

**MINUTES & GENERAL ACCOUNT OF CLOSED SESSION
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
September 8, 2008 – REGULAR MEETING**

The Board of Commissioners of Transylvania County met in regular session on Monday, September 8, 2008 at 7:00 p.m. in the large courtroom of the Transylvania County Courthouse.

Commissioners present were Lynn Bullock, Chairman Jason Chappell, David Guice, Daryle Hogsed and Vice-Chairman Kelvin Phillips. Also present were County Manager Artie Wilson, County Attorney Curtis Potter and Clerk to the Board Trisha McLeod.

Media: *Transylvania Times* – Mark Todd

There were approximately 25 people in the audience.

CALL TO ORDER

Chairman Jason Chappell presiding called the meeting to order at 7:00 p.m.

WELCOME

Chairman Chappell welcomed everyone to the meeting and thanked the members of the audience for participating in their County government.

PUBLIC HEARING

**INSTALLMENT FINANCING AGREEMENT TO BORROW UP TO \$3 MILLION
FOR PUBLIC SAFETY FACILITY**

Finance Director Gay Poor reported that the Local Government Commission requires counties to hold a public hearing before submitting an application to borrow funds to notify the citizens of the County's intent to borrow monies and solicit their input. The County is requesting to borrow up to \$3 million to supplement reserved funds for the construction of the new Public Safety Facility. The borrowed funds represent approximately 14% of the total project cost.

Chairman Chappell declared the Public Hearing open at 7:05 p.m. There being no comments from the public, **Chairman Chappell declared the Public Hearing closed at 7:06 p.m.**

PUBLIC COMMENT

There were no comments from the public.

AGENDA MODIFICATIONS

There were no Agenda modifications.

Commissioner Hogsed moved to approve the Agenda, seconded by Commissioner Guice and unanimously approved.

CONSENT AGENDA

Commissioner Phillips moved to approve the Consent Agenda, seconded by Commissioner Bullock and unanimously approved.

The following items were approved:

MINUTES

The Minutes of the August 25, 2008 Regular Meeting were approved.

PRESENTATIONS/RECOGNITION

NACO PRESCRIPTION DRUG DISCOUNT CARD PROGRAM

Human Resources Director Sheila Cozart reported that Transylvania County is one of nine counties in the Nation being recognized by the National Association of Counties (NACo) for providing savings to citizens through the NACo Prescription Card Program. Transylvania County has the fourth largest number of NACo prescriptions per resident in the Nation. Over a 33 month period, 5,520 residents have used the prescription card program and 15,115 prescriptions have been filled, resulting in a savings of \$154,028 or 21.71%.

Ms. Cozart presented the award to Commissioners and asked Commissioners to continue supporting the program. She further asked Commissioners to publicly thank the Transylvania Times for their help in promoting the prescription card program. Ms. Cozart noted that the physician community has been very receptive to this program. Cards are available at physician practices in Brevard as well as at County Administration and Volunteers in Medicine.

Commissioners thanked the Transylvania Times and staff for supporting this program and expressed their support in continuing the program.

APPOINTMENTS

JUVENILE CRIME PREVENTION COUNCIL

Commissioner Hogsed moved to appoint Ryan Melino to serve as the Mental Health Designee from Families Together, seconded by Chairman Chappell and unanimously approved.

Commissioner Bullock moved to appoint Lynne Warner as the Commissioner appointee, seconded by Commissioner Guice and unanimously approved.

SOCIAL SERVICES BOARD

Commissioner Phillips moved to appoint Jane Williams to fill the expired term of Ernest Gilstrap, seconded by Commissioner Bullock and unanimously approved.

WESTERN CAROLINA COMMUNITY ACTION BOARD OF DIRECTORS

Commissioner Guice moved to reappoint Fred Tinsley and Karen Canman to subsequent terms, seconded by Commissioner Phillips and unanimously approved.

OLD BUSINESS

REQUEST FROM TC ARTS COUNCIL

At the previous Board of Commissioners' meeting the TC Arts Council requested \$25,000 in annual funding to help maintain the level of service to all the arts and art organizations. The Board requested to review specific financial information from the Arts Council. The Manager reported that, based on their financial information, the Arts Council's expenses have exceeded its revenues by approximately \$30,000 per year for the last three years. They have been able to sustain themselves by dipping into their fund balance.

The Manager shared some of the same concerns as Commissioners about drawing additional monies from the Fund Balance so early in the Budget year, especially in such economic times. He noted that the discussion at a Work First meeting today centered on the needs of the community in the coming months, specifically fuel oil and food. The County may have to use its contingency funds to supplement those needs in the community. However, the Arts Council has made a significant contribution to the community. The Manager recommended that the County provide a one time grant to the Arts Council in the amount of \$9,000, but not their original request of \$25,000, to assist them with the Arts in Schools Program and any building and maintenance needs. Their request for funding would be considered on an annual basis. The Manager stipulated that the funding should be provided with the understanding that in the future the Arts Council will work with the school system and local artists to fully fund programs. The Manager noted that in order to balance the budget the County withdrew \$749,196 from Fund Balance.

Representatives from the Arts Council were in attendance. Commissioner Guice asked them to discuss the recommendations of the Senior Resource Network concerning their budget and future planning. He commented that the Arts Council can not continue to operate by drawing down their savings account. Ms. Tammy Hopkins responded that the Arts Council has been drawing down its savings, which resulted from the sale of property, for operating expenses for the last five to six years. Since she came on board with the Arts Council, the budget has been reduced from \$250,000 to \$150,000 and the office has been reduced to two staff. Ms. Hopkins said the Arts Council has made cuts

where they can; otherwise they will have to begin cutting programs. They continue to seek funding from other sources.

Chairman Chappell expressed concerns about drawing down the Fund Balance for special requests so early in the Budget year. He said he supports the Arts in Schools Program but it should be also be a priority for the Board of Education. He requested that the Arts Council submit their request during the budget process.

Commissioner Phillips said that although the Arts Council has a valid need, he is concerned about funding any organization that did not make their request during the budget process. He noted that Commissioners reduced funding or non-funded some very worthy organizations and it would not be right to provide funding to the Arts Council without going back and reviewing the other organizations that made requests during the budget process. Commissioner Phillips agreed that the Board of Education should make the Arts in Schools Program a priority in their budget.

Commissioner Guice said the Arts Council's request is worthwhile. He expressed concerns about the management of their funds noting that they can not continue to use their savings for ongoing operating expenses. The Arts Council has a tremendous impact on the community, the schools, and the economy. He expressed that the Arts Council will have difficulty in the future without having a plan in place to address revenue sources.

Commissioner Bullock said the arts are important to the community; however the County is operating in the first quarter of its fiscal year. During the budget process, the County made some cuts to the budget, mostly to help balance the budget and find additional funds for fuel. He requested that the Arts Council make their request at a later time.

Commissioner Hogsed made a motion to approve the original request from the Arts Council for \$25,000. The motion was seconded by Commissioner Guice.

Commissioner Hogsed said it appears as though the Arts Council needs the funding in order to continue to operate and contribute to the economic development of the community. Commissioner Hogsed added that \$9,000 would not be sufficient in keeping the Arts Council as a small business incubator for the arts community. Commissioner Guice said \$25,000 is a small amount of money in the big scheme of things. The Arts Council has a tremendous impact on the community. After further comments, **the motion failed by a vote of 3 to 2, with Chairman Chappell and Commissioners Bullock and Phillips voting against.**

The Manager asked the Board to consider asking the Board of Education to fund the Arts in Schools Program with help from the County. After discussion, Commissioners instructed the Manager to communicate with the Board of Education about the funding of the Arts in Schools Program. The Board further instructed the Manager to share the financial information the Board received from the Arts Council with the Board of Education.

NEW BUSINESS

INSTALLMENT FINANCING PROPOSAL

Finance Director Gay Poor reported that the County issued Requests for Proposal for an installment financing agreement to 11 financial institutions. The County received nine responses with the interest rates ranging from 4.25% to 7.44%. The loan amount would not exceed \$3 million for a period of 15 years. Payments would be made semiannually and the loan the County will be requesting is non-bank qualified. Staff recommends that the Board accept the proposal from RBC Bank if approved by the Local Government Commission. The package offered by RBC Bank is the most economically advantageous to the County.

Commissioner Guice asked for explanation regarding the range in interest rates. The Manager responded that the interest rates are offered by the different banks depending on their needs. Commissioner Guice further asked if staff can negotiate with the banks for a lower interest rate. The Manager said the Local Government Commission reviews the requests for proposals as well. Once the offers are in and the rates are set, the County can not negotiate for a lower interest rate. The County would have to reject all bids and start the process again.

Commissioner Phillips asked how each one of the banks rated. Ms. Poor said the County did not request that information. Staff followed the format provided by the Local Government Commission.

Commissioner Hogsed said the Board needs to discuss the possibility of borrowing additional funds. The Manager noted that this loan would not be a bank-qualified loan. If Commissioners choose to borrow funds in 2009, they would qualify for a bank-qualified loan and obtain a lower interest rate. The Manager noted that Commissioners have already approved the borrowing of funds to complete the construction of the new Public Safety Facility.

Commissioner Phillips asked if it was possible to make quarterly payments, as opposed to semiannual payments, in order to save money. The Manager and Ms. Poor responded that the payment schedule can be negotiated.

In response to a question from Commissioner Bullock, the Manager stated that the County must be very specific about its purpose for borrowing funds. There are many projects the Board has to consider in the near future.

Commissioner Guice urged the Board to move forward with borrowing these funds. Chairman Chappell noted that the proposed interest rates were better than expected.

Commissioner Guice moved to accept the proposal from RBC Bank upon approval by the Local Government Commission, seconded by Chairman Chappell and unanimously approved.

ADOPTION OF 2009 REVALUATION SCHEDULE OF VALUES

A Public Hearing on the 2009 Revaluation Schedule of Values was held at the August 25, 2008 Regular Meeting per North Carolina General Statutes. There were no comments from the public. Tax Administrator David Reid asked Commissioners to approve the 2009 Revaluation Schedule of Values.

Commissioner Guice moved to approve the 2009 Revaluation Schedule of Values as presented by the Tax Administrator, seconded by Commissioner Hogsed and unanimously approved.

(The 2009 Revaluation Schedules of Values are on file in the office of the Clerk to the Board.)

ADDITION OF HIGHWAY 50 TO THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION STATE MAINTAINED SYSTEM

The Manager stated that the North Carolina Department of Transportation has been working with the United States Forest Services to bring Forest Highway 50 up to State secondary roads standards. In order to add Forest Highway 50 to the State Maintained System, the Board of Commissioners is required to pass a resolution supporting the request.

Commissioner Phillips moved to approve Resolution 34-08 supporting the addition of Forest Service Highway 50 to the State Maintained Road System, seconded by Commissioner Bullock and unanimously approved.

(Resolution 34-08 is hereby incorporated by reference and made a part of these Minutes.)

RESOLUTION 33-08 DECLARING THE WEEK OF SEPTEMBER 17-23, 2008 AS CONSTITUTION WEEK

Each year the President of the United States issues a proclamation to celebrate the anniversary of our Nation's Constitution and to honor the Framers who created the landmark document that continues to guide our Nation. Every city, county and state has been encouraged to celebrate our Constitution and reaffirm our rights and responsibilities as citizens of our great Nation.

Commissioner Hogsed read Resolution 33-08 Declaring the Week of September 17-23, 2008 as Constitution Week which is hereby incorporated by reference and made a part of these Minutes.

Commissioner Bullock moved to approve Resolution 33-08 Declaring the Week of September 17-23, 2008 as Constitution Week, seconded by Commissioner Guice and unanimously approved.

MANAGER'S REPORT

The Manager reported the following:

- Staff has been working on the software and equipment package for the Sheriff's Department and the E911 Center and should be bringing information forth to the Board in the near future. Because of the training that will be required, staff would like to move forward with implementation of the new software and equipment.
- Security and Lockdown Procedure Training will be held this week in the Community Services and Social Services Buildings. Staff will be working with Emergency Management and the Sheriff's Department to implement protocols and procedures.
- A candidate forum was held by staff last week for County Commission candidates which was very successful.

PUBLIC COMMENT

James Keenan: Mr. Keenan read a passage written by William Blackstone (*Commentaries on the Laws of England*) from a book entitled "Constitution and 9/11: Recurring Threats to America's Freedoms", citing the relevance to current issues this Nation is facing.

Jack Hudson: Mr. Hudson said it has been two months since the Courthouse Committees made their report to the Board. He urged the Board to move forward with building a new courthouse at the Morris Road site, noting that the longer the Board waits, the more expensive building will become.

COMMISSIONERS' COMMENTS

There were no comments from Commissioners.

Chairman Chappell moved to enter into Closed Session per North Carolina General Statute 143-318.11 (a) (3), Attorney-Client Privilege, Transylvania County versus Michael D. Baxley and Charlotte Baxley's Training Facility, after a 5 minute recess, seconded by Commissioner Phillips and unanimously carried.

The meeting reconvened at 8:15 p.m.

CLOSED SESSION

Pursuant to NCGS 143-318.11 (a) (3) Attorney-Client Privilege, Transylvania County versus Michael D. Baxley and Charlotte Baxley's Training Facility, closed session was entered into. Present were Chairman Chappell, Commissioners Bullock, Guice, Hogsed and Phillips, County Manager Artie Wilson, County Attorney Curtis Potter and Clerk to the Board Trisha McLeod.

County Attorney Curtis Potter updated Commissioners on the status of the lawsuit against the Baxley's Training Facility.

Chairman Chappell moved to reenter Open Session, seconded by Commissioner Bullock and unanimously carried.

OPEN SESSION

Chairman Chappell moved to seal the Minutes of the Closed Session, seconded by Commissioner Bullock and unanimously approved.

ADJOURNMENT

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

Jason R. Chappell, Chairman
Board of County Commissioners

ATTEST:

Trisha D. McLeod
Clerk to the Board