

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
November 27, 2017 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, November 27, 2017 at 7:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

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

Media: *The Transylvania Times* – Derek McKissock
WLOS News – Frank Kracher

There were approximately 40 people in the audience.

CALL TO ORDER

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

WELCOME

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

PUBLIC HEARING

GOLDEN LEAF: LIGHT INDUSTRIAL BUILDING

Transylvania Economic Alliance Executive Director Josh Hallingse presented the information for the public hearing.

On November 14, the Board of Commissioners and Brevard City Council held a joint meeting and adopted the necessary legal documents to move this project forward. The Transylvania Economic Alliance has submitted its project budget and this public hearing is necessary prior to the County expending funds toward the project.

The project involved collaboration by Transylvania County, the City of Brevard and the Alliance for the purposes of constructing a 60,750 sq ft multi-tenant light industrial building on a +/-7 acre site on Ecusta Road to provide industrial space. The site was formerly owned by the City of Brevard and was deeded to the Alliance.

The Alliance worked with the County to advertise for bids on this project. The County received five bids, with the low bid at \$4,433,000 and the high bid at \$4,773,000. The lowest responsible bidder was Harper Corporation. The company is based out of the Upstate South Carolina market, but has a presence in our region.

The funds to construct the building will be supplemented by a \$1,000,000 Golden Leaf Foundation Grant and \$200,000 NC Department of Commerce Grant. The remaining funding is to come from the County.

The Alliance is extremely proud of what this project will do for the Ecusta Road site, particularly from an industrial supply standpoint. Transylvania County has very limited supply of industrial property which prohibits our ability to successfully retain existing companies that are growing in our market and makes it challenging to support business recruitment. This building will help accomplish both of those things. The first tenant will be Sylvan Sport, an existing outdoor gear manufacturer located in Brevard. Sylvan Sport will immediately occupy 50% of the building which allows for an income stream, and allows for additional square footage to market for existing businesses to expand or potential business recruitment.

Staff requested Commissioners hold a public hearing to receive public input on this project. The public hearing was properly advertised as outlined in North Carolina General Statute § 158-7.1. Under New Business, staff will be asking Commissioners to approve several items related to this project.

Chairman Chapman asked if Commissioners had any comments or questions prior to opening the public hearing. There were none.

Chairman Chapman declared the public hearing open at 7:09 p.m.

Tom Dempsey: Mr. Dempsey founded Sylvan Sport in 2004. He said his business thrives today, despite enduring hardships in the economy, thanks to the hard work and dedication of this team and because of the support from the community. Mr. Dempsey reported he currently employs more than 20 people and all of the positions exceed the living wage standard, with the average wage exceeding \$50,000 annually. Over the next three years, Mr. Dempsey intends to invest another \$5 million into the business to grow Sylvan Sport's employment to 45-50 people in the new space. Sylvan Sport manufactures products that are shipped to over 30 countries, 100 distributors and most of their components are made within 100 miles of Brevard or in the Sylvan Sport factory. Mr. Dempsey assured everyone manufacturing is alive and well in Transylvania County and stated the future is bright for companies like Sylvan Sport.

There were no further comments; therefore **Chairman Chapman declared the public hearing closed at 7:12 p.m.**

PROJECT AIKEN

Transylvania Economic Alliance Executive Director Josh Hallingse presented the information for the public hearing.

The Board of Commissioners has been asked to consider an economic incentive grant for Ellis Mountain Management, LLC, aka Project Aiken, a business entity considering the renovation and reopening of an existing historic property located in unincorporated Transylvania County, known as the Greystone Inn. The new owners currently own and operate The Wilcox, a well-known and established inn in Upstate South Carolina. Mr. Hallingse stated Transylvania County is fortunate the new owners are desirous of bringing back to life a property of such historic nature in our community.

The direct public benefits to be derived from the capital project include a total taxable investment by the company of at least \$1.2 million in real property improvements. The project as proposed would result in the creation of 41 new jobs through 2022, at an average wage of \$30,727, plus benefits. The contemplative incentives would last for a period not to exceed four years. This is based on the incentive policy scorecard, in which this project scored 70, and eligibility is based on performance (real property investment, creation of jobs, meet wage thresholds) and is granted back to them as a percentage of net new property taxes that are generated by the project. The maximum amount of incentives to be considered in this grant over the total period would be valued at \$17,169.60.

Staff requested Commissioners hold a public hearing to receive public input. The public hearing was properly advertised as outlined in North Carolina General Statute § 158-7.1. Following the public hearing and under New Business, staff will be asking Commissioners to approve the performance based economic incentive grant to Ellis Mountain Management, LLC, aka Project Aiken, with funds to come from the County's general fund.

Chairman Chapman asked if Commissioners had any comments or questions prior to opening the public hearing. Commissioner Chappell stressed to the public that these incentives are strictly performance based. The business must meet certain criteria before they are eligible to receive a grant back of taxes. There are no upfront monies given to businesses. Commissioner Hawkins pointed out the eligibility requirements are detailed in the County's policy. The Commissioners did not arbitrarily pick a dollar amount for the incentive. Chairman Chapman said there is a lot of work dedicated to improving economic development and jobs in this community. The County has contributed a tremendous amount of money toward this effort and he feels we are starting to see the benefits. This project shows people are interested in investing in Transylvania County. Commissioner Lemel noted that the Transylvania County Tourism Development Authority presentation just over a year ago revealed that Transylvania County suffers greatly with a deficit of hotel rooms. Tourists make day trips to Transylvania County, but have to go elsewhere to stay because there are so few hotel rooms. This project will be a step in the right direction to address that need.

Mr. Hallingse added that the Alliance is excited about this project. He pointed out that any economic development project requires a team effort. Clark Lovelace and partners at the Transylvania County Tourism Development Authority have been very helpful in this project. Mr. Hallingse also thanked the new owners for their willingness to make an investment in this project, noting they are excited about being here in Transylvania County.

Chairman Chapman declared the public hearing open at 7:18 p.m.

Judith West: Ms. West pointed out this project has much to be commended about, as pointed out by Commissioners and Mr. Hallingse. She called Commissioners attention to the proposed wages which average \$14.77/hour. She said many of these are not likely to be full-time jobs. In Transylvania County, a single person working full-time making anything less than \$12/hour is eligible for food stamps. In essence, this project calls for using tax dollars to support jobs that will not support a single person to put food on their table, and this fact does not consider families.

Clark Lovelace: Mr. Lovelace is the Executive Director for the Brevard/Transylvania Chamber of Commerce and the Transylvania County Tourism Development Authority. He pointed out how exciting it is for the Commissioners to have two public hearings this evening both related to economic development and the growth of business here in Transylvania County. He commended everyone for their efforts. Mr. Lovelace thanked Commissioner Lemel for referencing the TCTDA presentation. The TCTDA and Chamber are happy about the number of visitors coming to Transylvania County and the amount of money they are spending here is high, but there is an issue with demand. More people are staying in neighboring counties that would prefer to stay in Transylvania County, but those options do not exist. Project Aiken fills niches that currently do not exist. Transylvania County currently does not have a full service resort property or high end luxury accommodations or a way of showcasing one of the County's most beautiful assets like Lake Toxaway and Lake Toxaway Estates publicly without the Greystone Inn. The TCTDA very much supports this project. On a personal note, Mr. Lovelace revealed that the Greystone Inn was originally started by his parents. He spent his summers there and worked at the Inn in many roles so he very much cares about what happens with this property. He said he is impressed with the new owners and he has no doubt they are going to take great care of the property and it will be something we can all be proud to have here in Transylvania County.

There were no further comments; therefore **Chairman Chapman declared the public hearing closed at 7:23 p.m.**

PUBLIC COMMENT

Gerry Hunsicker: Mr. Hunsicker congratulated Commissioners on moving forward with the industrial building project. He wanted to address the Board on decisions they have made over the last several years. He said his main concerns have always been related to protecting locals/natives, jobs and burdensome taxes. Mr. Hunsicker said the County has spent an enormous amount of taxpayer dollars on government facilities, personnel, and wage increases over the last several years, while the growth of the County itself since 2010 has been approximately 1.2%. With regards to the new Courthouse, Mr. Hunsicker said he was supportive of the opposition letters written to the newspaper. He said he embarked on his own parking study at the current Courthouse and found there was very few times in which he could not find parking. He is concerned that moving the Courthouse to Morris Road will have a significant impact on downtown Brevard and will in turn cause traffic issues along Morris Road. Furthermore, he does not think turning the current facility into a museum is a viable option because younger generations have no interest in them. Mr. Hunsicker closed by saying it will take years of tax increases to accommodate Commissioners' decisions.

Cjon Conley: Mr. Conley is a Marine Corps JROTC member at Brevard High School and recently attended the 4-H Youth Summit at the NC Association of County Commissioners Annual Conference in Durham. He shared some of his experiences from the conference. Mr. Conley said one of the workshops he participated in was the True Colors workshop where he learned that his color gold indicated he is a great leader, punctual, and prepared. He also acted as chairman of a mock board where the board had to make difficult budget decision, like the reduction of a local library branch, and had to experience backlash from a mock public. The purpose was to show the young folks the difficulties the local officials have to face when making decisions that impact their entire counties. Mr. Conley stated it was an honor representing Transylvania County as a 4-H youth delegate. He said he made many good friends while there and was fortunate to make contact with Chairman Chapman and the County's NCACC Fellow Jonathan Griffin. He thanked Commissioners for the opportunity.

Mary Arnaudin: Ms. Arnaudin is the 4-H Youth Coordinator with the NC Cooperative Extension and she served as a first-time chaperone to the NCACC Annual Conference in Durham. She and another 4-H agent were responsible for 11 young people from WNC. She said none of them knew each other so it was amazing to see them making connections with each other. On the trip home, it was also fascinating to hear them share their experiences from the budget simulation workshop. They also shared with each other concerns about their own communities and how they saw a potential for making a difference through their local government. Ms. Arnaudin is using this experience to find ways to advance more civic education in 4-H and she pointed out some of the 4-H council members were in attendance tonight. This experience also showed her the importance of giving young people the opportunity to get outside their comfort zone, interact with colleagues across the State, and learn more about themselves as well local government. Ms. Arnaudin expressed appreciation to the Board for their support in allowing youth to participate and experience this opportunity each year.

AGENDA MODIFICATIONS

There were no agenda modifications from Commissioners. The Manager requested to remove the sealed closed session minutes from approval in order for additional review.

Commissioner Hawkins moved to approve the agenda as amended, seconded by Commissioner Phillips and unanimously approved.

CONSENT AGENDA

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

The following items were approved:

MINUTES

The Board of Commissioners met in regular session on Tuesday, November 14, 2017. The first part of the meeting consisted of a joint meeting with the City of Brevard in reference to the Golden Leaf: Light Industrial Building. Following the meeting, the Board held a closed session to consult with their attorney in which the minutes were sealed. Commissioners approved the minutes of the November 14, 2017 regular session. The sealed closed session minutes were removed under Agenda Modifications.

DISCOVERY, RELEASE & MONTHLY SETTLEMENT REPORT

Each month the Tax Administrator has a listing of proposed releases for that month. The Board of Commissioners has the responsibility of approving the releases. For the month of October, total tax dollars released was \$540.66 and refunds totaled \$1,594.56. Commissioners approved the October 2017 Discovery, Release and Monthly Settlement Report as presented.

VAYA HEALTH FISCAL MONITORING REPORT

Per North Carolina General Statute §122C-117 (c), the quarterly Fiscal Monitoring Reports (FMR) for the area authority must be presented to the Board of Commissioners in person and read into the minutes of the meeting at which it is presented at least twice a year. Commissioners formally received the 1st Quarter FMR Report from VAYA Health.

INTENT TO DONATE SURPLUS ITEMS TO TRANSYLVANIA VOCATIONAL SERVICES AND THE BOYS AND GIRLS CLUB OF TRANSYLVANIA COUNTY

Pursuant to North Carolina General Statute §160A-280, the County may donate any surplus personal property to another governmental unit or nonprofit organization incorporated in the United States. The County Manager has declared the below items surplus and is proposing to donate them as follows:

- Janitorial Supplies no longer used by County Housekeeping to the Boys and Girls Club of Transylvania County. This includes 17 two-liter bottles of ph7 Ultra and 33 two-liter bottles of GS neutral cleaner, which originally cost a total of \$2,981.
- Van to Transylvania Vocational Services to be used for their delivery service provided by special needs clients. This van was formerly used by Maintenance and then transferred to Animal Services, but is no longer needed by the County. The van is a 1994 Ford E250 (VIN 1FTFS24H7RHB38875) with a total of 61,838 miles on it.

At least five days prior to donation, the County must post a public notice of its intent to donate the property. A resolution to approve the donation will be presented at the December 12 Board of Commissioners' meeting. Commissioners authorized the posting of a notice of the Board of Commissioners' intent to donate surplus janitorial supplies to the Boys and Girls Club of Transylvania County and a surplus van to Transylvania Vocational Services.

REQUEST TO CLOSE COUNTY OFFICES FOR ANNUAL EMPLOYEE LUNCHEON

The Annual Employee Luncheon will be on December 8. In order for employees to travel from their work locations staff requested the following:

- All County Offices to close at 12:00 noon, except for the Landfill. The Landfill will need to close at 11:30 a.m. to perform closing procedures in order to be at the luncheon by 12:30 p.m.

Commissioners approved the request to close offices on the afternoon of December 8 as presented.

WAIVER OF ACTIVITY CENTER FEES FOR WESTERN CAROLINA COMMUNITY ACTION/SILVERMONT OPPORTUNITY CENTER

Lorna Festa, Director of the Silvermont Opportunity Center, would like to offer a free fitness class to the seniors frequenting the Silvermont Opportunity Center. The Silvermont Mansion has space limitations and will not accommodate this activity. The Activity Center at Parks and Recreation can accommodate this activity and is available on Wednesdays from 11 a.m.-12:00 noon during the period January 3-March 21, 2018. Through the use of general purpose grant monies from the Land of Sky, this will be a free opportunity for seniors and is an appropriate activity in which Parks and Recreation can partner with the Silvermont Opportunity Center and Western Carolina Community Action. This is coming forward for Board approval because staff does not have authority to waive fees. The financial impact of waiving the fees is \$20/hour rental fee x 12 Wednesdays=\$240 loss in rental fees. Commissioners approved the waiver of fees as requested.

PRESENTATIONS/RECOGNITIONS

EDUCATION FUNDING DATA

Prior to the presentation by staff, Chairman Chapman stated that Commissioners felt a strong need to ask the County Manager and staff to study County funding levels of education due to the fact there have been insinuations made that the County is not funding education at an appropriate amount. The County is faced with funding capital needs and the citizens will be asked to support a significant amount of money either through a bond or other methods or borrowing. He said Commissioners felt it was critical that staff perform a detailed analysis to show citizens where Transylvania County stands in support of education. Chairman Chapman announced that the presentation, along with the detailed spreadsheets, will be available to the public and posted on the website. The presentation will include comparisons to surrounding counties, like-size counties, etc. so we know where we stand in relation to other counties across the State. Commissioner Lemel pointed out that all five Commissioners are products of Transylvania County Schools which she touted as a mark of success.

Chairman Chapman turned the presentation over to the Manager. She provided an introduction to the presentation and then Management Analyst Jonathan Griffin presented his research on funding details and comparisons. The Manager noted that the presentation tonight will be the conclusion of the research and analysis of the data. The in-depth information will be made available on the website.

Setting the Stage

- In NC, Boards of Education are elected, but do not have authority to levy tax or any other revenue source
- Boards of Commissioners are required by law to fund capital for education (buildings, etc.), including capital needed annually to maintain facilities and take on debt for large capital projects such as new construction. Originally, State funding was intended to operate schools and pay salaries. In recent history, counties have also begun funding for annual expenses to operate in addition to capital funding. (\$11.2 million for FY 18 for Transylvania County)
- Federal and State funding is used to operate, except for lottery funds

- No request for large capital funding has yet been made from the Board of Education or staff although discussions have been underway

Setting the Stage-Funding Types

- Ways the County provides education funding:
 - Current Expense Funding: This is used for annual non-capital expenses with discretion from the School System on usage (\$11.8 million for FY 18)
 - Annual Capital Funding: This is used for capital expenses. The School System usually sends a prioritized list with their request annually. At one time these were broken into categories that match the state legislation with some being required support and others discretionary. (\$1.8 million for FY 18)
 - Debt Service: This is for debt payments for larger projects and included in the annual budget as county debt. (\$953,000 for FY 18)
 - Lottery Funds: The State collects funds and then distributes back to counties, but counties must sign off on the School System's applications for projects to use the funds. These funds may not be used for anything other than capital.

Education Funding Analysis: Why?

- Goal: Looking at comparison data will allow both the Board of Education and County Commissioners to discuss ways to utilize funding for the maximum gain and to facilitate a community conversation that should inform elected officials on both boards of community priorities
 - Some data points were listed in quotes in the newspaper covering Board of Education meetings, such as requests to compare County and School capital budgets, that helped guide the data collected
 - No formal request from the School System has been made on a bond, bond program or bond amount. A figure of \$93 million was used in fall 2016 during a capital planning workshop hosting both boards. A bond at that level would net in almost a 12 cent property tax increase or a 23.5% increase in tax bills (excluding fire or city/town tax)

Methodology and Sources (Mr. Griffin started presenting here.)

- Benchmarking:
 - Neighbor Counties (Jackson, Henderson, Buncombe, Haywood)
 - Peer comparison Counties for economic data (Scotland, Macon, Bladen, Dare, Montgomery, Jackson)
 - Peer comparison as submitted by Superintendent (Ashe, Greene, Martin, Anson, Cherokee, Jackson, Montgomery)
 - Two large urban and two small rural to test the data (Wake, Mecklenburg, Tyrell, Hyde)
- Sources:
 - North Carolina Department of Public Instruction Datasets (Facility Needs Surveys)
 - North Carolina Association of County Commissioners Budget and Tax Survey
 - Annual Financial Reports for School Systems
 - Transylvania County School System Budget Requests Since FY 2003
 - Transylvania County Budgets Since FY 2003

Key Points

- As reflected in the budget presentation annually, the County funds annual operating expenses, or "current expense", at the fifth highest per student rate in the state. This analysis showed that by any standard, Transylvania County Government funds schools better relative to economic peers, school system peers and neighbors in both capital and annual expenses.

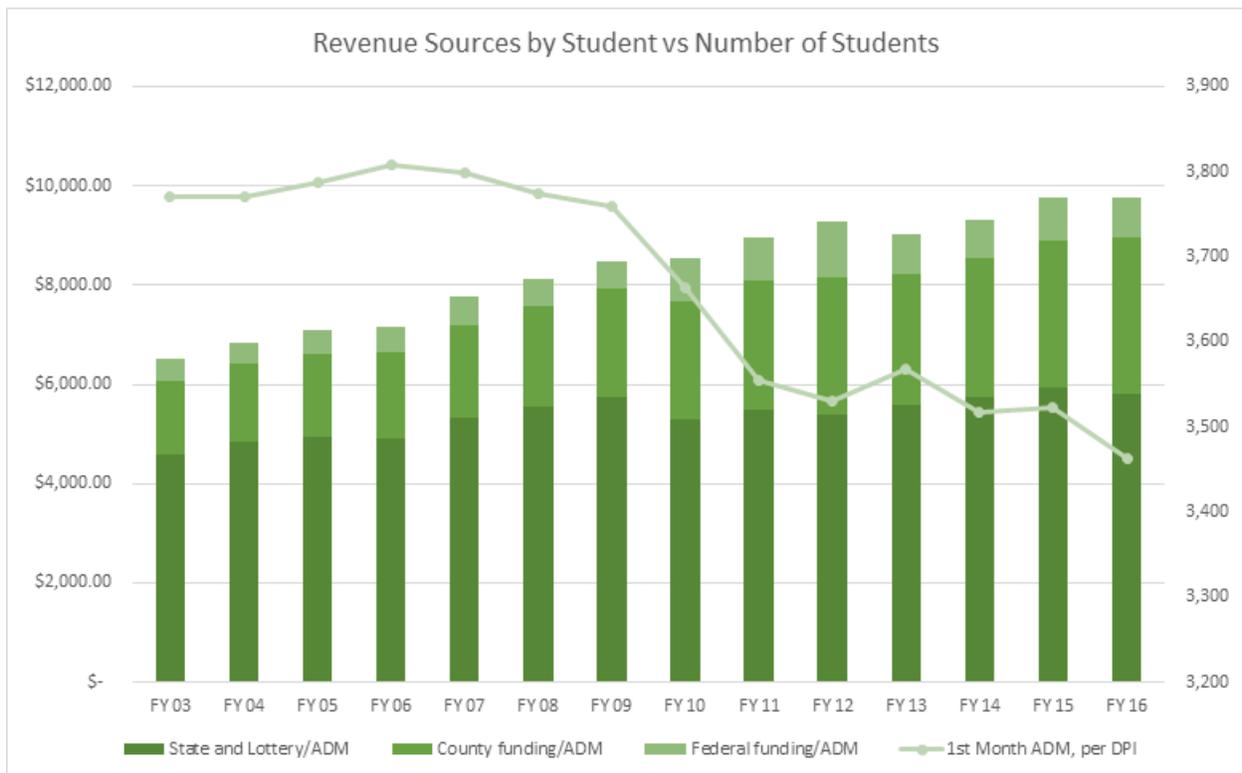
- Transylvania County has appropriated more for School System capital needs than for other governmental needs
- Transylvania County School's Plant Operations (i.e. annual maintenance) budget is higher than Transylvania County's annual maintenance budget (more services are contracted out)
- Including Lottery Funds, Additional Revenues and Fund Balance Drawdowns raises questions of what needs were actually deferred
- Communication could be improved to show year-to-year what gets deferred on capital after the request is funded

Transylvania County Schools v Peer Comparisons

School System	Students	FY 16 Total Expenses Per Student	FY 16 State Revenue per Student	FY 17 Total Local Funding Per Student	FY 16 Total School System Budget	% in Charter School
Hyde	589	\$18,223.72	\$12,540.78	\$3,136.31	\$10,733,772	0.00%
Tyrell	600	\$14,899.28	\$11,140.85	\$1,403.47	\$8,939,565	0.00%
Dare	4,976	\$11,853.34	\$5,793.99	\$4,637.28	\$58,982,202	0.03%
Martin	3,151	\$11,781.77	\$7,335.31	\$1,983.78	\$37,124,342	11.20%
Transylvania	3,402	\$11,637.66	\$5,905.78	\$3,888.10	\$39,591,307	7.80%
Anson	3,329	\$10,740.81	\$7,474.67	\$1,136.86	\$35,756,159	0.05%
Scotland	5,821	\$10,694.42	\$6,769.54	\$1,882.50	\$62,252,209	0.10%
Greene	3,110	\$10,630.77	\$7,460.29	\$900.85	\$33,061,683	0.03%
Montgomery	3,910	\$10,582.88	\$6,749.21	\$1,396.16	\$41,379,045	3.50%
Ashe	3,004	\$10,564.88	\$7,053.26	\$1,578.53	\$31,736,909	0.05%
Bladen	4,511	\$10,424.82	\$6,454.39	\$3,719.96	\$47,026,348	0.58%
Cherokee	3,294	\$10,389.37	\$6,190.82	\$1,987.49	\$34,222,589	0.55%
Wake	157,763	\$10,307.61	\$5,318.52	\$2,598.27	\$1,626,159,706	6.40%
Jackson	3,754	\$10,246.45	\$6,031.72	\$2,092.94	\$38,465,173	6.70%
Macon	4,341	\$10,140.09	\$6,132.29	\$4,503.01	\$44,018,150	1.40%
Haywood	7,156	\$10,102.01	\$5,624.95	\$2,200.66	\$72,289,987	5.20%
Buncombe	28,730	\$10,067.65	\$5,581.64	\$2,876.50	\$289,243,515	0.61%
Mecklenburg	145,830	\$9,623.30	\$5,185.22	\$2,869.46	\$1,403,366,000	10.20%
Henderson	13,467	\$8,562.67	\$5,647.86	\$1,924.70	\$115,313,418	4.40%

- Funding per student is higher than other counties (Hyde and Tyrell are very small comparisons)
- The average tends to hover around \$10,500 total spending per student in the annual school budgets. If operational efficiencies netted in savings of \$1,000 per student to get closer to those comparison amounts, that would net a total of \$3.4 million or the equivalent of almost 7 cents on the property tax rate that could be used towards capital. While it is important that factors that net in student success be prioritized, any per student decrease in spending that could be achieved by understanding how the costs are lower in other counties would free up local funding for capital on a potential bond.
- Transylvania County Schools is similar to urban areas for % of students in charter school environments. In 2016, roughly \$890,000 of local funding went to the charter school because the funding follows the student. This could account for some of the per student differences in like size communities.

Funding Has Grown from All Sources (State, Federal, Local) with Declining Student Population



- County appropriations for schools have grown at an average 4.71% annually since FY 03 while other County appropriations have grown 3.21% average annually, but service numbers for other County services such as Social Services, EMS, Library usage, animal control demands, etc. have grown. The State funding for FY 17 will show more of a discrepancy in part due to an error in reporting from the School System to the State that resulted in a \$500,000 reduction in funds from the State as referenced in the local newspaper.
- State funding per student has been steadily increased over time and the total appropriations for schools from state funding has grown an average of 1.2% per year since 2003 even though student population has decreased by .6% annually
- The School System has lost the equivalent to a whole school's worth of students since FY 03. According to the County's Comprehensive Plan, student population has grown slightly in the County, but that is reflective of growth in private options and the charter school in the County.

Transylvania County has Appropriated More for School Systems than Other Capital Needs and Operates with Less Annual Maintenance Costs

- There is some argument of different usage types in each facility
- County buildings averaged \$750,000 total over 10 years
- School System averaged \$1.4 million over same time period
- Total budget for County maintenance comparison to Plant Operations found:
 - Roughly same average age of square footage per building
 - \$320,000 annual cost difference between personnel and contract services (contracted out HVAC, grass) that could be evaluated further for potential efficiencies in school facilities
 - HVAC expenditures are high in schools (\$1.5 million spent in capital funding on HVAC costs over 10 year period)

- Generic capital expenditures on the request sheets totaled \$1.7 million over the same time period

Capital Funding is on Par with Urban Counties in Funding Per Facility, Per Student and Overall

Counties / School System	Student Count in August 2016	Number of Schools	Total FY 2017 Local Budget (Current Expense + Capital) ²	Local Expenses by Number of Schools	Local Expenses by Student Count
Mecklenburg	145,830.00	171	\$ 418,453,792.00	\$ 2,447,098.20	\$ 2,869.46
Wake	157,763.00	171	\$ 409,911,000.00	\$ 2,397,140.35	\$ 2,598.27
Dare	4,976.00	11	\$ 23,075,113.00	\$ 2,097,737.55	\$ 4,637.28
Macon	4,341.00	11	\$ 19,547,575.00	\$ 1,777,052.27	\$ 4,503.01
Buncombe	28,730.00	51	\$ 82,641,869.00	\$ 1,620,428.80	\$ 2,876.50
<u>Transylvania</u>	3,402.00	9	\$ 13,227,315.00	\$ 1,469,701.67	\$ 3,888.10
Bladen	4,511.00	13	\$ 16,780,761.00	\$ 1,290,827.77	\$ 3,719.96
Henderson	13,467.00	23	\$ 25,920,000.00	\$ 1,126,956.52	\$ 1,924.70
Haywood	7,156.00	16	\$ 15,747,929.00	\$ 984,245.56	\$ 2,200.66
Ashe	3,004.00	5	\$ 4,741,903.00	\$ 948,380.60	\$ 1,578.53

- Transylvania ranks high compared to both economic and school system size peers

Transylvania County has a Low Number of Students Per School

Counties / School System	High Schools	Middle Schools	Elementary Schools	Alternative Schools	Total Schools	Average Number of Students Per School
Wake	27	34	106	4	171	923
Mecklenburg	27	27	109	8	171	853
Ashe	1	1	3	0	5	601
Henderson	5	4	13	1	23	586
Buncombe	11	12	27	1	51	563
Greene	2	2	2	0	6	518
Dare	3	2	5	1	11	452
Haywood	4	3	9	0	16	447
Jackson	3	0	5	1	9	417
Scotland	2	3	8	1	14	416
Macon	2	2	4	3	11	395
<u>Transylvania</u>	<u>2</u>	<u>2</u>	<u>4</u>	<u>1</u>	<u>9</u>	<u>378</u>
Montgomery	2	2	6	1	11	355
Bladen	2	4	7	0	13	347
Martin	2	2	6	0	10	315
Anson	4	2	5	0	11	303
Cherokee	4	2	7	1	14	235
Tyrrell	1	1	1	0	3	200
Hyde	1	0	1	1	3	196

- Of the 19 counties, Transylvania County has a low number of students per school compared to economic, student number peers and neighboring schools.

Transylvania County Schools has the 2nd Highest Annual Appropriation for Capital of the 19 Counties

Counties / School System	Student Count in August 2016	Number of Schools	Capital Outlay FY2017	2017 Capital Outlay by Number of Schools
Buncombe	28,730.00	51	\$ 13,318,569.00	\$ 261,148.41
<u>Transylvania</u>	3,402.00	9	\$ 1,800,000.00	\$ 200,000.00
Macon	4,341.00	11	\$ 1,729,091.00	\$ 157,190.09
Jackson	3,754.00	9	\$ 1,030,700.00	\$ 114,522.22
Hyde	589.00	3	\$ 274,760.00	\$ 91,586.67
Greene	3,110.00	6	\$ 484,644.00	\$ 80,774.00
Bladen	4,511.00	13	\$ 1,009,516.00	\$ 77,655.08
Dare	4,976.00	11	\$ 850,000.00	\$ 77,272.73
Henderson	13,467.00	23	\$ 1,600,000.00	\$ 69,565.22
Martin	3,151.00	10	\$ 596,888.00	\$ 59,688.80

- Average appropriation of \$200,000 per facility, which is 2nd only to Buncombe County out of the 19 comparison counties

Transylvania County Reported Capital Needs are Higher than Other Like Jurisdictions

Counties / School System	Self-Reported Facility Needs Survey FY2016	Facility Needs Ratio Per Student	Facility needs Ratio Per School	Most Recent School Construction
Wake	\$ 866,928,008.00	\$ 5,495.13	\$ 5,069,754.43	2016
Mecklenburg	\$ 439,176,801.00	\$ 3,011.57	\$ 2,568,285.39	2016
<u>Transylvania</u>	<u>\$ 101,416,269.00</u>	<u>\$ 29,810.78</u>	<u>\$ 11,268,474.33</u>	1991
Henderson	\$ 100,884,892.00	\$ 7,491.27	\$ 4,386,299.65	2013
Anson	\$ 85,522,286.00	\$ 25,690.08	\$ 7,774,753.27	-
Buncombe	\$ 63,792,812.00	\$ 2,220.43	\$ 1,250,839.45	2016
Macon	\$ 41,929,653.00	\$ 9,658.98	\$ 3,811,786.64	2010
Ashe	\$ 29,014,949.00	\$ 9,658.77	\$ 5,802,989.80	2000
Martin	\$ 14,592,184.00	\$ 4,630.97	\$ 1,459,218.40	2011
Cherokee	\$ 12,986,164.00	\$ 3,942.37	\$ 927,583.14	-
Greene	\$ 9,098,980.00	\$ 2,925.72	\$ 1,516,496.67	-
Jackson	\$ 5,201,596.00	\$ 1,385.61	\$ 577,955.11	2016
Montgomery	\$ 4,557,160.00	\$ 1,165.51	\$ 414,287.27	2009
Scotland	\$ 4,080,630.00	\$ 701.02	\$ 291,473.57	2010
Haywood	\$ 3,882,413.00	\$ 542.54	\$ 242,650.81	2016
Hyde	\$ 3,201,776.00	\$ 5,435.95	\$ 1,067,258.67	-
Tyrrell	\$ 120,156.00	\$ 200.26	\$ 40,052.00	-
Dare	\$ -	\$ -	\$ -	2016
Bladen	\$ -	\$ -	\$ -	1999

- Transylvania County has reported school capital needs to the State on par with urban and growing student populations. When you divide the total amount of needs reported by number of school or number of students, Transylvania County becomes a high outlier in economic peers, school system size peers and neighbors.

Local Capital Funding History

- The chart below is the hand out issued by the School System during the budget request for FY 17 to show a deferred capital need of \$5.3 million, but only accounted for capital coming from annual County appropriation. It did not include capital funding from other sources that can only be used for capital such as the lottery funding. During review, it was apparent that follow up on requests and funding were not followed through year-to-year. The only documents submitted were annual requests so deferred needs were not communicated. This could be an area to improve communication around deferred capital needs between the Board of Education and County Commissioners on an annual basis.

	CO Funded	CO Request	Cumulative Difference
FY05	1,325,022	1,498,990	173,968
FY06	1,857,197	1,675,000	(8,229)
FY07	2,218,385	2,241,135	14,521
FY08	1,868,385	3,123,055	1,269,191
FY09	1,868,385	2,317,844	1,718,650
FY10	1,046,963	2,011,533	2,683,220
FY11	1,046,963	2,291,089	3,927,346
FY12	746,963	846,963	4,027,346
FY13	1,000,000	1,868,385	4,895,731
FY14*	1,888,563	1,800,000	4,807,168
FY15	1,600,000	1,600,000	4,807,168
FY16	1,600,000	2,110,824	5,317,992

*Includes \$165,703 loaned to schools for BHS athletic field lighting and \$122,860

- By state legislation, lottery funds are to be used to supplement capital needs that are the responsibility of county governments.
- Evaluation of School System capital requests since FY 03 against funding from the County, lottery and other capital funding, such as donations, reflect \$961,030 of requested needs not funded over the 13-year period.

Transylvania County is Comparable to Other Jurisdictions on School Financing Practices, but has Lower Debt

Counties / School System	Most Recent Successful GDO Bond Referendum for Schools	Debt Issued in Most Recent Bond Sale	Most Recent Alternative Financing (COPS, QZAB, QSCB)	Debt Issued in Alt Financing	Immediate Prior Bond Referendum (if applicable) post 1995
Dare	5/20/1997	\$ 59,500,000.00	7/1/2014	\$ 3,073,000.00	---
Wake	10/8/2013	\$ 810,000,000.00	3/2/2017	\$ 96,152,094.00	10/7/2006
Macon	11/6/2007	\$ 42,100,000.00	8/1/2015	\$ 2,985,878.00	---
Mecklenburg	11/5/2013	\$ 290,000,000.00	10/18/2016	\$ 150,000,000.00	11/6/2017
Henderson	---	\$ -	6/3/2010	\$ 24,271,510.00	11/18/1997
Ashe	---	\$ -	11/22/2010	\$ 2,896,202.00	---
Buncombe	10/5/1999	\$ 45,000,000.00	12/16/2010	\$ 3,675,000.00	---
Martin	7/12/2005	\$ 17,100,000.00	5/19/2011	\$ 15,000,000.00	---

Hyde	---	\$	-	10/18/2010	\$	3,002,692.00	
Bladen	9/15/1998	\$	25,000,000.00	9/20/2011	\$	1,523,700.00	---
Jackson	---	\$	-	11/27/2012	\$	2,284,380.00	---
Montgomery	---	\$	-	9/1/2012	\$	3,132,538.00	---
Haywood	5/3/2005	\$	25,000,000.00	12/1/2013	\$	1,700,000.00	---
Transylvania	11/4/1997	\$	24,300,000.00	3/2/2010	\$	1,297,778.00	---
Scotland	11/5/1996	\$	18,600,000.00	7/15/2010	\$	3,000,000.00	---
Greene	---	\$	-	---	---		---
Anson	---	\$	-	---	---		---
Cherokee	---	\$	-	12/21/2010	\$	1,282,886.00	---
Tyrrell	---	\$	-	---	---		---

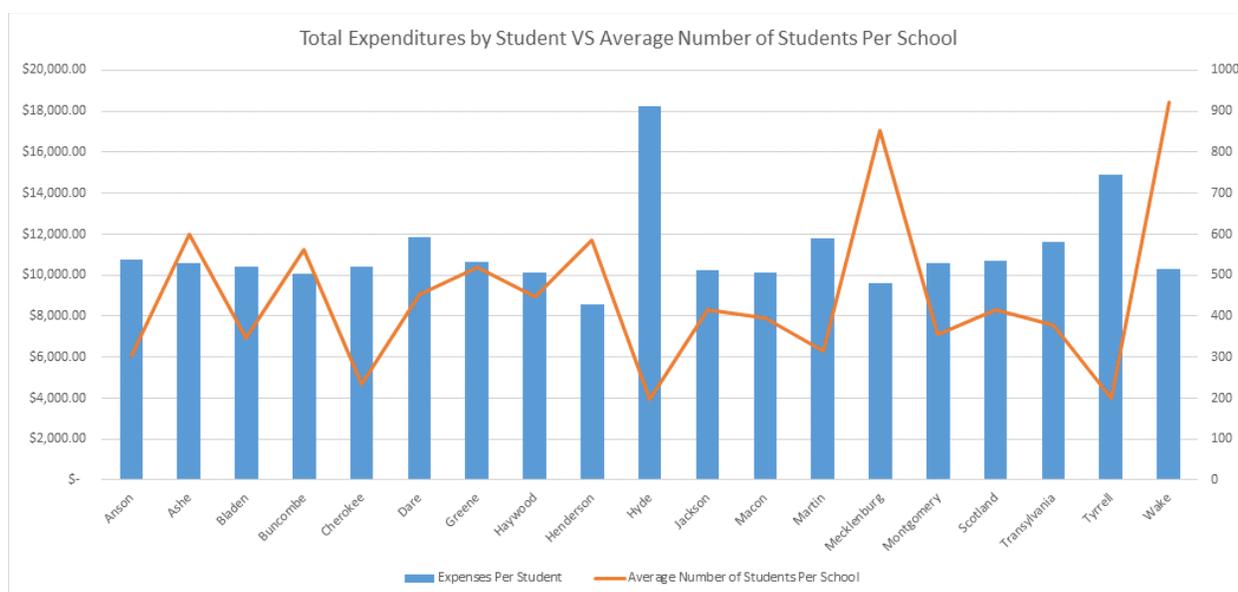
- Transylvania County has not financed for schools since 2010 which is comparable to other systems and remains low on the debt carried compared to other jurisdictions. Evaluating financing information on the DPI website, reflects that types of financing such as GO Bonds vs Limited Obligation Bonds tends to go in waves. LOB or COP financing is only advisable when a community has thoroughly studied all alternatives and conducted a public conversation on those alternatives to achieve an overall consensus on the proposal to be funded. Very high or project scopes that are not fully vetted in the public are candidates for GO Bond because the conversation with the public occurs during the electoral cycle where the bond will be voted on. COPS and LOBS also require that detailed architectural and engineering drawings be complete prior to using that funding method which requires substantial upfront funding from the county budget making it critical there is public support to proceed. GO Bonds only require a general project scope and allow the public to weigh in early on priorities.

Funding From Cash Reserves – Fund Balance

- Counties, but not schools, are required by the Local Government Commission to carry a fund balance
- Many bond rating agencies require that jurisdictions carry comparative fund balances to like-size communities in order to get an optimal rate when borrowing funds
- Transylvania County's fund balance has decreased overall over the years
- As of 2016, the County's fund balance totaled 26% of expenditures; undesignated fund balance totaled \$12.5 million (it is currently less due to recent Board decisions)
- Conversations with the Local Government Commission reflect it would not be wise to draw down fund balance significantly if the intention of borrowing funds is on the horizon (LOBs, COPs, or bonds); could impact interest rate

How Can This Data Be Used?

- Collaborate with other systems to see how they are operating on less but maintaining or increasing student achievement
- Be able to compare options and have the community conversation so that the public can make priorities known to elected leaders. For instance, maybe we would rather pay more to achieve a community goal.
- For example, the graph below shows that spending per student and ADM per schools have a relationship. The fewer the students per school, the higher the costs. As staff worked on this study, they became aware that many of the more rural systems are evaluating how many facilities they operate to put that funding towards providing more in the classroom to drive student achievement. Scotland County is one of those examples. Transylvania County ranks higher in total funding per students, but is similar to Scotland County in the number of students per school.



Case Study: Scotland County

- Scotland had 416 students/school compared to Transylvania at 378 students/school. They are less economically sound as a county and rank lower on student performance based on DPI scores. They also have a smaller percentage of charter schools. (Transylvania County sent approximately \$980,000 in current year funds from the public school system to charter schools because the funding follows the student.)
- Scotland County Board of Education approached Commissioners with a plan:
 - Meet capital needs without a tax increase
 - Achieve operational savings by consolidating schools from 14 to 9 over three phases
 - No layoffs of staff
 - Achieved \$2.5 million in savings of local property tax funds, or \$429 per student
 - By agreement between the two boards, \$500,000 reserved for additional current expense needs to provide more funding in the classroom and for other initiatives
 - \$2 million to go toward annual debt service (\$341 per student)
- Increases the # of students/school to 646 students/school once all three phases in place. *Similar to Ashe County at 601 which performs slightly better than Transylvania County Schools according to DPI.*
- To put this in perspective, if Transylvania County were able to save similar in operational spending per student, it would net in \$1.45 million per year or the equivalent of 3 cents on the property tax rate that could be used to pay debt service (roughly ¼ of the tax increase necessary to pay on a \$93 million bond proposal).

Commissioner Lemel asked for clarification on ADM funding for charter schools. She asked if monies are taken away from the public School System to fund charter schools. The Manager reported that the State has devised a formula by which the School System must follow should they lose enrollment. The funding follows the student. The County and School System use a local formula to determine annual funding, but it includes a hold harmless provision should there be a dramatic reduction in ADM. The Manager pointed out total budget includes the \$980,000 figure that was transferred to the charter school which is one reason it was previously noted that Transylvania County is more like urban areas with its percentage of charter schools. The number of students enrolled in charter schools are not being calculated in the base number from DPI. That could be a factor for some of the difference, but it does not equal \$1,000 per student that could be realized in potential savings.

Commissioner Lemel departed the meeting at 8:10 p.m. because she had to travel to Raleigh for an early morning meeting. She is involved with a group headed by State legislators on revamping the State's social services and child welfare systems.

Room to Improve

- There may be best practices to be learned from other counties after looking at the data to examine how they are able to achieve student performance while spending less per student. Note that Transylvania County is performing well compared to comparison counties for peers of both types and neighbors. The rankings for DPI include charter school rankings which is why the total number is higher than the county systems number.
- The public may prioritize the same number of schools over savings in the current expenses or on new capital investments
- Even without consolidation alternatives, there may be best practices to be learned from other counties to help reduce operational costs to support student funding
- At the County level, most of the services provided are health and human services related and are services the private sector cannot necessarily provide and sustain. While this involves an empathic approach to providing services, the County applies business practices to how it operates in order to reduce costs as much as possible and still maintain the highest level of service.

Counties / School System	Expenses Per Student	M-1 ADM FY2017	Rank out of 200 (2017)
Hyde	\$ 18,223.73	589	42
Henderson	\$ 8,562.67	13467	46
Haywood	\$ 10,102.01	7156	52
Dare	\$ 11,853.34	4976	61
Ashe	\$ 10,564.00	3004	63
Transylvania	\$ 11,637.66	3402	68
*Wake	\$ 10,307.61	157763	70
Cherokee	\$ 10,389.87	3294	75
Buncombe	\$ 10,067.65	28730	82
Macon	\$ 10,140.09	4341	84
Mecklenburg	\$ 9,623.30	145830	109
Bladen	\$ 10,424.82	4511	139
Jackson	\$ 10,246.52	3754	145
Scotland	\$ 10,694.00	5821	146
Tyrrell	\$ 14,899.89	600	150
Anson	\$ 10,740.00	3329	153
Martin	\$ 11,781.77	3151	163
Montgomery	\$ 10,582.88	3910	166
Greene	\$ 10,630.77	3110	---

Next Steps

- The full data set will be available on the County website and can easily be sorted and analyzed; already been shared with School leadership with feedback incorporated including tax valuation total and tax rate
 - Transylvania County is in the upper 1/3 for % funding to education of County total budget
 - Transylvania County is in the lower 1/3 of tax rates
- Encourage Board of Education and staff as they evaluate the data findings
 - Maintain or increase student achievement and scores
 - Look for best practices in other systems that could lead to savings that do not impact student achievement, such as utility savings and other efficiencies
 - Help facilitate community conversation on priorities for funding schools
 - Continue to maintain education as a high priority and advocate to maintain or increase funding at State and federal levels

This concluded the presentation. Chairman Chapman called for discussion. This is a summary:

Q. by Commissioner Hawkins. Is that data shown from a period of one year? Would the one-year data translate into the same rankings if the data would have been presented over a five-year weighted average?

A. Partially. A lot of the local information has been compiled from several years. Some of information related to County expenses on capital requests is across 10 years. The benchmarking information compares one year. The information is largely similar and staff is confident that a three-year average would show at least the same or roughly similar.

Q. by Commissioner Hawkins. In terms of maintenance expenditures, one area benchmarked was total square footage. The inference is the cost should be equivalent, but how can that be true when the usage of the facilities is so different?

A. The reason for the data was not necessarily to draw a direct comparison between maintenance costs because there are definite nuances to how the various facilities are used. The data was provided as a response to a request from one of the Board of Education members in a local newspaper article. With that said, staff was able to specifically identify expenditures for HVAC and HVAC contracts and it appears there could be room for savings there.

Q. by Commissioner Hawkins. The Scotland County example is a great example. It should be noted that Scotland County has been identified as a peer county for economic purposes, but for this purpose Transylvania County does not want to be like Scotland County. The example used here is for education and idea that they have had. What is the timing on the completion of their phase work?

A. The work is ongoing. The case study information came from David Cheatwood who provided in-time modeling of several capital projects with different financing terms to Commissioners and the Board of Education during a joint meeting a few months ago. He reported during a recent visit to the County that he took the same idea to Scotland County and helped show them how funding needs change over a period of several years with implementation of the proposed plan and highlight for them the significant savings that would be realized when the phases were complete. Phase one has already begun. Mr. Cheatwood had with him the details of their work and it happened to be that Scotland County is listed as one of Transylvania County's peer counties. This provided a good comparison, but staff also was able to compare the same with Ashe County because Scotland County does not perform as well as Transylvania County in terms of student performance. Ashe County is slightly ahead of Transylvania County.

Q. by Commissioner Chappell. For clarification, from which timeframe were the ADM data used?

A. All the student count numbers came from August 2016. Using month one of the school year seems to be standard practice by other organizations.

Q. by Commissioner Hawkins. The Comprehensive Plan references an increase in the school age population. During what timeframe was there an increase?

A. The Comprehensive Plan used data through 2010 because it referenced the US Census. There will be an update with the new 2020 US Census. It is not fastest growing population, but there has in fact been a growth in young families and students in Transylvania County.

C. by Commissioner Phillips. Dare County is a peer county because their population and student enrollment is very similar; however, Dare County's average household income is quite higher than Transylvania County. They are able to increase funding for schools without raising taxes to the extent other counties might. This has a bearing on what citizens can afford.

A. One of the suggestions the School System made was to add information about totaled assessed valuation. There wasn't time to incorporate that information into this presentation, but it will be made publicly available online. Staff took the assessed valuation for each community from the most recent NCACC survey and divided it by student count and facility count to get a snapshot of those comparisons as well.

Chairman Chapman and Commissioners thanked the Manager and Mr. Griffin for all the work that went into gathering and analyzing this data. He reiterated the reason for this presentation is to educate and inform the public. The County has received no formal request from the Board of Education, but once that occurs, further analysis can commence.

JOINT HISTORIC PRESERVATION COMMISSION (JHPC) ANNUAL REPORT

Chair Marcy Thompson provided a brief update on the work successfully accomplished by the Joint Historic Preservation Commission (JHPC) in 2017. Transylvania County received Certified Local Government (CLG) status, becoming a partner in the Federal preservation program with the National Park Service and State Historic Preservation Office, in 1989. One requirement of being a CLG is to complete and file an annual report with the State Historic Preservation Office in November. The JHPC bylaws also require an annual report be presented to the County. The purpose of this presentation is to share the 2017 Annual Report and the JHPC Strategic Plan, as well as to underscore the value of historic preservation.

JHPC Purpose

- Safeguard our heritage by preserving historic landmarks that our an important part of our culture and history
 - Preservation shows who we are as a community and that we care about our community
 - Vibrant downtown and well-maintained historic structures add to quality of life, aid in economic development and bring in visitors
- Provide a joint effort between Brevard, Rosman and Transylvania County to preserve historic resources
- Inventory and recommend local historic landmark designation for properties of historical, architectural or cultural significance
- Conduct educational programs
- Review proposals for alteration or demolition of historic landmarks
- Work with state, federal and local governments on related issues

Membership

- Joint commission representing City of Brevard, Town of Rosman, and Transylvania County
- 9 members appointed by Board of Commissioners
- Background or history in history or architecture

Activities

- Developed a Strategic Plan to guide JHPC activities for next 5-10 years to ensure their goals aligned with the County's Strategic Plan and followed NC General Statutes for preservation
- Submitted annual Certified Local Government report
- Partnered with the Transylvania County Historical Society to complete a State grant for the Allison-Deaver House roof repair
- Applied for National Parks Service grant to list at least one of the nine community centers on the National Register of Historic Places; expect to receive information on award by end of the year
- Initiated partnership with Heart of Brevard and the Rowell Bosse NC Room of the Transylvania County Library, to highlight the history of downtown properties for a web-based walking tour with accompanying brochure
- Hosted a joint meeting for history related groups to encourage greater awareness and partnership
- Applied for a grants to support historic preservation and education

This concluded the presentation. Commissioners thanked her for the presentation and commended the JHPC for the very important work they do.

RECOGNITION OF EMPLOYEES RECEIVING SERVICE AWARDS IN 2017

At the Annual Employee Luncheon employees with 5, 10, 15, 20, 25 and 30 years of services are recognized and presented with a Certificate of Appreciation and a Service Recognition Gift. The following employees will be recognized these for their years of service.

25 Years	20 Years	15 Years	10 Years	5 Years
Kevin Creasman	Jessica McCall	Ginger Owens	Darrell McCall	Tanna Norton
Gerald Grose	Mike Owen	Richard Pearson	Tom Wehrle	Jeff Story
Eddie Gunter	Gilda Ruddy	Amy Parker	Ernie Miller	Karen Owen
David Mahoney	Kimberly Rogers	Gay Poor	Christy Lyday	Dell Barber
Mark Norton		Gene Potts	Trisha Hogan	Brandon Holden
Greg Tinsley		D'Ree Powell	AJ Sizemore	Andrew Shook
Kevin Shook		Pete Stamey	Desiree Abram	Kris Foster
			Mark Ellenberger	Bill Carroll
			Bonita Freeman	Thela Murdock
			Justin Bell	Samuel Owen, Jr.
			Wade Abram	Christopher Clark
			David Galloway	Lynn Morgan
			Laura Rinehart	Tosha McKinney
				Teresa Mayes
				Sabrina Griffin

APPOINTMENTS

JUVENILE CRIME PREVENTION COUNCIL

The Juvenile Crime Prevention Council (JCPC) is made up of many community and local government leaders and professionals. North Carolina General Statute §143B-846 outlines the membership of the JCPC. It states that the director of the county department of social services or that person's designee shall serve as a member of the JCPC. Former DSS Director Tracy Jones is still on the membership roster and she should be replaced. New DSS Director Darrell Renfroe submitted his application to fill this role on the JCPC.

Commissioner Hawkins moved to appoint DSS Director Darrell Renfroe to fill the statutorily required position on the Juvenile Crime Prevention Council, seconded by Commissioner Phillips and unanimously approved.

OLD BUSINESS

C.A.R.E. COALITION PARTNER PLEDGE

Kristen Gentry, the Youth and Community Outreach Coordinator with the C.A.R.E. Coalition, presented this item. The C.A.R.E. Coalition is committed to reducing substance abuse in Transylvania County and seeks to join with community partners to make Transylvania County a nurturing, vibrant place for kids to grow into healthy, responsible, drug-free adults. Promoting a drug-free community and preventing substance abuse requires collective effort. The C.A.R.E. Coalition aims to create comprehensive environmental change by promoting a positive environment for young people. By offering them healthy activities, the chance to develop skills, by forging relationships with caring adults around the community, youth can be empowered to make choices toward a bright future.

The C.A.R.E. Coalition has requested its community partners and County Commissioners as leaders in this community join the effort by signing the partner pledge as a public statement of support for the community's young people and the C.A.R.E. Coalition's vision. Through this pledge, community partners are supporting kids' right to grow up in a safe, healthy County, free of substance abuse and underage drinking, encouraging kids to take the right risks by taking advantage of what the County has to offer and learning to succeed despite adversity, and making an investment in the future of Transylvania County.

The C.A.R.E. Coalition made a formal presentation to Commissioners on October 23 and asked the Board to support the Partner Pledge. Commissioners requested this item be placed on a future agenda for action by the Board. Chairman Chapman read aloud the Partner Pledge for the benefit of the public.

Commissioner Hawkins authorized the chairman to sign the pledge on behalf of Transylvania County, seconded by Commissioner Chappell and unanimously approved.

Chairman Chapman presented the signed pledge to Ms. Gentry.

OFFER TO PURCHASE OLD ANIMAL SHELTER PROPERTY ON ROSS ROAD

On June 13, 2017, the Board of Commissioners accepted an offer of \$10,000 to purchase the old animal shelter property located on Ross Road and authorized staff to sell the property through the upset bid procedure outlined in North Carolina General Statute §160A-269, provided that final acceptance of the final high offer shall be subject to approval by the Board.

The upset bid procedure began on June 22, 2017 and ended on November 16, 2017 at 5:00 p.m. During that period of time, five separate people made bids on the property. The last and highest bid received was from Raymond Merrill with R&D Investments, Inc. in the amount of \$33,000 and his bid was not upset. The Board has 90 days after the final upset bid period has passed to determine whether or not to accept the final high bid.

Staff reminded Commissioners that the property was deemed unfeasible for a dog park and there was no other County use determined for the property either.

The financial impact is \$33,000 plus or minus attorney fees and closing costs. The property has a tax value of \$45,000.

Commissioner Phillips moved to accept the final high bid of \$33,000 from Raymond Merrill with R&D Investments, Inc. and authorize staff to sell the property and transfer the title to the buyer by Special Warranty Deed upon receipt of payment in full. The motion was seconded by Commissioner Hawkins. Commissioner Chappell thanked staff for their due diligence on determining if there was appropriate County use prior to disposal. **The motion was unanimously approved.**

NEW BUSINESS

GOLDEN LEAF: LIGHT INDUSTRIAL BUILDING

The Board of Commissioners held a joint meeting with the City of Brevard on November 14, 2017 to approve the legal documents necessary for collaboration on this project. The public hearing was held at the beginning of the meeting on funding being appropriate for economic development purposes in accordance with State law.

Staff requested the Board of Commissioners approve additional items so the project can commence, to include:

1. Award Construction Bid
2. Approve Project Budget
3. Appropriate Funding
4. Authorize County Manager to oversee project

Commissioner Chappell moved to:

1. **Award the bid for construction to Harper Corporation for \$4,433,000;**
2. **Approve the project budget of \$4,718,300 for the entire project including a 10% contingency budget. \$200,000 of costs for the project will be paid directly from the Alliance with the state grants funds.**
3. **Authorize the use of funds as follows:**
 - a. **Approve a budget amendment transferring \$3,000,000 from the General Fund's assigned fund balance, \$718,300 from unassigned fund balance, and \$1,000,000 in Golden Leaf Foundation grant funds from General Fund revenues to a capital project fund established through a Project Ordinance for the Golden Leaf Foundation: Light Industrial Facility. (This assumes the \$200,000 from the NC Department of Commerce will be paid directly to TEA.)**
 - b. **Authorize the County Manager to oversee the capital project for the Golden Leaf Foundation: Light Industrial Facility and approve all change orders as long as the total costs stays with the approved overall budget costs. All change orders will be reported to the Board of Commissioners on a monthly basis.**

The motion was seconded by Commissioner Phillips. Commissioner Hawkins emphasized how important this project is because it involves collaboration among four different entities, all with different goals and requirements, hence the length of time it took to make everything happen. He commended all involved for working together. Commissioner Hawkins commented that projects like these do not happen often, especially in rural areas, and particularly with goal to use the revenues to reinvest in economic development. This is a long term investment and those who come behind us will be appreciative of the tools we have created for them. Commissioner Chappell was appreciative of how close the bid figures were to each other. This shows there were no strange outliers and the upfront work was done appropriately. Chairman Chapman thanked Sylvan Sport owner Tom Dempsey for his commitment to grow and invest in Transylvania County. He asked Mr. Hallingse when the County should expect a groundbreaking. Mr. Hallingse is working with the (apparent) low bidder on a schedule. **The motion was unanimous.**

INCENTIVE GRANT FOR PROJECT AIKEN

The Board of Commissioners has been asked to consider an economic incentive grant for Ellis Mountain Management, LLC, aka Project Aiken, a business entity considering the renovation and reopening of an existing historic property located in unincorporated Transylvania County, known as the Greystone Inn.

The direct public benefits to be derived from the capital project include a total taxable investment by the company of at least \$1.2 million in real property improvements. The project as proposed would result in the creation of 41 new jobs through 2022, at an average wage of \$30,727, plus benefits. The contemplative incentives would last for a period not to exceed 4 years. The agreement would be strictly performance-based and the company would receive a grant back of taxes paid only if they meet the key factors of job creation and investment. The maximum amount of incentives to be considered in this grant over the total period would be valued at \$17,169.60.

The Board held a public hearing earlier in this meeting to receive public input as required by North Carolina General Statute § 158-7.1. Staff recommended approval of the performance based economic incentive grant to Ellis Mountain Management, LLC, aka Project Aiken, with funds to come from the County's general fund.

Commissioner Hawkins moved to approve the performance based incentive grant to Ellis Mountain Management, LLC, aka Project Aiken as proposed with funds to come from the County's General Fund and authorized the County Manager to sign the agreement on behalf of the County. The motion was seconded by Commissioner Chappell. In response to a question from Commissioner Hawkins, the Manager stated one of the requirements is the company must pay their property taxes. It is not necessary to allocate funds from reserves to pay the incentive because revenues are received first from property taxes, then a portion is granted back if the performance levels are met. Commissioner Phillips noted the benefit package should not be overlooked because costs are overwhelming. Mr. Hallingse noted that one of the incentive policy requirements is that the employer pays 50% of the cost of health benefits. Commissioner Hawkins responded to Ms. West's concerns during the public hearing. He said her points were well taken and he agreed that he would like the average salary to be higher, but pointed out the benefits are a plus. Many of the jobs will be making a higher salary. He also pointed out that median household income in North Carolina is \$47,000, which includes urban counties, so this incentive does provide for good jobs in Transylvania County while acknowledging Ms. West's comments. **The motion was approved unanimously.**

PLANNING BOARD'S RECOMMENDED REVISIONS TO THE SIGN CONTROL ORDINANCE OF TRANSYLVANIA COUNTY & SCENIC CORRIDOR DESIGNATION ORDINANCE OF TRANSYLVANIA COUNTY

(Clerk's note: These two items were discussed in tandem and therefore were combined into one agenda item in the minutes.)

Planning and Community Development Director Mark Burrows and County Planner Joy Fields jointly presented the information for this agenda item. In the Board's agenda packet was a letter from Planning Board Chairman Mike West conveying his thoughts on the proposed revisions. There was one Planning Board member, Sandy Watson, in attendance.

Mr. Burrows commented on how the Scenic Corridor Designation Ordinance is intertwined with the Sign Control Ordinance. The Scenic Corridor Designation Ordinance is a very short ordinance that identifies areas in the County that the Board of Commissioners has identified as wanting to protect from large billboards and signs. Citizens from the Cedar Mountain community requested that US 276 from the South Carolina state line to Wilson Road be considered for this designation. There are also recommended

revisions that clarify and simplify language. This ordinance allows the County to designate corridors and the Sign Control Ordinance regulates what types of signs in terms of size and location can be placed there; hence why these ordinances are intertwined.

Ms. Fields discussed some of the provisions of the Sign Control Ordinance. The Supreme Court ruled that local governments cannot discriminate based on sign type, but they can regulate location and size, regardless of content. The current Sign Control Ordinance was last amended in 2003 and exempted directional signs and highlighted real estate signs within that category. If a sign had an advertisement component it was no longer considered directional, but if it just provided directions to an establishment, it was determined to be directional. To address the need to advertise for real estate/property for sale signs and the need for businesses to advertise where their establishments were located, the Planning Board considered changes to both off premise sign regulations and temporary sign regulations to allow for signs, regardless of content, to be located to advertise and direct people to local businesses.

As the Planning Board continued its review of the Sign Control Ordinance, questions about electronic messaging signs were posed. These were not explicitly addressed in the 2003 ordinance, but they are more common now. Also, lighting was addressed based on public input. It was a concern of the public to showcase what type of lighting would be allowed on signs to make sure the lighting was functional.

To address signs on scenic corridors, the Planning Board looked at the size of the signs. For all signs across the County, the largest off premise sign allowed is 150 sq. ft. The Planning Board discussed and thought that on scenic corridors the signs should be smaller to preserve scenic nature, so a compromise was crafted so that on premise signs could be 80 sq. ft. and off premise signs along scenic corridors would be regulated to 20 sq. ft.

The most common change in the ordinance was a clarification to allow the public and people using the ordinance to understand it better more effectively. The Scenic Corridor Designation Ordinance was highlighted within the Sign Control because they are so intertwined. A one-page synopsis of the major changes was included in the Board's agenda packet.

In response to Commissioner Hawkins, Mr. Burrows stated there was a lot of discussion by the Planning Board on billboards. The Planning Board particularly wanted to lower the size to 80 sq. ft. along the scenic corridors for on premise signs. There is no proliferation of large signs on US 276. In fact, most of the signs along this stretch of highway are in the 20-40 sq. ft. size, so much of this has already been accomplished by property owners and business owners. There was a fear that the new Dollar General would install a large black and yellow sign along US 276, but Dollar General intends to change the whole look of the building to fit in with the community. This was driven by citizens of that community, not by the County government.

Commissioner Phillips asked if any changes to rights-of-way were addressed. Staff said right-of-way falls under State law, but there is the ability to request permission from the State to put up a sign in the right-of-way.

The Manager asked Commissioners to discuss the recommended changes. She suggested an additional change of putting the enforcement of these ordinances under the auspices of Planning and Community Development rather than the Building Permitting department. Once Commissioners are satisfied with a draft ordinance, staff would advertise for a public hearing and move forward with adoption.

By consensus, Commissioners requested additional time to review the ordinances and intend to send any questions to the Manager for clarification. Commissioners will review the ordinances again at the next meeting and at that time schedule a public hearing.

Commissioner Chappell requested that Commissioners do not hold the public hearing and approve the ordinance at the same time. He also thanked the Planning Board for their healthy discussions. These drafts are another example of how they have come together in compromise in order to move forward in the best way.

LETTER IN SUPPORT OF MAINTAINING FEDERAL HISTORIC PRESERVATION TAX CREDITS

US Congress is working to reform the nation's tax code. Current revisions to the federal tax code largely eliminate the historic preservation tax credits from future funding cycles. These credits are often an important factor for redevelopment projects in historic areas, many of which are in downtown settings. As staff works through the planning processes for designing, funding and building a new court facility, we must also determine an appropriate use of the current Courthouse. The elimination of this tax credit could financially harm future consideration of this building for other purposes. Staff requested Commissioners approve a letter to our federal legislators asking for them to support maintaining the federal historic preservation tax credits.

Commissioner Phillips moved to sign and send the letter in support of maintaining federal historic preservation tax credits. The motion was seconded by Commissioner Hawkins. Commissioner Hawkins pointed out the vote on this matter is expected to occur this week. He asked staff to email the letter to their Washington, DC and local offices. **The motion was unanimously approved.**

MANAGER'S REPORT

The Manager reported the following:

- In response to Commissioner Lemel's earlier question about school funding, if we reduce the charter school funding that goes through the School System to the charter schools, the amount per ADM drops to \$11,375 total funding per student; this will be included in the online presentation that will be posted later this week
- Kudos from Bill Page for staff who worked on both the economic development project on Ecusta Road and on the research and information for the courthouse and bull dozer lease request. (Legal, Finance, County Engineer, Operations, Administration, Solid Waste and Planning)
- Kudos to Jonathan Griffin, Management Analyst, for his work on the Education Funding data collection, compilation and analysis
- Kudos to Solid waste as they progress on clean up and catch up on leachate
 - 18 inches of sediment flushed out with 10,500 gallons of water
 - Thanks to Lake Toxaway Fire Rescue, and Lt. Terry Crowe, for providing a water tanker

PUBLIC COMMENT

Peter Mockridge: Mr. Mockridge said he has attended County Commission meetings for about eight years and he has enjoyed and learned a lot from those meetings. In response to the education funding data presented tonight, he confessed this is the first time he has been exposed to this data. First he observed the last capital improvement was made in 1991, which means the building is more than 20 years old. Secondly, it was mentioned several times this evening that the Board of Education has not asked for capital improvement. He commented that if the Board of Education knows the Board of Commissioners is not going to approve such a capital request, then they are not going to submit such. Therefore, he does not see this as an argument that the Board of Education does not want or has not wanted these capital improvements to occur. Lastly, Mr. Mockridge sensed this report was a preemptive strike against any request from the Board of Education for capital improvement monies without having a commensurate huge review of processes in place. Overall, he said he was uneasy about the intent of the report.

COMMISSIONERS' COMMENTS

Commissioner Chappell said he hopes as the Board moves forward with discussions on education funding, that they remember that education is not always a financial decision. Education is also about providing opportunities. He shared that at one time both the President and Vice-President of the State organizations of the Future Business Leaders of America were from Transylvania County Schools. One of these individuals was just elected as Mayor of the Town of Fletcher. (Commissioner Chappell was the Vice-President.) Commissioner Chappell hopes Commissioners never lose sight of what they do and how their decisions provide opportunities for students, citizens and future generations.

Commissioner Hawkins reported that Commissioner Lemel serves on a statewide group of leaders that are looking at how social services are delivered in North Carolina. She was selected to serve on this group. In addition, the Manager and Commissioner Chappell are participating in a workforce development summit on Wednesday and they will be talking about their experiences. They were selected to participate because of their expertise. It is a tribute to all three of them that they were selected to serve and participate. In addition, by being part of this work, our County gets exposed and this is invaluable because it gives us input into policy issues, and people start learning more about us.

Commissioner Hawkins reported that he and Chairman Chapman attended the Rural Center Assembly in Raleigh last week. He learned the importance of community interconnectivity by individuals and organizations. The Golden Leaf project is a prime example of this. Three different organizations, along with the Golden Leaf Foundation, had a hand in making this project work. If rural communities are going to survive, it is necessary to continue to nurture this kind of cooperation.

Chairman Chapman stressed there was no preconceived position from Board of Commissioners on how to move forward on education funding. The data presentation tonight was in response to newspaper articles and comments made regarding the funding of schools. The only figure Commissioners are aware of from the Board of Education is \$92-93 million which equates to a 12 cents tax increase. The intent of the presentation was to educate and inform citizens should this issue come to a bond referendum. Chairman Chapman encouraged citizens to attend meetings of the Board of Education and ask questions. He said he understands there are real needs, but the question is how to meet those needs. He stressed that the practice at the County level is to make decisions based on data.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Hawkins moved to adjourn the meeting at 9:38 p.m., seconded by Commissioner Phillips and unanimously carried.**

Larry L. Chapman, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board