats to be presented to the Register of Deeds for recording within the context of subdivision review procedures;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF TRANSYLVANIA COUNTY:

Section 1. The addition of the following persons is recommended to be appointed by the Transylvania County Board of Commissioners to serve as a Review Officer for all lands within the municipal and extraterritorial jurisdiction of the City of Brevard in order to certify each map and plat

presented to the Transylvania County Register of Deeds for recording satisfies the statutory requirements for recording.

<u>NAME</u>	<u>POSITION/TITLE</u>
Daniel Cobb	Director, City of Brevard Planning Department
Bryan Brightbill	Planner & Assistant Zoning Administrator, City of Brevard Planning Department
Aaron Bland	Planner & Assistant Zoning Administrator, City of Brevard Planning Department
Paul Ray	Senior Code Enforcement Officer, City of Brevard Planning Department
Janice Pinson	Administrative Services Manager, City of Brevard Planning Department

Section 2. The removal of the following person as Review Officer for the City of Brevard is recommended.

<u>NAME</u>	<u>POSITION/TITLE</u>
Joshua Freeman	Director, City of Brevard Planning Department

Adopted and approved this the 28th day of May, 2019.

S: //Mike Hawkins, Chair
Transylvania County Board of Commissioners

APPLICATIONS FOR PERMITS TO CONDUCT AERIAL FIREWORKS DISPLAYS

The 2010 Pyrotechnics Act requires the Board of Commissioners to approve all permits to conduct aerial fireworks displays in their respective county. Fire Marshal Gerald Grose has received permit applications for aerial fireworks displays on July 4 from the following and reports that all are for each applicant to conduct their respective fireworks display:

1. Burlingame Country Club
2. Camp Carolina
3. Camp High Rocks
4. Camp Illahee
5. City of Brevard
6. Lake Toxaway Country Club
7. Rockbrook Camp for Girls
8. Jacqueline Rogow

Commissioners approved the permit applications for the applicants listed above.

RESOLUTION AUTHORIZING INTENT TO SELL COUNTY PROPERTY THROUGH UPSET BID PROCESS

At the previous meeting, the Board accepted an offer to purchase approximately a 0.2-acre section of the County-owned property which is the current location of the Solid Waste Convenience Center on See Off Mountain Road. The property is adjacent to Doug Chick and he made an offer to purchase the property in order to square off and make improvements to his lot. NC General Statute § 160A-269 requires the Board of Commissioners to accept the offer via adoption of a resolution and to authorize and outline the upset bid procedure. Commissioners approved Resolution #17-2019 Authorizing Intent to Sell County Property through Upset Bid Process and instruct the Clerk to advertise the offer and begin the upset bid process.

RESOLUTION #17-2019
Authorizing Intent to Sell County Property through Upset Bid Process

WHEREAS, Transylvania County is the owner of a parcel of real property containing 1.5 +/- acres of land located at 142 See Off Mountain Road in unincorporated Transylvania County, North Carolina (the "Subject Property"), as shown on the attached map marked as Exhibit A and incorporated herein by reference; and

WHEREAS, North Carolina General Statute §160A-269, permits Transylvania County to sell the property by upset bid after receipt of an offer for the property; and

WHEREAS, Transylvania County has received an offer to subdivide and purchase approximately 0.2 acres, survey pending, of the Subject Property in the amount of \$500, submitted by adjacent property owner Douglas T. Chick; and

WHEREAS, Douglas T. Chick has paid the required five percent (5%) deposit on his offer;

THEREFORE, THE BOARD OF COMMISSIONERS OF TRANSYLVANIA COUNTY RESOLVES THAT:

1. The Board of Commissioners authorizes sale of the property described above through the upset bid procedure of North Carolina General Statute § 160A-269.
2. The Clerk to the Board shall cause a notice of the proposed sale to be published. The notice shall describe the property and the amount of the offer and shall state the terms under which the offer may be upset.
3. Persons wishing to upset the offer that has been received shall submit a sealed bid with their offer to the office of the Clerk to the Board within 10 days after the notice of sale is published. At the conclusion of the 10-day period, the Clerk to the Board shall open the bids, if any, and the highest such bid will become the new offer. If there is more than one bid in the highest amount, the first such bid received will become the new offer.
4. If a qualifying higher bid is received, the Clerk to the Board shall cause a new notice of upset bid to be published and shall continue to do so until a 10-day period has passed without any qualifying upset bid having been received. At that time, the amount of the final high bid shall be reported to the Board of Commissioners.
5. A qualifying higher bid is one that raises the existing offer by not less than ten percent (10%) of the first \$1,000.00 of that offer and five percent (5%) of the remainder of that offer.
6. A qualifying higher bid must also be accompanied by a deposit in the amount of five percent (5%) of the bid; the deposit may be made in cash, cashier's check, or certified check. The County will return the deposit on any bid not accepted and will return the deposit on an offer subject to upset if a qualifying higher bid is received. The County will return the deposit of the final high bidder at closing.
7. The terms of the final sale are that:
 - the Board of Commissioners must approve the final high offer before the same is closed, which it will do within 30 days after the final upset bid period has passed, and
 - the buyer must pay with cash at the time of closing.

8. The County reserves the right to withdraw the property from sale at any time before the final high bid is accepted and the right to reject at any time all bids.
9. If no qualifying upset bid is received after the initial public notice, the offer set forth above is hereby accepted. The appropriate County officials are authorized to execute the instruments necessary to convey the property to Douglas T. Chick.

Adopted May 28, 2019.

S: //Mike Hawkins, Chair
Transylvania County Board of Commissioners

PRESENTATIONS/RECOGNITIONS

RECOGNITION OF TRANSYLVANIA COUNTY RESCUE SQUAD/PRESENTATION OF CERTIFICATIONS

Assistant County Manager David McNeill stated that all the fire rescue departments in Transylvania County provide critical services. As the Board is aware, the Transylvania County Rescue Squad experienced financial difficulties in 2016. Since that time the department has worked diligently to improve its operations, to include changes to its Board of Directors and department leadership and to implement new policies and procedures. Under the leadership of Chief Whitlock, the Rescue Squad has taken positive steps to provide quality rescue services. This evening, Bob Twomey, NC Association of Rescue and Emergency Medical Services Area 15 Director will present the Rescue Squad with certifications in four areas of rescue. Each represents a great deal of work and commitment by these volunteers to provide quality rescue services to the citizens of Transylvania County.

Mr. Twomey stated as the Area 15 Director of the NC Association of Rescue and Emergency Medical Services it is an honor and privilege to present four advanced State rescue certifications to Transylvania County Rescue Squad. The training and certification levels are managed through the NC Department of Insurance, Office of the State Fire Marshal, NC Fire and Rescue Commission, and the NC Fire and Rescue Certification Board, along with the NC Division of Emergency Management. Mr. Twomey has been a member of the Rescue Squad for 37 years and he has seen the department work hard, train continuously, and perform searches and rescues often under many hours' duration and under extreme and dangerous conditions. He was very proud of their effort and their heart and for all they put on the line for others.

Mr. Twomey presented Chief Whitlock with a certificate recognizing the Transylvania County Rescue Squad as having achieved all the State's requirements of the *Heavy Rescue Provider* standards, *Swiftwater Rescue* standards, *High Angle/High Level Rope Rescue* standards, and *Wilderness Search and Rescue* standards. He congratulated Chief Whitlock and the Rescue Squad for meeting the training requirements for all these standards. Mr. Twomey thanked the Board of Commissioners for their support of the Rescue Squad and all the emergency services departments in Transylvania County.

Chief Whitlock recognized all the members of the Transylvania County Rescue Squad in attendance for the hundreds of hours of training and classwork they put in to achieve these certifications. He thanked the citizens of the County and the Board of Commissioners for their support.

Commissioners thanked the members of the Rescue Squad for their dedication and for their service to the citizens of Transylvania County.

APPOINTMENTS

JOINT HISTORIC PRESERVATION COMMISSION

The terms of John Huggins, Sr., Rebecca Suddeth, and Marcy Thompson expire at the end of May. Marcy Thompson is the only one of the three who is not eligible for reappointment because she will have served two full terms; however, John Huggins, Sr. has requested to come off at the end of his first term. In addition, Aaron Bland has also requested to resign at the end of his first term.

The bylaws of the Joint Historic Preservation Commission are specific in the membership requirements in that citizens must represent Brevard, Pisgah Forest, and Rosman, along with members-at-large from throughout the County. Due to the membership requirements and the number of applications on file, staff requests Commissioners fill the open positions by either appointing a new applicant or shifting a current member into a specific position to ensure that each area of Transylvania County is represented.

Staff recommends the following:

1. Reappoint Rebecca Suddeth to a second term
2. Shift Morris Davis from the member-at-large position to replace Aaron Bland in the Brevard position (Morris Davis resides in the City of Brevard)
3. Appoint the following applicants: Nancy Henderson to replace John Huggins, Sr. (Pisgah Forest), Molly Jenkins to replace Marcy Thompson (Brevard), and Vera Taylor to fill the member-at-large position vacated by shifting Morris Davis

Commissioner Lemel moved to reappoint Rebecca Suddeth to a second term on the Joint Historic Preservation Commission, seconded by Commissioner Chappell and unanimously approved.

Commissioner Lemel moved to shift Morris Davis from the member-at-large position to replace Aaron Bland in the Brevard position (Morris Davis resides in the City of Brevard and is therefore eligible), seconded by Commissioners Chappell and Guice simultaneously and unanimously approved.

Commissioner Lemel moved to appoint Nancy Henderson to replace John Huggins, Sr. (Pisgah Forest), to appoint Molly Jenkins to replace Marcy Thompson (Brevard), and that Vera Taylor be appointed to fill the member-at-large position vacated by shifting Morris Davis, seconded by Commissioner Cathey and unanimously approved.

PLANNING BOARD

With the recent resignation of Mack McNeely, the Planning Board now has two vacancies. The Planning Board was created by ordinance and states that a quorum of four members is required for the Planning Board to act. The current membership is five. There are seven additional applications on file for the Board's consideration. Staff requested Commissioners fill the two vacancies on the Planning Board from the applications on file.

Commissioner Cathey nominated and moved to appoint Rick Lasater, seconded by Commissioner Guice.

Commissioner Lemel nominated and moved to appoint John Wayne Hardison, seconded by Chairman Hawkins.

Commissioner Chappell nominated and moved to appoint Curly Huggins. Died for lack of a second.

The motion to appoint John Wayne Hardison passed by a vote of 4 to 1, with Commissioner Chappell voting against.

The motion to appoint Rick Lasater passed unanimously.

TRANSPORTATION ADVISORY COMMITTEE

The terms of RADM Richard Houck, Raymond Norris and Kenneth Scott McCall expire at the end of May. Only Raymond Norris is not eligible for reappointment. There are two additional applications on file.

Commissioner Lemel moved to reappoint RADM Richard Houck and Kenneth Scott McCall to another term, seconded by Commissioner Chappell and unanimously approved.

Commissioner Lemel nominated and moved to appoint Howard Granat to replace Raymond Norris on the Transportation Advisory Committee, seconded by Chairman Hawkins and unanimously approved.

WORKFORCE DEVELOPMENT BOARD

Becky Alderman's term on the Workforce Development Board (WFDB) expires at the end of May. She represents the Community Based Organization category through her employment with TVS. It is the recommendation of WFDB Director Nathan Ramsey to reappoint her to a second term.

In addition, the Clerk was informed on April 22 that Allyson Davenport no longer works with Pisgah Inn and therefore is not eligible to serve on this board. The general manager of Pisgah Inn does not have another representative to serve on the board.

Federal law requires that the private sector board members be nominated by the local business organization and that they are employers in the community. There are three additional applications on file. The Chamber of Commerce recommended the appointment of any of the three applicants. WFDB Director Nathan Ramsey sought the guidance of Julia McKenzie with the NC Department of Commerce on the applicants' qualifications. Based on the requirements set forth in WIOA Sec 107(b)(2)(A), only 2 applicants meet the qualifications: Craig Burghardt and Danny Hein, although they are employed in Henderson County.

Commissioner Lemel moved to reappoint Becky Alderman to a second term on the Workforce Development Board, seconded by Commissioner Chappell and unanimously approved.

Commissioner Lemel nominated and moved to appoint Danny Hein to replace Allyson Davenport on the Workforce Development Board, seconded by Commissioner Chappell and unanimously approved.

Commissioner Chappell commented that Becky Alderman is a dedicated member to the Workforce Development Board and a great advocate for Transylvania County.

OLD BUSINESS

WATERSHED PROTECTION ORDINANCE OF TRANSYLVANIA COUNTY

The Manager noted that changes to the proposed Watershed Protection Ordinance were reviewed during the public hearing portion of the meeting. She noted the State has provided feedback already and there have been no further inputs received from the public. She recommended the Board approve the changes to the Watershed Protection Ordinance of Transylvania County.

Commissioner Lemel moved to approve the Watershed Protection Ordinance of Transylvania County and Watershed Protection Map, seconded by Commissioner Chappell. In response to a question from Commissioner Cathey, the Manager responded there is a cost to enforce the watershed. There must be an established watershed to have an intake. Commissioner Chappell thanked the Board and staff for their willingness to hold a second public hearing although the changes were not substantial. Chairman Hawkins thanked staff for all the work that went into the proposed recommendations. **The motion was unanimously approved.**

NEW BUSINESS

MANAGER'S REPORT

The Manager reported the following:

- Library Director Anna Yount's retirement reception is tomorrow at the library from 4-6pm; all invited to attend and thank her for her service to Transylvania County and wish her well; announcement soon to come on new Director
- Kudos to Solid Waste and Maintenance staff who worked with contractors to complete the repairs and improvements to the Connestee convenience center
- Planning and Community Development Director interviews ongoing and hope to make an offer soon; first project will be to formally merge the department with Transportation; other projects to include the Cedar Mountain Small Area Plan, interfacing with the Census 2020 program, long-range planning around infrastructure needs, etc.
- Received applications for EMS Director and should be moving into the assessment phase over the next month

WORKSHOP

FY 20 BUDGET WORKSHOP

The Manager became the facilitator for the remainder of the meeting which consisted of a workshop to discuss the FY 20 Budget. The goal is to move forward with a budget that has consensus of a majority of the Board. She previously asked Commissioners if there were items of interest they wished to discuss during this workshop. She received requests to discuss the Domestic Violence Investigator position that is recommended for funding, fire department budgets, and planning for the future/fund balance. She planned to present information on each of these items and then open the floor for discussion.

Workshop Format

- Manager to serve as facilitator
- Present information and any known options for each item
- Open floor for Commissioners' discussion/questions
- Person who requested item to begin item discussion
- Opportunity for each Commissioner to speak
- Once it appears there are three Commissioners in agreement or when 15 minutes is reached, Manager will poll the Board for consensus unless Commissioners express interest in continuing discussion
- Asked Commissioners to be patient, kind, courteous and cordial

Changes to Recommended Budget Since Formal Presentation

- Rescue Squad recommended funding should be listed with a total funding of \$436,450 for FY 20; current software patching of the financial system the County is in the process of replacing has created challenges with ensuring all numbers are carried forward correctly

- Add ballistic vest use policy for EMS to Commissioners' planned agenda for FY 20; once policy determined around use of ballistic vests, move forward with purchase using earmarked funds for this purpose
- Schedule large capital project planning workshop with David Cheatwood with Tryon Advisors in the fall; in 2016, held workshop to review long range high cost projects and discuss strategies to fund them

Highlights for FY 20

- Tax increase of 10.5 cents based on voter approval of the \$68 million school construction bond to renovate and expand Rosman High School, Rosman Middle School and Brevard High School for a new tax rate of \$0.616/\$100 valuation
- Total proposed budget of \$60,585,061; balanced budget
- Recommended remaining consistent with fire department feedback in which a majority has preferred to fund the departments using fire district taxes, not supplemented through the general fund
- Chart below includes 10.5 cents tax increase from the bond and the potential increase if the departments were funded at their full request
 - Total tax increase will vary across the County from 10.4 cent increase in Lake Toxaway to 21.8 cent increase in Cedar Mountain

<u>Fire District</u>	<u>FY 20 Rate Fully Funded Requests</u>	<u>FD Rate Change vs FY 19 Approved</u>	<u>School Bond Tax Increase</u>	<u>Total July 1 Tax Increase</u>
Sylvan Valley 2	\$0.055	\$0.000	\$0.105	\$0.105
Rosman	\$0.143	\$0.022	\$0.105	\$0.127
Little River	\$0.102	\$0.012	\$0.105	\$0.117
Connestee Falls	\$0.083	\$0.000	\$0.105	\$0.105
Cedar Mountain	\$0.251	\$0.113	\$0.105	\$0.218
Lake Toxaway	\$0.054	-\$0.001	\$0.105	\$0.104
Balsam Grove	\$0.111	-\$0.001	\$0.105	\$0.104
North Transylvania	\$0.222	\$0.082	\$0.105	\$0.187

- Support the United States Census 2020 work in Transylvania County to assure an accurate count; helps to bring federal tax dollars back to the County for service support
- Explore operational efficiency and best practices throughout County services
- Facilitate preparation of the first Small Area Plan for the County with the Cedar Mountain community
- Facilitate a plan to address workforce housing and economic development needs in the community including exploration of the role of infrastructure in providing these services; \$50,000 for action plan in reserve as of June 30, 2019

- Continue facilitating the work of Get Set Transylvania in partnership with Sesame Street in Communities including providing topic-based resource toolkits to children along with resources including services provided by County departments; first toolkit to be released in September; eight toolkits expected to be released
- Continue facilitating the work of the Senior Services Task Force, including continued operations and programming of the Senior Center at Silvermont
- Manage the construction of a sewer line that will provide expansion support to Gaia Herbs and extend service by the Town of Rosman along the US 64 corridor; County will hire and manage the contracts for design and construction, in addition to the grant funding responsibilities
- Facilitate the education construction bond issuance for the Transylvania County Board of Education as they move forward with the school construction projects
- Merge the Transportation and the Planning and Community Development Departments to allow for more robust cross training and support
- Continue funding \$50,000 per year to provide free Wi-Fi at nine qualifying community centers and issue a grant cycle in FY 20 for capital improvements
- Implement compensation study and establish a compensation philosophy for future implementation; funds set aside in the budget to fully fund the study results
- Work to mitigate revenue loss from collection of City of Brevard taxes with efficiency measures in the Tax Office; City of Brevard terminating 1950s agreement effective July 1 and will begin collecting their own taxes
- Maintain service levels throughout County services
- Continue to identify and implement reasonable replacement schedules for equipment and capital purchases; progress made in replacement of aging HVAC units, but will need to accelerate progress on those replacements due to the number that are reliant on R-22, which will be federally restricted as of 2020 for manufacture
- Establish capital improvement schedule that considers reasonable life of capital improvements such as roof replacement in addition to new capital items such as a replacement EMS base location

Fiscal Policy Goals

- Develop a long-term capital improvement plan
 - Regular replacement schedules and capital needs identified in master plans
 - Courthouse
 - EMS Base Station
- Identify revenue to fund capital needs
 - Economic Development and Infrastructure Support: Ecusta Road Industrial Project lease payments to pay off investment and reinvest in future economic development
 - Education Facilities Bond
 - Parks and Recreation- PARTF Grant to purchase Gallimore Road property; reserve funds to meet grant match, but actual purchase not included in the budget, since receipt of PARTF grant unknown
- Work towards multi-year budget planning in General Fund
 - Vehicle prioritization, computer replacement schedule, long range maintenance evaluation
- Implement Performance Based Budgeting with outcome measures
 - Annual Work Plan according to Strategic Plan in second year of implementation
- Consensus on this year's needs from Commissioners to move recommended budget forward

Process with Changes Implemented This Year

- Internal departments turned in budget requests with justification and proposed work plans

- 6-month reviews were evaluated for FY 19 work plans in February
- Nonprofit Requests
 - Open call for applications in March
 - Per policy, subcommittee reviewed and scored on a rubric in April
- School Funding
 - March presentation from Blue Ridge Community College President, Dr. Leatherwood
 - FY 19 recommendation was to cease use of local formula for County schools
 - Submitted requests for additional information and questions to County schools
 - Superintendent presentation in May on behalf of Board of Education for County schools
- Outside Agencies- Fire Departments, Rescue Squad, etc.
 - Budget requests due in April
- Priorities and preliminary discussion
 - Commissioners' meetings in May to clarify priorities, discuss justifications
 - Commissioners participated in budget review for Register of Deeds, Sheriff's Office, Blue Ridge Community College and Transylvania County Schools
- Recommended Budget presented for Board of Commissioners on May 23

Revenue Projections

- Increasing reliance on property tax; projected growth of tax base is 1.7%; 22.8% growth in the total due to the 10.5 cents tax increase
- Sales Tax projected growth at 10.3 %
- Positive indicators in interest on investment, permitting and property transfer fees reflect economic growth
 - Cautious because County is attractive to uses of property that do not allow for taxation
 - Counties' primary revenue source is property taxes in North Carolina
 - Without sale of Mission Hospital, property tax revenues would be almost completely stagnant
- Revenue growth is steady, but Administration continues to raise concern that funding increases are outpacing revenue growth in some areas

Expenditures

- Fully funded requested expenditures versus projected total revenue started with a deficit
 - 4.6 cents tax increase required to fully fund all requests
 - Justifications have generally improved over the years
 - Data submitted for increases and comparing to standards or peer counties is standard
- By State law, expenditures must be presented by both function and classification
 - Education is held separately from the transfers that will be utilized for the bond funds from the 10.5 cents tax increase
- Compensation study included in the recommended budget, but there is a decrease in the percentage that is dedicated to personnel

Summary

- Balanced budget of \$60,476,611
- Recommended budget includes the FY 16 capital 2 cents tax increase as a \$1.2 million transfer to fund balance with designations to be made at the end of FY 20
- Recommended budget includes \$6.2 million in FY 20 to go to designated reserve for the education capital bond payments per voters' approval
- Recommended budget includes setting fire tax rates by district after approving funding levels by district as requested by most fire departments
- Implement the compensation study once complete

- Budgeted for implementation on July 1 but may not be ready for implementation until August 1 to process the recommendations into payroll
- Recommend continued policy implementation
 - Require complete budget requests unilaterally for all County departments, offices and funding partners to be submitted during the budget process
 - Continue capital planning and identify long-term capital investments along with maintenance schedules for existing assets
 - Develop compensation philosophy after compensation study implementation

Solid Waste

- No transfer from General Fund scheduled
- Use of Solid Waste Fund Balance to fund operational deficiencies projected in FY 20
 - Estimated at \$5.8 million at the end of FY 19; separate from General Fund and can only be used, per statutes, on Solid Waste operations or capital improvements
- Continue improvement of management and business practices
 - Enterprise funds are expected to be self-sustaining

Education-Operations & Capital Funding

- Recommendation for FY 20 is to hold the total funding flat at \$12,429,613 which still results in a 3.1% increase in per student funding based on projections; per student funding increases to \$3,714.77
 - Any further increases would require a tax increase above and beyond the 10.5 cents for the bond
- Recommend against special allocations because there are concerns about the legality of those bypassing local current expense fund
 - NOTE: The recommended funding level this year, as well as last year, included \$250,000 that can be allocated to food and nutrition, but is funded through local current expense
- Recommended for a capital total of \$1,561,886 after review of projects, and an additional \$114,929 for school debt on the old bond, as well as funds for the \$68 million bond capital payments

Item 1 for Discussion: Domestic Violence Investigator

- Approved as part of a federal grant in FY 18 that will expire in fall of FY 20
- Position was approved to support improvement of services to victims of domestic violence and focuses on investigating domestic violence calls
- A similar position applied for in the District Attorney's office but was not available for the last full year of data in terms of outcomes
- The system codes calls based on information at the time a call is made
 - For instance, a neighbor calling in a disturbance next door may not be coded as domestic violence call within the system
 - So, the numbers may be slightly low depending on the coding issues
- Of the 89 arrests in 2018 for domestic violence:
 - Four successfully completed the Domestic Violence Intervention Program
 - Three made plea agreements and were convicted of a different charge
 - Three found guilty or entered a guilty plea for the domestic violence charge
 - Approximately 52 were dismissed, mostly at the victim's request
 - Remaining cases still pending in court

Commissioner Chappell asked for this item to be placed on the agenda for discussion. He is supportive of the position, but at the time of the grant approval, the Board had asked for specific outcome measures to determine its efficacy. He agreed with the recommendation for funding in FY 20 and asked that it be evaluated in next year's budget when there is additional data available alongside with the position in the District Attorney's office.

Commissioner Guice was very concerned that there were 89 arrests for domestic violence in our community in 2018. He was unsure how these figures compared to other communities, but he was concerned by the data, nonetheless. The fact that this Board agreed to work law enforcement, the District Attorney's office, SAFE, and others says a lot about the County's desire to address the issue. Commissioner Guice stressed that mechanisms need to be in place to measure the outcomes. He expressed concern about the more than 50 cases that were dismissed at the victims' request and felt there should be analysis conducted since there are many reasons dismissals occur. Neither does it address the underlying issues of why domestic violence issues are occurring the first place. He was supportive of the position, but he agreed with Commissioner Chappell that the Board needs to see the outcomes to better address the needs.

Commissioner Lemel said there may be an overlap of data and dates and not much clarity on matching cases for accurate data in the Family Resource Center. Each agency involved has varying data. She thought the data should be consolidated through the Family Resource Center. She was willing to help with the data collection and clarity.

The Manager stated there is consensus to proceed with funding the position in FY 20. She summarized that Commissioners also want to task the partners at the Family Resource Center to ensure coordination of outcome measures and said that an outcome measures report would be expected as part of the next budget review cycle beginning with data collection on January 1, 2019.

Item 2 For Discussion: Fire Department Requests

Staff specifically targeted the staffing component as requested by Commissioners. Ultimately, personnel are not the only request, but there are two departments requesting to increase paid staffing: Lake Toxaway and Rosman.

The Manager noted that the value of a cent on the tax rate is different for each fire district.

She reviewed the proposed changes in each department and asked for feedback from the Board.

Brevard/Sylvan Valley 2

- Requesting a truck previously listed as a rescue truck; 1996 vehicle with 21,000 miles with a call volume of 40 calls in the last 12 months; cost to replace is \$650,000 due to a custom cab, with a 10-year debt note; comparable stock cab saves \$150,000; impact of payment does not hit due to loan until FY 21; requesting as part of FY 20 budget request so the department can make the purchase and initiate the loan
- Increase for insurance to part-time employees
- Request to approve fee schedule for events, etc.; staff recommends developing a countywide fee schedule for all departments if Commissioners agreeable to concept

Commissioner Chappell said his understanding of the increase to the insurance for part-time employees is because they worked more hours than initially requested. The Manager confirmed, stating that federal law restricts part-time without health insurance to 30 hours or less. The County was not informed during the year that they had exceeded the number of part-time hours required. Staff was informed when the FY 20 budget request was submitted. Commissioner Chappell was very concerned about the department's

actions and the fact that they did not notify the funding source – the County – in a timely way. He said there may, in fact, be a need for the additional hours, but he has yet to see the backup data.

Commissioner Guice said there needs to be more clarification beyond just a general statement about the matter. He believes Commissioners are entitled to seek more detailed information as to why this occurred. He was equally concerned and thought it was appropriate to request additional information so Commissioners could decide accordingly.

Commissioner Guice asked if the overage in part-time hours occurred in the City of Brevard or within the Sylvan Valley II district. The Manager pointed out the City of Brevard funds on a ratio of the property valuation between the City of Brevard and remaining Sylvan Valley II district. So, the total budget is split between the two entities. She also pointed out there are two additional service areas within the Sylvan Valley II district identified two years ago to provide better service which was related to the ability to move a truck past the train trestle in Pisgah Forest. These departments receive small amounts of supplemental funding to provide the additional service.

Commissioner Guice asked who created the funding formula, how long it had been in place, and whether it was time to revisit it. The Manager stated that the formula was in place when she became Manager five years ago, so it at least extends to that time. She thought it was appropriate for the Board to revisit how they serve the citizens in Sylvan Valley II.

Commissioner Cathey inquired further about the truck. Due to the age and mileage of the current vehicle, he figured the vehicle to be in poor condition. He asked if any consideration had been given to attending auctions in the region in search of good used vehicles to purchase. The Manager stated this truck has been offered to Balsam Grove Fire Department if the City is able to get a new replacement vehicle. She was not aware if the City had researched the purchase of a used vehicle instead of a new one. If that is the will of the Board, staff is willing to suggest it to the City.

Commissioner Guice asked if 40 calls in a year's time is high or low. The Manager stated that relative to the number of calls received by the County's Communications Department, the number of calls is relatively low. It averages out to be approximately three calls per month.

Commissioner Guice asked whether the Sylvan Valley II district has emergency response vehicles like the other departments across the County and if the City of Brevard contributes funding toward the Rescue Squad. The Manager informed that the Sylvan Valley II district relies on the Rescue Squad. The City does not make a special appropriation of tax dollars toward the Rescue Squad, but the citizens help fund it through their County property tax.

Commissioner Chappell asked for confirmation that there is no need to consider the truck during this budget cycle since it does not affect the coming year's tax rate. The Manager confirmed, noted the Board could consider it mid-year.

The Manager summarized the consensus of the Board is not to approve any requested increases and that staff should deliver a message to the requesting party to provide additional information.

Rosman Fire

- Requesting \$100,000 increase for two additional full-time employees that are currently part-time

Commissioner Chappell asked for the data regarding the percentage and/or number of calls that are outside what is currently covered by paid staffing. The Manager stated staff can begin requesting this information for future budget cycles.

Commissioner Cathey asked if, in general, more paramedics will be added because he felt the positions were much needed. The Manager stated that each full-time employee must have their certification to provide first responder services. She is unsure if it will be at the paramedic level.

Commissioner Cathey asked if there will be an increase in the number of paramedics on call. The Manager informed there is no proposed increase for EMS in the recommended budget and this item was not included for discussion during the budget workshop.

Commissioner Guice stated that a review of the requests from all the departments concerning personnel and paid staff indicates a wide range of departmental needs. He wondered if the County should be focused on meeting a specific standard. Commissioner Lemel agreed, noting that the main cause of this issue is the reduction in the availability of volunteers. She wanted to see consistency in the ratio for number of calls to amount of staffing.

The Manager stated that more than five years ago, the Board approved having one paid staff member in each department, although one department, Balsam Grove, elected not to have a paid staff person. Since that time, requests for additional paid staffing has been on the rise. The requests have been unique to each district which explains the variance in the levels of paid staffing throughout the departments.

The consensus of the Board was to support the request from Rosman Fire.

Little River

- Requesting part-time staff pay adjustments
- Operational expenses
- Capital request for UTV at \$18,000
- \$60,000 increase in budget increase
- Instead of raising the tax rate by 1.2 cents to cover increase, requesting to use \$20,000 in reserves for the UTV purchase, thereby reducing the tax increase to 0.0967 cents
- Reserves would be eliminated; no matching dollars for grant funds

Commissioner Chappell believes reserves should be used for capital purposes, so he was supportive of the request.

Commissioner Guice was also supportive of the request and noted if a grant opportunity arose mid-year, it must come back before the Board for approval, so the Board could address the need for matching funds at that time.

There was consensus to approve the request from Little River Fire Rescue.

Connestee Fire

- \$14,092 increase with no change in the tax rate due growth in the tax base
- Annual property payment of \$45,000
- Planning new station in 2022 which will increase revenue needs
- Board of Commissioners supportive of property purchase, but not yet in support of new station

The Board was in consensus to approve the request from Connestee Fire Rescue. They will discuss the substation once a formal request is made.

Cedar Mountain

- Requesting \$160,000 from the general fund to replace two-way radios, but staff does not recommend funding fire departments from the general fund
 - Suggest using reserves to fund portion of radio replacements
 - Current reserve balance at \$22,606
 - Option to raise tax to fund radio replacements in full

Commissioner Lemel inquired about an option to replace the radios over a period of time. The Manager stated that internal County practices are to replace equipment in a cycle. The request from Cedar Mountain was to replace all the radios at one time. There is no issue with compatibility currently.

Commissioner Chappell asked if the Communications upgrade at \$1.2 million factors into this equipment request. Emergency Management Director Kevin Shook was in attendance and he explained that current equipment will be compatible with the new system upgrade.

Commissioner Lemel asked Mr. Shook if he recommended a full radio replacement or a staggered replacement. Mr. Shook stated that for internal County departments, the radios were replaced when the vehicles were replaced. Replacing a whole fleet at once is very costly and, based on the warranties and age of the equipment, it would take another large financial hit to replace them all at once in the future. He figured the average life of a handheld radio would be five to seven years. Commissioner Lemel felt it would be wise to start an annual replacement cycle of 20% of the radios.

Commissioners Chappell and Guice asked about the age of the current radios and the needs of the department. The Manager stated that staff requests budget justification along with the budget requests. Staff has no further information.

The consensus of the Board was to put the request on hold pending additional justification of the need for full replacement of the radios.

Lake Toxaway

- No increase proposed
- Requesting to use FY 19 capital funds as operational funds
- Last year the Board approved \$70,000 in capital items that the department would like to use toward personnel beginning in FY 20
- Requesting reserve funds for kitchen upgrade, but not as part of their budget request

Commissioner Lemel asked about the department's plan after hiring additional personnel for future funding. The Manager stated the \$70,000 would become part of their annual operation request.

Commissioner Chappell was supportive of Lake Toxaway's budget request, as well as their request to upgrade their kitchen using reserve funds. Commissioners Cathey and Guice concurred. The Manager summarized there was consensus to approve Lake Toxaway's budget request. In addition, in keeping with Lake Toxaway's request for the kitchen upgrade not to be considered along with their FY 20 budget, the Manager will add the kitchen upgrade item to the Board's next meeting agenda for consideration.

Balsam Grove

- No increase requested
- Continuing with no paid staffing
- Apparatus are 36 and 45 years old, but no replacements are being requested

Commissioner Chappell recalled that part of the reason paid staffing was requested across the board several years ago was to comply with State reporting regulations. Balsam Grove does not have paid staffing and he wanted to know if the department is able to meet these standards without paid staffing.

Commissioner Lemel noted their turnout numbers are just as high as departments with paid staffing which is impressive.

North Transylvania

- Requesting increase of \$4,000 to include rate increase of 7.39 cents
 - Includes increase from last year that was supplemented from the general fund
 - Value of a penny on the tax rate in this district is low
 - Truck maintenance costs due to loss of member with that skill is generating the \$4,000 increase
 - Future capital requests upcoming
 - Last year's rate capped at 14 cents and supplemented at County tax funds at \$102,112
 - This department has requested consideration of a different funding method that is not district based, although most of the departments prefer the existing rate structure
 - If fully approved, will bring tax rate up to 21.39 cents

Commissioner Guice stated there is a misunderstanding from the public standpoint on the fire funding methods and tax rate disparities. He recalled the School of Government presentation to the Board which clearly placed the responsibility for funding fire departments falls on the shoulders of the County Commissioners. He said he hears the wishes of other fire departments to continue the same funding method, but he stressed that the same method does not address the disparity in districts like Balsam Grove and North Transylvania. However, his understanding is that the Board will not be considering a new funding method during these budget sessions, but they do intend to address the matter for future budget years. Commissioner Guice expressed concern about levying such a high tax rate on the North Transylvania fire district.

Commissioner Lemel noted the disparity among the various fire department taxing districts. For example, the value of one cent in Lake Toxaway is \$166,700 compared to \$9,055 in Balsam Grove. It is difficult to understand one's argument that one's home in one district is more valuable than one in another. Citizens should not be taxed in hugely disparate ways simply because of where they live in the community. Fire service should be an essential service and it does not seem fair to tax citizens so profoundly differently because of where they live.

The Manager laid out the Board's options to either set the fire tax at the district level as has been proposed by most of the fire departments or to supplement from the general fund as the Board did last year. The general fund is comprised of tax dollars paid by all taxpayers in Transylvania County and it meets the same methodology of what is being opposed by the various fire departments. She requested guidance on how the Board wanted to handle their request.

Commissioner Lemel was supportive of the various fire departments and rescue squads; she was proud of the services they provide in the community and their commitment to training. By trying to level out the tax rate across the County, the Board of Commissioners is not attacking the budget or the budget process. It is merely a way to ease the tax burden for the districts that will likely never have the property valuation to support acquiring modern equipment and providing for their department at the same level as others. There is no lack of dedication on the part of any department or volunteer and it behooves everyone in the community to help all citizens and not penalize some for where they live. She said 21+ cents vs 5.5 cents for fire rescue services is not fair. She pointed out only three departments would see a tax increase should the Board decide to move to a single fire taxing district. All other departments would see a decrease and

there would be no impact to their budgets. The only change would be how much each citizen pays in property tax to support these services.

The Manager reminded the Board that they intend to have a discussion on fire department funding in the coming year. However, they must set a tax rate effective for the departments effective July 1. If the Board decides to fund from general fund, they will need to set a tax rate to fund fire rescue services or appropriate additional fund balance or they will need to set a rate for each district. She asked for guidance on how the Board wants to fund the departments for FY 20.

Commissioner Chappell preferred to fund the departments via the proposed district tax rates. He pointed out that the Board and staff have asked for the opinion of the various fire departments on how to proceed for this year and all but one wants to remain with the current structure. While he has concerns about raising taxes, he stated that Commissioners asked for input and received it. Commissioner Cathey agreed.

The Manager stated the final vote on the budgets is expected at this meeting. The purpose is to build final consensus on a budget and setting a tax rate.

Chairman Hawkins said he thought the long-term solution would be to revisit the information the Board discussed two years ago, which to him made sense. With that said, the Board must approve a budget for the coming year and time is of the essence. He did not think supplementing specific fire department budgets ad hoc year after year is the best course of action. He wants the Board to be consistent with each district, so he agreed with the proposed tax rate for this year.

The Manager summarized there were three Commissioners in agreement to approve the \$4,000 increase for North Transylvania Fire Department and to set the tax rate as appropriate.

The Manager noted this is a very difficult and challenging discussion. As the Board considers funding methods, she encouraged the Board to think about the budget request and review process for the fire departments. If the Board is comfortable with the current process, staff will continue with the same for next year. If not, they should direct staff otherwise on their wishes.

Item 3 for Discussion: Planning for the Future

Major Capital Planning

- \$75.3 million in capital needs identified by the Board of Education (previously \$93 million)
 - \$68 million school bond approved by voters this fall
 - \$7.3 million remaining that is not programmed in debt service or from fund balance
- Courthouse estimated at \$26 million-\$31 million for a permanent solution
 - May need to invest in short-term solution for small courtroom
- Other capital
 - Water needs community-wide based on 2014 study- \$40 million
 - EMS Main Station estimate at \$1.6 million
 - Parks and Recreation Master Plan identified \$32.2 million in projects
 - Economic Development product and site development needs
 - Gaia Herbs/Town of Rosman Sewer project planned
 - Invested in Sylvan Valley Industrial Project

Fund Balance

- Projected increase in total fund balance at close of FY 19 of \$1.8 million
- 2 cents tax increase for capital improvement programs continues to accumulate faster than the Board authorizes projects to be spent from it

- Unassigned Fund Balance increases are mostly driven by employee turnover and unused operational resources
- Projected fund balance to increase to \$28.4 million this year
- County has history of projecting revenues conservatively and spends less than anticipated

Fund Balance History

Since FY 16 and as far back as the recession, there was only one year in which the County budgeted from fund balance and did not end the year with a budget surplus. It indicates a trend. Some jurisdictions elect to adjust their revenue projections up to account for those kinds of differences or modulate their expenditures down. The risk with doing this is that in an anomaly year it puts the budget far closer to the line of going over budget. The County could, however, change how it chooses to budget. The Manager pointed out a trend over the last few years is the consideration of assigned over unassigned fund balance which is indicative of the Board's planning for the future and for specific purposes. The Manager reviewed some of the assigned fund balances purposes. She noted some of those items are anticipated purchases such as new voting equipment or financial software upgrades. The Board has also assigned dollars for economic development purposes.

When FY 16 concluded, the 2 cents tax rate set aside for capital purposes was carried over into fund balance and reserved for this purpose, to include Parks and Recreation, infrastructure, communications equipment, etc.

Projects completed thus far are the air conditioning installation at the Transylvania Activity Center, the construction of the Sylvan Valley Industrial Building with help from the Golden Leaf Foundation and the Alliance, and accessibility improvements at recreation facilities. Projects in progress are upgrades to the County's emergency radio system to improve public safety countywide, the development of sewer infrastructure to serve Gaia Herbs and future users, and potential property acquisition on Gallimore Road for Parks and Recreation facilities. All these projects total more than \$1.2 million annually initially earmarked from the 2 cents capital tax increase, because additional fund balance has been assigned to these projects which shows progress toward meeting some of the Board's goals.

The Manager opened the floor for discussion. She noted that the very large projects are not included in this discussion, such as the water study recommendations totaling more than \$40 million. As the Board moves forward with these initiatives, their access to funding would not be sufficient from fund balance or the 2 cents tax increase and the Board would have to consider other funding strategies that extend beyond this budget year. This is one reason she strongly recommends the Board hold another capital budgeting session. The software that Tryon Advisors devised helps the Board layer all the projects in, change the timing of them, and get a better sense of the entire funding picture long term. She noted that counties do not have several funding methods at their disposal outside of cash, and financing is limited to limited obligation bonds (do not require voter approval) or private finance. Each of these financing methods has benefits and risks. The only other option is to save funds and earmark them in fund balance. Either way, the Board must access property tax revenue to make the debt payments on any financing method they choose. As the Board reviews the list of long-term needs, it is important they consider how to best prioritize to avoid drastic changes in the tax rate or annual budgets.

Commissioner Guice asked for this information on the agenda primarily because he wanted the Board to have a conversation about the challenges ahead. He felt it was important for the Board to understand its revenue sources, as well as the status of the various fund balance reserves. He is concerned with the magnitude of these challenges and the various needs countywide. Commissioner Guice stated these projects will be impossible without strategic planning and quality decision-making. He continues to hear from citizens about needs and from those who do not want their taxes raised, but he said the reality is that the needs and demands of today are much greater than ever. Commissioner Guice stated he fully

supported the implementation of the compensation study and believes it is long overdue, but he is concerned how to pay for it long-term. As the Manager pointed out, he said Transylvania County has historically budgeted conservatively, but he felt now is the time for the Board to think strategically about how to fund these various needs.

Chairman Hawkins fully supported Commissioner Guice's comments. He suggested prior to holding another capital workshop that the Board revisit its strategic plan because the objectives laid out in the plan will drive their goals.

Commissioner Chappell asked for additional information on the Solid Waste enterprise fund. The County cannot use these funds for other County purposes per statute. As currently set up, he asked if all revenues received via fees in this department must go into the fund balance first. The Manager explained that the fees collected first go toward covering operations; however, historically the fees have not covered the cost of operating the department. The Board has therefore budgeted funds from the general fund to balance the department's budget. In the past, those transfers occurred even if they were not needed at the end of the year, which has resulted in an accumulation of fund balance in the Solid Waste department. The Manager pointed out the Solid Waste fund balance should not be considered completely inflated because there are unforeseen expenses that arise in this department that can be costly. In addition, the Manager pointed out the some of the department's operational costs could be trimmed if the Board considered a permanent line from the landfill to the Town of Rosman for leachate disposal. Preliminary discussions with the Town of Rosman have revealed an interest from both parties. The project itself, however, could cost upwards of over \$1.6 million. At this point, it will be a minimal impact to look at balancing the operational fund. The Manager stated the Board will also need to make some decisions with regards to the enterprise fund and whether they want it to be able to operate on its own.

Commissioner Chappell wanted to know if the County must continue with the enterprise fund model or there is a process that would allow all revenues to go into the general fund. He was concerned that the County may have structured itself in a way that hindered the use of those funds. The Manager stated she would have to conduct further research to provide Commissioners with a clear answer.

Commissioner Chappell also asked how long an item purchased from an enterprise fund must reside with the Solid Waste department. The Manager will get better detail for the Board's information.

Commissioner Guice agreed this would be helpful information because the Board will be looking at every revenue stream in order to meet the needs that have been identified thus far. He is eager for some of these projects to be completed. As far as the Courthouse is concerned, there are some issues that must be addressed quickly for safety purposes. The previous Board was very close to deciding about a permanent facility when it was halted due to members of the public not being pleased with the location, but there has been no denying the need.

The Manager thanked Commissioners for their time this evening. She reviewed the items discussed during this workshop. Staff will make the modifications and bring forth the modified budget to the public hearing.

1. Domestic Violence Investigator – approving funding; requested consolidation of data with the Family Resource Center on outcome information
2. Fire Departments
 - a. Not funding request from Brevard Sylvan Valley II; requesting additional information
 - b. Rosman – approving request
 - c. Little River – approving request; using reserves for UTV
 - d. Cedar Mountain – requesting justification for replacement of the radios

- e. Lake Toxaway – approving request as submitted; add upgrade of kitchen to Board’s next agenda
 - f. Balsam Grove – requesting staff to gather information over the coming year about certifications
 - g. North Transylvania – approving request and setting tax rate to fund budget request
3. Strategic Planning Purposes
- a. Requesting more information about Rural Enterprise Fund and whether it can be dissolved
4. Next year
- a. Emphasize to fire departments for budget requests to include calls for personnel by department
 - b. Look at standards about number of employees
 - c. Discussion on fire department funding
 - d. Discussion on Courthouse funding

Chairman Hawkins said it would be useful to poll Commissioners on their availability for another potential workshop to discuss these issues further, as well as education. The Manager stated that she and Clerk already reviewed their schedules and the evenings of Wednesday, June 5 and Thursday, June 6 are available.

Commissioner Guice agreed the Board needs additional information and discuss on the education budget. He also wanted the Board has further discussion on the tax rate being the County has so many challenges ahead.

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.

David Morrow: Mr. Morrow thanked staff for getting the Courthouse and gazebo in good shape for the Memorial Day ceremony and all those who participated in the parade.

Carole Deddy: Ms. Deddy stated she is in awe of staff’s presentation this evening and the Board’s debate. She stated there is no reason that the School System should not supply the County with details on their revenues and expenditures. She is appalled that the County continues to provide them with funding without the appropriate documentation. She was pleased that the Board expressed their fiduciary responsibilities. Ms. Deddy also wanted to know what the County is getting out of the Transylvania Economic Alliance and is surprised at the cost of the Sylvan Valley Industrial Building that netted only a handful of jobs. She was pleased that Commissioners continue to seek outcomes. Ms. Deddy was concerned that local government spends to the capacity of what the tax rate can cover. She would like to see local governments consider reducing the tax rate. Lastly, Ms. Deddy commented on the enterprise fund for the food service program. She said it sounds like the County has been subsidizing the program and she felt like it should be self-supporting.

Jimmy Jones: Mr. Jones provided Commissioners with data on the age of the radios that Cedar Mountain Fire Rescue is requesting for replacement. The mobile radios range in age between 2 and 20 years, portable radios between 3 and 15 years, and the pagers range from new to 13 years. In terms of their request, he intends to send a letter to the County modifying the department’s request for \$160,000 to include only using the funds in their fund balance which they intend to use to match an OSFM grant and purchase new radios.

COMMISSIONERS' COMMENTS

Commissioner Lemel reported that Transylvania County had a site visit today from Family Connects International which is a program based in Durham that provides home visitation services for the first year of an infant's life. She felt this would be a phenomenal opportunity to work with this program through the GetSet initiative. The program supports mother, infant and whole family health and connects the family to local resources which is in conjunction with GetSet's Sesame Street partnership. Family Connects was very complimentary of the work going on here in Transylvania County and for setting the bar high in Western North Carolina.

Chairman Hawkins thanked everyone for attending this evening.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Cathey moved to adjourn the meeting at 9:35 p.m., seconded by Commissioner and unanimously carried.**

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board