

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
January 27, 2020 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, January 27, 2020 at 6:00 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, David Guice, Chairman Mike Hawkins and Vice-Chairwoman Page Lemel. Also present were County Manager Jaime Laughter, County Attorney Bill Bulfur, 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 6:04 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 (15-time limit, 3-minutes per speaker)

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

Peter Chaveas: Mr. Chaveas will be recognized later this evening for his service on the Transylvania Natural Resources Council. He expressed his appreciation for the opportunity to serve. The purpose of the TNRC is to educate the community about the preservation of natural resources. He felt the TNRC has been successful in this regard. The members changed the meeting format into a workshop setting which increased meeting attendance and garnered more media reporting. Mr. Chaveas felt the TNRC was less successful in their efforts to provide recommendations to the Board of Commissioners. Although the TNRC made several recommendations to the Board, these were not considered in a public meeting. He suggested that Commissioners allow recommendations from citizen advisory councils be considered in a public meeting where the Commissioners can offer comments and ask questions, not just thank members for their service. He felt this may make service on citizen advisory councils more attractive to citizens.

Jeff Caughey: Mr. Caughey and his wife own Creekside Market restaurant in Cedar Mountain. They are very active in the community. They moved here because of the beauty of Transylvania County and the wonderful people. Mr. Caughey stated that small business is the backbone of this country. His business pays a living wage to its employees to promote economic growth; however, due to large corporate growth he has had to lay off employees and change his business plan to remain successful. Mr. Caughey stated that Dollar General has impacted his local business by more than 40% and brings nothing to the community except a landscape eyesore. Additionally, Dollar General does not pay a living wage, they normally experience high turnover and they promote unhealthy products. Mr. Caughey said he did not know of anyone who supports Dollar General and he felt there were enough of them already located here. He asked the Board of Commissioners to help citizens and fight for them in their efforts against the

proposed Dollar General Store. Otherwise, the new store will impact the culture of Transylvania County forever.

Alan McClung: Mr. McClung stated that flood plain mapping is essential. During periods of flooding, Hogsed Creek forms its own floodway. He stated that FEMA's flood data appears to be underreported, noting that the east side flood waters are not from the French Broad River, but from the Hogsed Creek headwaters which has not been scientifically modeled by FEMA. He said it is the Board of Commissioners' responsibility to request FEMA studies when warranted. He was very concerned that flooding in the area will increase due to the construction of the Dollar General Store which will forever change the floodway. He pointed out there should be several prerequisites to floodplain construction. Mr. McClung urged the Board to be proactive, rather than reactive

Elizabeth Thompson: Ms. Thompson stated the Board of Commissioners has been granted the power to speak on behalf of the citizens and therefore they need to vote on issues, not remain neutral. At the previous Commissioners' meeting she said the public was told that a moratorium of 60 days was no longer legal, but she provided references to statutes stating otherwise. For a county to enact a moratorium, there needs to be a valid purpose, an explanation of the scope of the moratorium, clear duration of the moratorium, and a statement of action to be carried out. She believed all this information could be provided to enact a legal moratorium. Ms. Thompson pointed out that the City of Asheville enacted a moratorium on hotel construction, and she felt the Board of Commissioners could use Asheville's moratorium as a template to halt construction of the Dollar General. She pointed out she consulted with two attorneys to ensure her understanding of the statutes that she referenced.

Sasha Jones: Ms. Jones stated that she found in State statutes that counties could, in fact, halt projects if no building permits have been issued. She stated that the Dollar General project has many red flags. The proposed store would be constructed next to Hogsed Creek which floods frequently. It is also a designated trout stream. She urged the Board to take the necessary steps to stop this project by enacting a moratorium to ensure everything is being done right. This would also give time for communities to conduct their small area planning. She asked the Board to make a motion to put a moratorium in place, and added if they did not do so, she wanted them to explain why.

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, seconded by Commissioner Guice and unanimously approved.

The following items were approved:

MINUTES

The Board of Commissioners met in regular session on Monday, December 9, 2019. The 2nd meeting in December was cancelled. The Board of Commissioners met in regular session on Monday, January 13, 2020 and following met in closed session in which the minutes were sealed. 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 November 2019, total tax dollars released was \$156.69 and refunds amounted to \$989.64. For December 2019, total tax dollars released was \$2,878 and refunds amounted to \$1,869.06. Commissioners approved the Discovery, Release and Monthly Settlement Reports for November and December 2019.

BAD DEBT WRITE OFF IN THE HEALTH DEPARTMENT

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 \$135 for the time period January 1, 2019 to June 30, 2019. On January 14, 2020, the Board of Health approved the write-off as recommended. Of the \$135, \$120 is eligible to be sent through the NC Debt Setoff program for potential collection. Commissioners approved the write-off amount of \$135 as submitted.

RESOLUTION DECLARING THE COUNTY'S INTENT TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH IMPROVEMENTS TO TRANSYLVANIA COUNTY SCHOOLS

In anticipation of requesting Local Government Commission approval in future years to issue the \$68 million in general obligation bonds, the Board of Commissioners has set aside the funding in a capital project fund to begin the initial stages of renovations at Brevard High School and Rosman Middle/High Schools.

The County, in its discretion, may choose to reimburse itself for expenditures undertaken on these projects prior to the issuance of the bonds under IRS regulations. As previously discussed with the Board of Commissioners and Board of Education, different types of expenditures are reimburseable at different times. Soft costs (expenses on professional services such as architectural design) are reimburseable at any time. Hard costs (actual construction) can only be considered reimburseable if the resolution has been approved by the governing board within 60 days of the cost being incurred.

It is unknown when the Board of Education will begin to incur hard (actual construction) costs and there is a limited time frame during which a reimbursement resolution must be adopted in order for hard costs to be eligible for reimbursement, so staff recommended adopting a reimbursement resolution in advance of any expenditures. Commissioners adopted the resolution as drafted by bond counsel as submitted.

RESOLUTION #05-2020

RESOLUTION OF THE COUNTY OF TRANSYLVANIA, NORTH CAROLINA DECLARING THE INTENT OF THE COUNTY OF TRANSYLVANIA, NORTH CAROLINA TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH IMPROVEMENTS TO TRANSYLVANIA COUNTY SCHOOLS FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED IN CALENDAR YEAR 2021.

WHEREAS, the Board of Commissioners of the County of Transylvania, North Carolina ("*County*") has determined to cooperate with the Transylvania County Board of Education to pay the capital costs of constructing, improving, renovating and equipping school facilities, including improvements at Brevard High School, Rosman High School and Rosman Middle School, and acquiring land or rights-in-land required therefor (collectively, the "*Project*");

WHEREAS, the County presently intends, at one time or from time to time, to finance all or a portion of the costs of the Project with proceeds of tax-exempt obligations and reasonably expects to execute and deliver its tax-exempt obligations (the “*Obligations*”) to finance, or to reimburse itself for, all or a portion of the costs of the Project; and

WHEREAS, the County desires to proceed with the Project and will incur and pay certain expenditures in connection with the Project prior to the date of execution and delivery of the Obligations (the “*Original Expenditures*”), such Original Expenditures to be paid for originally from a source other than the proceeds of the Obligations, and the County intends, and reasonably expects, to be reimbursed for such Original Expenditures from a portion of the proceeds of the Obligations to be executed and delivered at a date occurring after the dates of such Original Expenditures;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Transylvania, North Carolina as follows:

Section 1. **Official Declaration of Intent.** The County presently intends, and reasonably expects, to reimburse itself for the Original Expenditures incurred and paid by the County on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the Obligations. The County reasonably expects to execute and deliver the Obligations to finance all or a portion of the costs of the Project and the maximum principal amount of Obligations expected to be executed and delivered by County to pay for all or a portion of the costs of the Project is \$68,000,000.

Section 2. **Compliance with Regulations.** The County adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the County’s intent to reimburse itself for the Original Expenditures from proceeds of the Obligations.

Section 3. **Itemization of Capital Expenditures.** The Finance Officer of the County, with advice from bond counsel, is hereby authorized, directed and designated to act on behalf of the County in determining and itemizing all of the Original Expenditures incurred and paid by the County in connection with the Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of execution and delivery of the Obligations.

Section 4. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

On motion of Commissioner Lemel, seconded by Commissioner Guice, the foregoing resolution entitled “**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF TRANSYLVANIA, NORTH CAROLINA, DECLARING THE INTENT OF THE COUNTY OF TRANSYLVANIA, NORTH CAROLINA TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES INCURRED IN CONNECTION WITH IMPROVEMENTS TO TRANSYLVANIA COUNTY SCHOOLS FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS TO BE EXECUTED AND DELIVERED IN CALENDAR YEAR 2021**” was duly adopted by the following vote:

AYES: UNANIMOUS

NAYS: N/A

RESOLUTION APPOINTING REVIEW OFFICERS FOR TRANSYLVANIA COUNTY

NC General Statute § 47-30.2 requires the Board of Commissioners of each county to designate one or more persons experienced in mapping or lands records management to be appointed as a Review Officer to certify maps or plats presented to the Register of Deeds as complying with all statutory requirements for recording. With turnover in the Planning and Community Development department over the last few months, the list of Review Officers for Transylvania County needs to be updated to reflect current

staffing. Darby Terrell was hired to be the new Planner in the Planning and Community Development Department effective January 13, 2020. Commissioners approved Resolution #04-2020 Appointment of Review Officers for Transylvania County and instructed the Clerk to the Board to record the resolution with the Register of Deeds as required by statute.

**RESOLUTION #04-2020
APPOINTMENT OF REVIEW OFFICERS FOR TRANSYLVANIA COUNTY**

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 Transylvania County staff provides to the community is a similar technical process for subdivision plat review in order to verify compliance with the County's development regulations; and

WHEREAS, Transylvania County is committed to streamlining the review procedures for proposed developments and subdivisions of land; and

WHEREAS, it appears most efficient for Transylvania County 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 person is recommended to be appointed by the Transylvania County Board of Commissioners to serve as a Review Officer for all lands within Transylvania County's planning jurisdiction 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>
Darby Terrell	Planner, Planning & Community Development

Adopted and approved this the 27th day of January, 2020.

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

2019 DELINQUENT TAXPAYER LIST

Advertisement of delinquent taxes is required by NC General Statute § 105-369 (a). Commissioners must approve the list prior to it being advertised. Any delinquent taxes paid prior to the date of advertisement will not be advertised. Commissioners approved the 2019 Delinquent Taxpayer List and ordered Tax Administrator Jessica McCall to advertise the list per statute.

PRESENTATIONS/RECOGNITIONS

RECOGNITION OF OUTGOING CITIZEN ADVISORY COUNCIL MEMBERS

The Board of Commissioners implemented a recognition program for the purpose of recognizing citizens who volunteer their time and expertise on the County's many citizen advisory councils. The Board recognizes citizens on a semi-annual basis. This period covers July 1, 2019 through December 31, 2019. Each person in attendance was presented with a certificate of appreciation and a coffee mug. The Clerk will mail the certificates to those who were unable to attend.

In attendance tonight were Peter Chaveas and Mark Tooley and they were both recognized for their service on the Transylvania Natural Resources Council.

APPOINTMENTS

BOARD OF EQUALIZATION AND REVIEW

James Cruickshank's term on the Board of Equalization and Review expires at the end of January. He is eligible and willing to serve another term. There are no other applications on file. There remains one vacancy that the Clerk continues to advertise for, but it has been vacant for some time.

Commissioner Lemel moved to reappoint James Cruickshank to another term on the Board of Equalization and Review, seconded by Commissioner Chappell. Chairman Hawkins explained the duties of this board and urged the public to consider applying for the vacancy. He asked the Board to seek potential candidates as well. **The motion was approved unanimously.**

NEW BUSINESS

COMMUNITY CENTER GRANT AWARDS

Planning and Community Development Director Jason Stewart presented this item. He reported that a kickoff meeting for the community center grant program was held on October 23, 2019. Community center representatives were advised of the parameters of the program and the application deadline of November 30, 2019.

Community centers could submit applications for projects under three different grant programs:

- Noncompetitive Connected Public Space
 - Public Wi-Fi paid directly by the County to Comporium-\$1,500 maximum
 - Received nine grant applications for new/continued funding
- Competitive Public Health/Safety
 - \$2,500 maximum for public health and safety improvements
 - 10% match requirement
 - Received nine applications for funding for a total amount requested of \$19,344
- Competitive Public Purpose
 - \$7,500 maximum for projects that significantly expand programs or public space
 - 10% match requirement
 - Received nine applications for a total amount requested of \$66,109

The review committee met in December to evaluate the proposals. The review committee was comprised of one County Commissioner, the County Manager, the Budget and Management Analyst and the Planning and Community Development Director. Since no projects were funded last year, the funds were carried over to this fiscal year, thus allowing more funds to be available. The review committee recommended full funding for all projects contingent upon receiving project cost quotes for the work being performed as required by the grant program.

Commissioner Lemel moved to approve the grant awards per the committee recommendations as submitted, seconded by Commissioner Guice. Commissioner Guice asked how many community centers are in the County. The Manager stated there are nine that are considered active. Commissioner Guice noted there were complaints by some citizens that their community center did not have Wi-Fi. Commissioner Lemel asked for a list of community centers, noting those that have received Wi-Fi through this grant opportunity. The Manager will provide the Board with full contact information for each community center and note the ones that qualify for public funding. Commissioner Chappell stressed that there is a legal definition of what it means to be an active community center. He was appreciative that the committee worked to ensure all the applicants could receive funding this year. Per the request of Commissioner Cathey, the Manager read the list of community centers receiving grant funds. She noted the community centers must be willing to sign a contract and provide matching funds. It was also noted that the community center in which Commissioner Guice received the complaint about having no Wi-Fi does in fact have Wi-Fi, so it may have just been a matter of those citizens not being aware. **The motion was approved unanimously.**

REVISED CITIZEN ADVISORY COUNCIL APPLICATION

Citizen advisory councils conduct important and necessary work on behalf of the Board of Commissioners, so it is critical that they have maximum participation from their members throughout the year.

The UNC School of Government advised the simplest way to enforce the residency requirement would be to ask applicants to state on the application whether they are a resident in terms of being registered to vote in the County. Voters are legally allowed to vote at only one residence, and it is within the Board's purview (per NC General Statute § 153A-25) to make residency a requirement for an advisory board appointment.

With that said, there may be exceptions. On the Juvenile Crime Prevention Council, for example, there are student positions that may be filled by applicants under the voting age, and other positions that may be filled by out-of-county applicants for mental health/substance abuse professionals, court officials, etc. For this reason, the application has been revised to include not only a check box for whether the applicant is registered to vote in Transylvania County, but a section to explain if they are not.

Commissioner Lemel moved to approve the revised citizen advisory council application to include voter registration verification for the purpose of enforcing the residency requirement, seconded by Commissioner Cathey. Commissioner Chappell expressed concern that this requirement goes a step further than Commissioners had intended. Commissioner Lemel explained the reason for the revision is that staff received applications for citizen advisory councils from property owners who were not full-time residents. The applicant would not be required to be registered to vote, but if they are registered, it would help to confirm residency. Commissioner Chappell stated he understood the concerns, but he preferred another solution. He stated that he didn't want to exclude anyone from serving on a citizen advisory council and he thought it should be permissible for any property owner to be eligible to serve. Commissioner Chappell felt that the current policy was clear in the residency requirement and there was no need to change the application. Commissioner Guice pointed out the Board has a legal right to consider residency as a qualification for serving on a citizen advisory council. In response to Commissioner Cathey, Commissioner Lemel confirmed that not being registered to vote does not disqualify someone from being eligible to serve. While Chairman Hawkins felt that any property owner has essentially made a commitment to the community by way of owning property, he pointed out that part-time residents cannot commit to a full-time meeting schedule which is very important to the work of the various citizen advisory councils. He suggested the Board move forward with the recommendation and, if it becomes a problem, to revisit it at that time. **The motion passed by a vote of 4 to 1, with Commissioner Chappell voting against.**

MANAGER'S REPORT

The Manager reported the following:

- 2020 US Census - Job fair – Friday, January 31 at Rosman Town Hall/Community Center & Monday, February 10 at Brevard College; 10am-4pm; to encourage citizens to apply for Census jobs
- 2020 Regional Leadership Summit on Broadband hosted by UNC Asheville and the West Next Generation Network Steering Committee held today; Representative Jake Johnson and NCACC Director Kevin Leonard attended and participated as partners in this effort
- Kudos
 - To Jason Massey in Building Inspections for receiving his Level III State Certification in Building Inspections
 - To Budget and Management Analyst Allen McNeill for his help with the Compensation Study, implementing NeoGov for electronic applications and for pulling capital planning packets together for tonight's workshop
 - To the Parks and Recreation department for achieving a record 41 children at indoor play today
 - To Human Resources Director Sheila Cozart and Social Services Director Darrell Renfroe and staff for identifying the challenge of recruiting social workers and partnering with JobLink, Workforce Development Board and BRCC to build solutions; BRCC will have a social work Associates program with an articulation agreement with Western Carolina if they desire a Bachelor's degree which is great news for meeting the demands our community and others have for social workers

Chairman Hawkins called for a recess prior to the Capital Planning Workshop. The Board recessed at 7:07 and reconvened at approximately 7:15 p.m.

Two additional people had signed up to speak during Public Comment, but the 15-minute time period had lapsed. Chairman Hawkins called upon them to speak at this time prior to the workshop beginning but they had already left.

WORKSHOP

CAPITAL PLANNING

Chairman Hawkins began the workshop section of the meeting by providing a brief context to the structure of the workshop and how these types of meetings operate. He then turned the meeting over to the County Manager to present capital related information prepared by staff.

The Manager first provided the Board with a summary of capital projects that have been considered by the Board since their last capital workshop in 2016. Capital projects identified as needs for the County include:

- Courthouse
- EMS base station
- Various Parks and Recreation projects identified in the Parks and Recreation Master Plan and the Silvermont Master Plan
- Water and sewer expansion proposals identified in the County's 2014 potable water study
- Transylvania County Schools capital needs based on their 2020 Budget proposal
- Request from Blue Ridge Community College for a site master plan and eventual new facility.

The completion of all these projects, based on the most recent estimates, would have a cost ranging between \$140 million and \$163 million.

Following the Manager's update, she introduced Mr. David Cheatwood from Tryon Advisors to review the forecasting model prepared with the County's financial information to demonstrate the possible impacts of the different capital projects.

Mr. Cheatwood started by providing information on how the forecasting model works and how it can be tailored to fit the needs of the Board as they consider different capital projects. Mr. Cheatwood also gave a brief description of changes that have occurred since the last capital workshop in 2016, noting that they would affect the model.

Commissioner Guice asked if the current model accounted for the opportunity to fund projects to help provide affordable housing options. Mr. Cheatwood informed the Board that the model did not currently reflect any future housing projects, but it could be adjusted to do so.

Following the conclusion of Mr. Cheatwood's presentation, Chairman Hawkins opened the discussion up to the Board.

Commissioner Chappell asked for clarification on Mr. Cheatwood's comments about using a USDA loan for the Courthouse project and whether the funds would be applicable and available. The Manager responded by confirming that funds are available through October, but they are limited to shorter term projects. County staff will not be informed until next year if those federal funds will be available.

Chairman Hawkins commented that the timing of different components and sequencing is well thought out. He was concerned about the interest rates and asked if they were based on historical data in the model. Mr. Cheatwood confirmed that the interest rates used in the model are, in fact, based on historical data but noted they will, of course, fluctuate some over time.

Commissioner Guice commented that the interest rates have remained low, but construction costs have continued to rise. He pointed out the Board has yet to learn of the true cost of building a courthouse downtown, but they will be much higher than projected for the current programming and site plans at other locations. He stressed that this decision, and thus cost, will change the model and thus drive other projects.

Commissioner Guice requested clarification on how recent tax increases have affected the ability to move forward on some of these projects being considered. The Manager provided a brief rundown of the tax increases the County has implemented since the last capital workshop and how the funds have allowed the County to be in a more comfortable financial position to consider some of the very expensive capital needs.

Commissioner Cathey asked Mr. Cheatwood if he had spoken with the County Manager about the 14% funding that is not required and how it affects the financial model. Mr. Cheatwood indicated that it was not considered but could be included. The Manager provided more context for what the 14% goes toward, including the Library, Parks and Recreation and Economic Development. Commissioner Cathey stated that if those funds are not mandated to those departments and can be used in other areas of operation, then it is worth investigating if that is an equitable solution.

Commissioner Guice commented there are plenty of operations across the County that are not mandated. He felt if the Board is considering a review of operational funding for reallocation purposes, then the Board should review all nonmandated operations.

Commissioner Guice pointed out that while determining how to fund these capital needs is important, the Board also needs to begin the conversation of prioritizing these capital needs.

Chairman Hawkins agreed with Commissioner Guice and noted that the financial model and forecast provided by Tryon Advisors aids the Board in thinking more strategically about their prioritization.

Mr. Cheatwood informed that the financial model gives the Board the ability to adjust project funding sources and funding methods while also removing projects and adjusting cost.

Commissioner Chappell noted there is a five-year gap between several projects. The Manager stated the gap is due to the time it takes to design and build each project and that it also gives some breathing room to stretch out the funding somewhat.

Chairman Hawkins posed a hypothetical and asked how the current model would be impacted if the annual growth in sales tax was 2 ½% instead of 1%. After making that adjustment in the model, Mr. Cheatwood suggested overall revenue would be up by 0.3%.

Commissioner Lemel inquired about options of levying additional sales tax. The Manager informed the Board that an additional sales tax of ¼ cent would have to put to a voter referendum. Staff last estimated that it would bring in an additional \$780,000; however, State sales tax distribution methods make it challenging to confirm if the estimate is correct. She stated it is important for the public to be aware that property tax is the Board's only option for raising revenues.

Chairman Hawkins sought confirmation that debt roll off from the previous school bond went toward funding increases in operational expenses. The Manager confirmed, noting the debt roll payments were used to fund operational increases requested by the School System to avoid tax increases. She noted that model does not account for operational increases expected with the completion of any new capital project.

Commissioner Cathey asked what operational increases could be expected with a new Courthouse. The Manager stated that operational increases would be likely and there may be some additional increases for staffing in housekeeping and security. However, the expected increases would be significantly smaller than staffing a new water and sewer plant, for example.

Chairman Hawkins informed the Board that the Manager will begin bringing these issues forth during budget deliberations. Until then, the Board needs to have these discussions as individual agenda items during regular meetings and start to understand each other's positions

Mr. Cheatwood reminded Commissioners that the model is very customizable, and changes can be made to help the Board understand how those individual changes affect the financial status of the County.

Commissioner Guice stressed that it is important to him to understand more about the Courthouse situation because it is the top project in front of the Board. It will be one of the most expensive projects the County moves forward on, especially depending on the location, and will therefore impact the future of other capital projects. The Manager reported that by mid-spring the Board should have comparison costs on sites for the Courthouse project.

Chairman Hawkins invited Mr. Cheatwood back to present specific scenarios once the Courthouse figures are known.

Commissioner Guice pointed out that economic development was not incorporated in the model and wanted to know if the model accounted for funding economic development projects. The Manager indicated that staff did not have an exact number to use since there are no specific projects on the horizon, so they put in a rough figure of \$10 million. It could be adjusted according to the wishes of the Board. The Manager also reminded the Board that revenues from the Golden Leaf Project/Industrial Building will be dedicated to future economic development.

Chairman Hawkins closed the workshop by thanking the staff and Mr. Cheatwood. He was very impressed with the financial model devised by Tryon Advisors and felt it would be beneficial to the Board as they continue to discuss their capital projects.

PUBLIC COMMENT

There were no public comments.

COMMISSIONERS' COMMENTS

Commissioner Lemel was excited to share information on the Family Connects program which was founded at Duke University and provides home visitation for year one of an infant's life.

Chairman Hawkins referred to earlier public comments that centered on a moratorium. His understanding is that a moratorium would not change any project which has already applied for County-issued permits. New regulations cannot be made retroactive. He also acknowledged that information to the contrary has been shared by the public based on North Carolina General Statutes changes and he assured the public that the County Attorney would research the comments made by the public, along with the statutory references they provided.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Lemel moved to adjourn the meeting at 9:00 p.m., seconded by Commissioner Cathey and unanimously approved.**

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board