

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
May 21, 2018 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, May 21, 2018 at 7:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC. The meeting was rescheduled from May 29, 2018 due to the Memorial Day holiday and so that Commissioners could travel to Rural Day and County Assembly Day in Raleigh.

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

There were approximately 70 people in the audience.

CALL TO ORDER

Chairman Larry Chapman presiding declared a quorum was present and called the meeting to order at 7:01 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.

Before moving on to the business of the agenda and for the benefit of the public, Chairman Chapman announced there would be no vote taken on the budget this evening. The purpose of tonight's meeting is for the Manager to present her recommended budget. Commissioners will then hold a budget workshop on May 31, followed by a second workshop on June 4, if needed, to discuss items of interest by Commissioners or items that do not yet have consensus. A public hearing will be held on the budget prior to Board approval.

PUBLIC COMMENT

Chairman Chapman informed the public that Transylvania County is one of the only counties in the State in which the Board of Commissioners holds two public comment periods during every regular meeting.

Cathey Orr Cathcart: Ms. Cathcart thanked Commissioners for their work on behalf of the County and noted that she normally watches the County Commission meetings on Facebook Live. She asked the Board to show their support for National Gun Violence Awareness Day by attending an event on Saturday, June 2 from 10am-12noon at the Courthouse Gazebo. She brought flyers with information about the event and left some in the foyer for the public. Ms. Cathcart stated it is unfortunate that the issue around gun violence across the nation has become too politicized. The purpose of the event is to have open common sense dialogue about issues that are important to the overall health and wellbeing of the community and hopefully save lives in the future.

Davis Whitfield-Cargile: Mr. Whitfield-Cargile is a candidate for County Commissioner in the upcoming election and he noted he was able to get on the ballot through the petition process as an unaffiliated candidate. During that process he said he talked to nearly 700 citizens and most of them expressed

frustration with Commissioners' decision to build a new Courthouse. As he did a few weeks ago, he asked Commissioners to withhold further expenditures of funds or action toward building a courthouse on Morris Road and give citizens a chance to have a voice in an election process. Mr. Whitfield-Cargile suggested the three options Commissioners considered was not an adequate study of options, especially with the size of investment and potential impact to downtown Brevard. He requested Commissioners stop further action on this project and explore options downtown that are not as expensive, which he believes would be in the best interest of citizens and the County.

Mike West: Mr. West is a candidate for County Commissioner and he also went through the petition process as an unaffiliated candidate. He said while he did not like the process at first, he found that it put him in front of a lot of people. One of the things he learned during his talks with citizens was that nobody appeared to be happy about the Courthouse decision. Mr. West stated most people do not understand the decision and pointed out they are confused that they must vote for the school bond by referendum, but they do not get the chance to vote on the Courthouse. To him, because both involve the construction and maintenance of buildings that the County is statutorily responsible for, it is essentially the same issue. While there has been a lot of information provided on the Courthouse project, he does not feel this question has been appropriately answered. Mr. West asked Commissioners to stop further action on the Courthouse, determine if there are more options available, and allow citizens a vote on the matter.

Will Cathey: Mr. Cathey announced he intends to dismiss his lawsuit against the County in the very near future. Mr. Cathey is also a candidate for County Commissioner and he said that every single person he has spoken with about the new Courthouse has been 100% against it. He asked the Board to delay further action on this project and allow voters to weigh in through a bond referendum, or at least until after a new Board is in place following the General Election who can then determine how best to proceed.

AGENDA MODIFICATIONS

There were no agenda modifications from Commissioners or staff.

Commissioner Lemel moved to approve the agenda as presented, seconded by Commissioner Phillips and unanimously approved.

CONSENT AGENDA

Commissioner Lemel moved to approve the Consent Agenda, seconded by Commissioner Hawkins and unanimously approved.

The following items were approved:

MINUTES

The Board of Commissioners met in regular session on Tuesday, May 8, 2018 at 9am. Commissioners approved the minutes of the May 8, 2018 regular meeting as submitted.

APPROVAL OF SCHEDULE FOR BUDGET WORKSHOP AND PUBLIC HEARING

The Manager will be presenting the FY 19 Recommended Budget at this meeting. Following the presentation, Commissioners should decide what items they would like to discuss further in a budget workshop setting. Staff has proposed scheduling a budget workshop for Thursday, May 31 at 6pm and if needed, a second workshop for Monday, June 4 at 6pm. Additional budget workshops will be scheduled if necessary. Barring no unforeseen circumstances, staff further proposes holding the public hearing on June 12, a second public hearing on June 25, if necessary, followed by approval of the FY 19 Budget on

June 25. Commissioners approved the Budget Workshop and Public Hearing schedule as proposed and directed staff to post and publish appropriate notice.

DISCOVERY, RELEASE AND MONTHLY SETTLEMENT REPORT

Per NCGS 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 NCGS 105-381 (b), it is the duty of the Tax Administrator to provide a monthly report to the Board of Commissioners of the actions taken by the Tax Administrator on requests for release or refund, which shall be recorded in the minutes. For April 2018, total tax dollars released was \$106.94. Refunds totaled \$4,808.62. Commissioners approved the Discovery, Release and Monthly Settlement Report for April 2018.

RESOLUTION ALLOWING RETIRING OFFICER TO PURCHASE SERVICE HANDGUN – WILLIAM B. “BILL” CARROLL

Bill Carroll retired from the Sheriff’s Office effective May 1, 2018 where he served as a Court Security Officer. NCGS 20-187.2 allows the governing board to award to a retiring member the service gun of the retiring member. Sheriff David Mahoney requested Commissioners approve a resolution allowing for Officer Bill Carroll to purchase his service handgun for the price of \$1.00. Commissioners approved Resolution #18-2018 Allowing Retiring Officer to Purchase His Service Handgun which is hereby incorporated by reference and made a part of these minutes. Commissioners publicly thanked Mr. Carroll for his service to the community.

RESOLUTION ALLOWING RETIRING OFFICER TO PURCHASE SERVICE HANDGUN-GEORGE ALLEN NEWMAN

Allen Newman retired from the Sheriff’s Office effective May 1, 2018 with 30 years of service. At retirement, he had achieved the position of Patrol Lieutenant. NCGS 20-187.2 allows the governing board to award to a retiring member the service gun of the retiring member. Sheriff David Mahoney requested Commissioners approve a resolution allowing for Officer Allen Newman to purchase his service handgun for the price of \$1.00. Commissioners approved Resolution #19-2018 Allowing Retiring Officer to Purchase His Service Handgun which is hereby incorporated by reference and made a part of these minutes. Commissioners publicly thanked Mr. Newman for his service to the community.

AUTHORIZE BUILDING INSPECTIONS TO PROCEED WITH HIRING CODE ENFORCEMENT OFFICER

The Building Inspections Department is requesting a Code Enforcement Officer in the FY 19 Budget. Due to a recent hiring, there are applications on file and hiring now would allow for some efficiency in training the recent hire with a new position. The County, by statute, has to put all extra funds from permit fees after annual expenses into a reserve fund for use by this department. There are available funds in fund balance to pay for hiring the position in June instead of waiting until July 1. The financial impact of hiring now would be \$4,169.60 maximum for the expected salary and benefits and \$22,260 for a new vehicle, for a total impact of \$26,429.60 to come from reserves. Commissioners approved hiring the Code Enforcement Officer as soon as possible with funds to come from the Building Inspection permit fees reserve, not to exceed \$26,429.60.

PRESENTATIONS/RECOGNITIONS

CHARTERS OF FREEDOM PRESENTATION BY VANCE PATTERSON WITH FOUNDATION FORWARD, INC.

Foundation Forward, Inc. is a 501 (c) (3) nonprofit organization founded by Vance Patterson that builds and gifts Charters of Freedom Monuments to communities across the country. The documents known as the Charters of Freedom are the Declaration of Independence, United States Constitution, and the Bill of

Rights. It is the mission of Foundation Forward, Inc. to provide access and education to these founding documents in a community setting all across America and to educate and preserve American history. Vance Patterson's presentation offered more detail about the project and a potential proposal for Transylvania County.

Mr. Patterson reported that he and his wife visited the National Archives about six years while on business in Washington, DC. Neither had seen our nation's founding documents before. He expressed when he first saw the Declaration of Independence, a document our founding fathers had actually penned, and saw the signatures of Thomas Jefferson, Benjamin Franklin, John Adams, and others, he was moved. He was even more emotionally moved when he saw the words *We the People* on the first page of the Constitution. During this experience, it occurred to Mr. Patterson that most people will never have the opportunity to visit the National Archive or see these documents.

Mr. Patterson reminded everyone he ran for the 11th District congressional seat in 2012. Because the candidates were participating in debates on a weekly basis he had to study very hard about the issues, including the history of our nation. In his research, he learned that two of our founding fathers, Benjamin Franklin and Thomas Jefferson, were very supportive of education and they laid out the foundation of government. They both believed that in order to have a free and independent society one must understand how government works and that one cannot control what one does not understand.

Mr. Patterson stated that toward the end of his campaign he and his wife attended a National Day of Prayer service at the Burke County Courthouse in downtown Morganton and the idea came to him to duplicate the experience he had in Washington, DC. Later that year he started working on a project that involved designing and building replicas of the Charters of Freedom documents as exhibited in the National Archives to be centrally located in Burke County, with high visibility and foot traffic, and easily accessible for students and veterans. The project took two years, but in July 2014 they were able to dedicate the first Charters of Freedom monument setting outside of Washington, DC. They completed a second project in Murphy later that year. Mr. Patterson said the experience was so enjoyable they decided to establish a 501(c) (3) nonprofit known as Foundation Forward to begin funding other projects. To date they have dedicated 13 monuments around the country, mostly in North Carolina. A 14th will be dedicated in Carson City, NV in June of this year.

Mr. Patterson informed that the settings are designed to last 300-500 years. The foundation and core are strong and sturdy and weigh over 19 tons. The next steps are to apply the fascia, with options of rock, brick, granite or limestone. Then six life-sized documents are placed for display each on ¼" etched bronze and weighing over 60 lbs. each. The capstone goes on followed by ½" of treated polycarbonate and framed for the finished setting.

The goal of Foundation Forward is to place settings in as many communities around the nation as possible. Their short term goal is to ensure there is one located in every county in North and South Carolina, thereby setting the example for the rest of the nation.

Once the settings are place, communities have held very appropriate and community-involved dedication ceremonies. What follows is most important, that being the education of our youth and citizens having access to our nation's founding documents. He shared that the funding is already in place for a setting in Transylvania County and they respectfully requested Commissioners consider accepting this gift, finding an appropriate location for the setting, and moving forward with the project.

Being this item was on the agenda under presentations; Commissioners did not intend to take any action on the offer at this meeting. Commissioners were very appreciative of Mr. Patterson's presentation and they expressed they were interested in learning more. They admired his initiative and the project itself.

Chairman Chapman informed Mr. Patterson that Commissioners would decide soon on how to move forward. He welcomed feedback from citizens as well.

APPOINTMENTS

JOINT HISTORIC PRESERVATION COMMISSION

The terms of Aaron Bland, Jeff Carter, Morris Davis, and Ellen Harris expire at the end of May. Jeff Carter is the only member not eligible for reappointment as he will have served two full terms at the end of his term. The others are eligible and willing to serve another term.

With the hope of getting more collaboration from history-related groups, County Planner Joy Fields and JHPC member and Library employee Marcy Thompson reached out to the WNC Military History Museum, Friends of Silvermont and other groups seeking interested members that could serve as a bridge between the groups by serving on the JHPC. The groups were given the application information and deadline to apply. Coupled with the Clerk's advertisement, the effort resulted in one application from Betty Runion from the Friends of Silvermont.

Commissioner Lemel moved to reappoint Aaron Bland, Morris Davis and Ellen Harris and to appoint Betty Runion to replace Jeff Carter at the end of his term, seconded by Commissioner Chappell and unanimously approved.

MOUNTAIN AREA WORKFORCE DEVELOPMENT BOARD

In early 2017, the Clerk to the Board learned from Mountain Area Workforce Development Board Executive Director Nathan Ramsey that board member Lori Galloway no longer held private sector business employment in Transylvania County. Due to there being no other applications on file and the recruitment process not producing any applicants, Mr. Ramsey requested Ms. Galloway stay on in her role until a replacement was found.

Allyson Davenport's term expires at the end of May. She is eligible and willing to serve another term. Her position is also one from the private sector business.

Dr. Jeff McDaris, Superintendent of Transylvania County Schools, has served since 2001. His term expires at the end of May. Although he would like to continue serving, he recently reported that the educational demands of the School System call for his attention and he therefore withdrew his application from consideration.

The process for electing members to the Mountain Area Workforce Development Board is that two members are to be recommended by a local business association followed by County approval. The Brevard/Transylvania Chamber of Commerce Executive Committee met in February and recommended the appointment of Abe Pallas to replace Lori Galloway and the reappointment of Allyson Davenport. The Clerk received an application from Brian Weaver, Human Resources and Professional Development Director with Transylvania County Schools. His appointment is recommended by Dr. McDaris and Mr. Ramsey as an excellent replacement for Dr. McDaris filling the educational component for this board.

It should be noted that the Clerk received one additional application since the recommendations were made by the Chamber and MAWDB. The applicant should be considered in the future when an opening occurs.

Commissioner Lemel moved to appoint Abe Pallas to replace Lori Galloway and to appoint Brian Weaver to replace Dr. Jeff McDaris on the Mountain Area Workforce Development Board, seconded by Commissioner Chappell and unanimously approved.

Commissioner Lemel noted that the Board's *Policy and Procedures for Appointments to Citizen Advisory Councils* is very specific in that applicants must be residents of Transylvania County, unless the requirement is waived by the Board. She was curious about the Chamber's recommendation to reappoint Allyson Davenport, the General Manager at the Pisgah Inn and a resident of Arden, when there are two other valid applications on file, both of whom live in Transylvania County. She also noted the Pisgah Inn does not have a Transylvania County address. The Clerk to the Board stated her recollection was staff had requested a waiver of the policy at the time of Ms. Davenport's appointment because there were no applications on file. Because she has been a good standing member, her reappointment was recommended; however, if the Board would like to go back to the Chamber to request the other candidates be further vetted, staff can certainly do so. Commissioner Lemel said this would be her preference so she offered the following motion.

Commissioner Lemel moved to send the remaining appointment back to the Chamber of Commerce so there is due consideration of those who are actually Transylvania County residents for the position. The motion was seconded by Commissioner Phillips. Commissioner Chappell noted that he attends the Workforce Development Board meetings every month and has worked closely with Ms. Davenport. He said she has been an asset and an advocate for Transylvania County. She used to be a resident of Transylvania County, but is no longer. She is an outstanding member of the Board. Chairman Chapman instructed staff to add this item to the agenda for the next meeting. **The motion was approved unanimously.**

NEW BUSINESS

RECOMMENDED REGIONAL ROAD PRIORITIZATION FOR NCDOT FUNDING

Planning and Community Development Director Mark Burrows presented this item. Mr. Burrows reported that Commissioners have before them a resolution for consideration that prioritizes future road improvements by the NC Department of Transportation (NCDOT). To be considered for road construction funding from NCDOT, future road projects have to be submitted into the State Transportation Improvement Program (STIP). NCDOT then scores and prioritizes submitted projects from across the State, including those from Transylvania County, using data related to safety, congestion, benefit/cost, accessibility/connectivity, and input from the local NCDOT Division and the local Rural Planning Organization (RPO). To allow for local input, Transylvania County needs to prioritize future road projects and assign points to the regional road projects. The Land of Sky administers the RPO for the counties in its region. They submitted a public survey for input on road projects. The Planning and Community Development Department followed up with a meeting of the Transylvania County Transportation Advisory Committee where they discussed the prioritization of future road improvements. At their meeting on May 8, 2018, the Transportation Advisory Committee considered the preliminary scores from NCDOT and the public input survey on six regional road projects in Transylvania County. They recommend the following prioritization of the road projects for submittal:

Rank	Project Route	Project Description
1.	NC280 (Asheville Hwy)	From northern terminal of R-5799 Deaver Road to North Transylvania Fire Department, convert existing 4 lane undivided roadway to 4 lane divided with 17.5' median Concerns from a safety perspective and looking at how to minimize concerns; this has been brought before the Board of Commissioners before; would like to see NCDOT reevaluate, but NCDOT suggesting divided

		highway to prevent potential of lane crossover
2.	US64 (S. Broad St.)	<p>US64 Business (S. Caldwell St.), SR 1116 (N. Country Club Rd.) – improve intersect alignment</p> <p>This is a 3-way turn with Caldwell St. coming in just beyond; concern about the number of accidents that have taken place in this intersection and the number of poles Comporium has had to replace as a result</p>
3.	US178	<p>From SR1156 (Main St.) in Rosman to SR1133 (Middlefork Rd.)-modernize roadway; widen, realign, and add climbing lanes</p> <p>This project has been submitted before. The last submittal included Hwy 178 from the Town of Rosman to the South Carolina state line, but the project did not score well. This time the project was divided into 3 sections and they focused on improvements from Rosman to Middlefork Creek. The State prioritized this project very highly for safety concerns.</p>
4.	US64	<p>From Indian Creek (East end of R2409C) to East of the east intersection with Flat Creek Valley Rd. (SR 1147)-widen, realign, and climbing lanes</p> <p>There is current construction from Toxaway Dam to Indian Creek at a cost of roughly \$12 million to \$12.5 million. NCDOT is considering extending the project. In terms of priorities, the TAC felt it was more important to look at other needs first. In addition, that work has already had a lot of environmental work completed, so if there is additional funding to be found, NCDOT believes it would be applied to this project.</p>
5.	NC215	<p>From US64 at Cherryfield to SR1386 (Macedonia Church Rd.) South of Balsam Grove-construct two new lanes on new location</p> <p>This is a project that has been discussed for years, but it does not score well based on benefit/cost.</p>
6.	US 64 (Rosman Hwy)	<p>From SR1337 (Clement Rd.) to Park n Ride Lot approx. 800 ft. past US178-widen existing roadway to 4 lane divided; consider addition of shared use path within right-of-way</p> <p>The original cost was extremely high at nearly \$90 million. It was determined that the right-of-way was already acquired, but it is still a very expensive project at around \$30 million to make the improvements. The TAC thought this should be the least prioritized project on the list.</p>

Mr. Burrows this list is the result of the discussion and wishes of the TAC and that the decision was unanimous. Prior to that there was quite a bit of public input, as well as input from public officials that NCDOT hosted at their public meetings. Mr. Burrows was happy to answer any questions, otherwise he asked the Board of Commissioners to accept the prioritization and approve the resolution as submitted.

Commissioner Lemel inquired further about the scoring for the NC 215 and US 64 (Rosman Hwy). She also commented that she does not see the NC 215 project as ever being feasible at a price tag of nearly \$88 million. Mr. Burrows stated relatively speaking the project does not have the same safety concerns as

the first four projects on the list. NCDOT weighs cost, safety, etc. and what makes the most sense for the community.

Commissioner Chappell, who serves on the RPO, said he will continue to advocate for NC 215 to rank higher on the list or for there to be another alternate to this road because it is dangerous. The alternate he referred to was Fish Hatchery Road and he said he has been trying to convince elected officials and respective government agencies for many years to agree to upgrade the road to allow immediate access from Balsam Grove to Pisgah Forest. It would create a much safer route and could possibly open up some economic development opportunities with the new route. Commissioner Chappell was strong in his disagreement with the safety points assigned to NC 215 and he expressed disappointment with NCDOT. Mr. Burrows informed that there have been discussions with the US Forest Service about possible future federal access land monies. He noted that last year funds were made available to improve US 276 from Pisgah Forest up to Avery Creek Road. Based on discussions with the US Forest Service, Mr. Burrows believes they understand the need and would be amenable to extending pavement all the way up to Balsam Grove on that section of road. This would be coming from a safety standpoint, allow accessibility for people coming off the Parkway to have an alternate route back into Brevard, and help deal with environmental issues with run off where there is no paving past the upper Davidson River. Mr. Burrows assured Commissioner Chappell that his concerns about NC 215 are heard. Commissioner Chappell encouraged citizens to contact our congressman and express a desire for that to happen. He has had these discussions with him as well.

Chairman Chapman inquired about the timeline. Mr. Burrows said the list of projects will come back in October with further iterations. He said he expects the County will see funding allocated to these projects in the next two years.

Commissioner Lemel moved to accept the Transylvania County Transportation Advisory Committee's recommendation and to approve and forward Resolution #20-2018 to the NC DOT and the RPO as part of the STIP Prioritization 5.0 process that is due by June 30, 2018. The motion was seconded by Commissioner Phillips. Commissioner Chappell inquired about when the RPO meets again. Mr. Burrows responded the RPO meets either June 7 or 8, but he could not remember the date without his calendar in hand. **The motion was unanimously approved.**

(Resolution #20-2018 Resolution Approving Prioritization of Regional Impact Road Improvement Projects in Transylvania County is hereby incorporated by reference and made a part of these minutes.)

PRESENTATION OF FY 19 MANAGER'S RECOMMENDED BUDGET

The Manager thanked the Board of Commissioners and County staff for all the time and effort that went into developing the FY 19 Budget over the last several months. She especially thanked Finance Director Gay Poor, Human Resources Director Sheila Cozart, Management Analyst Jonathan Griffin and Clerk to the Board Trisha Hogan for their support today as last minutes changes were made to the presentation all the way through this afternoon.

The Manager stated that a budget of this size and covering over 23 departments and offices and numerous outside agencies along with a high volume of State mandated services and local demands is a complex process. Staff is still receiving corrected numbers where they have had to make assumptions so they will issue any known modifications at the first budget workshop on May 31. Staff also knows that Representative Henson and Senator Edwards are currently in session and working on Transylvania County's behalf to bring State funding back to our citizens.

North Carolina statutes require that the County Manager deliver the recommended budget to the Board of Commissioners by June 1 of each year. However, there is little time during the year that staff and Commissioners do not talk about current and future budgets as priorities change and trends emerge. The budget document is not a standalone fixture, but a reflection of the Board's priorities as the governing board elected to lead Transylvania County. It is as much policy and administrative guidance as it is revenue and expenditures. For this reason, the Manager started the presentation by highlighting some initiatives that are included in this budget among the services that the County continues to provide and that citizens expect.

FY Recommended Budget

Highlights for FY 19

- Continue to identify data tracking and benchmarking methods to ensure County is actively accountable and transparent with citizens
 - If data shows we spend more, we should be able to articulate what our citizens are getting that other counties are not providing
 - If we find we are delivering the same service then we are obligated as public servants to examine if there are strategies or methods by which our peers are able to deliver the same service for a lower cost
 - These are responsibilities as stewards of public funds and will continue to be important as we move forward from one budget year to the next
 - County budget is the public's money and not a limitless purse
- Strategic Plan calls on numerous goals and strategies that our County seeks to collaborate and partner to deliver improved services; for FY 19 we find many opportunities to do just that and more; some highlights include:
 - Bring Senior Center operation in house under Parks and Recreation
 - Partner with WCCA as they continue the meal program onsite
 - Implement free public Wi-Fi in nine community centers and support capital improvements
 - Library program with School System to ensure each child has a library card, waive fines for juvenile material to remove barriers for children to access resources
 - Partnership between EMS and Rescue Squad to provide an additional response unit for emergencies
 - Prepare the Early Childhood Initiative for partnership with Sesame Street in Communities
 - Continue the partnership with NCACC with another grant funded fellowship position to focus on Operations and GIS
 - Increase DSS Social Workers to cover growing caseloads for children and adults and add Child Health Nurse coverage in Health Department
 - Continue to reestablish Solid Waste program and catch up on deferred capital
 - New software for Finance and Human Resources
 - Been losing tremendous amount of staff time to modifying, fixing and creating workarounds with current software and creates liability issues as we have to issue reports to federal and State offices that require accuracy
 - Make recommendations on pay plan
 - New Adventure re-envisioning
 - School System is taking Development Day Program in-house
 - Expand with more slots for children in the community; reestablish NC Pre-K partnership
 - Process steps to facilitate bond referendum for Brevard High, Rosman High and Rosman Middle Schools in conjunction with Board of Education

- USDA loan application process for the Courthouse; funding cycle changes in October so the application must be complete by this timeframe

Fiscal Policy Goals

Continual discussions with Commissioners throughout the year help to develop a sense of fiscal policy goals for the FY 19 Budget. The Manager believes it is important to move toward a long range budgeting approach that smooths out expenditures like vehicles and computers to stabilize the tax rate and assure that expenditures are not outpacing growth and revenues. This consideration of the tax rate now and what will be required in the future is critical and careful multiyear planning is the best strategy to balance the needs of the community with the resources. The guidance and goals and principals for FY 19 include:

- Continue operating out of current year revenues
- Continue development of long term capital improvement plan
- Identify revenue to fund capital needs
 - Expect to see additional revenue coming in from Ecusta Road project as lease payments begin during this fiscal year
 - Parks and Recreation- NCDOT grant underway for bike and pedestrian plan
- Work towards multi-year budget planning in General Fund
- Implement performance based budgeting with outcome measures
- Building consensus on this year's County needs from Commissioners for recommended budget; goal is to deliver to the Board a budget they can feel confident in and that ultimately has the majority of the Board in favor of; hopefully the goalsetting they have done with the Manager and amongst themselves will aid in that process so by this point there should only be a few items remaining for discussion, but ultimately it should be substantially as the Board would want to recommend

Process with Changes Implemented This Year

Every year staff makes changes and improvements and seeks to improve in any given year based on the previous years' experience.

- Internal departments turned in budget requests with justification including proposed work plans
 - 6 month reviews were evaluated for FY 18 work plans in February
- Nonprofit request process per policy adopted by Board of Commissioners
 - Open call for applications in February
 - Per policy, subcommittee reviewed and scored on a rubric in April
 - Scoring accompanied by discussion, particularly on State statute restrictions
 - Incorporated new change this year where \$10,000 was allocated to the Joint Historic Preservation Commission to make recommendations on the applications in regards to any historic organizations that wanted to apply for funding
- School funding
 - Third year of funding formula implementation; staff received School System's budget request on May 15
- Outside Agencies - Fire Departments, Rescue Squad, etc.
 - Budget requests due in April for staff review and to share with Commissioners
- Priorities and preliminary discussion
 - Manager holds individual Commissioner meetings in May to clarify priorities and discuss justifications
 - Commissioners included in budget review for Register of Deeds, Sheriff's Office and School capital

Revenue Projections

Revenues this year reflect a greater dependence in the budget specifically on property tax. This is the only revenue that is of local control. Sales tax distribution by the State is also restricted as to types of expenditures for most categories of sales tax that the County receives. This year the Manager is projecting a \$51.2 million budget. She emphasized the need to be careful about a reliance on the property tax, noting that it requires legislative action to enact a sales tax. When considering expansion of services, it is important to identify other sources of revenue if available.

- Property tax remains more than half of budget revenues with projected growth of 1.2%
- Sales tax growth 1.4% over last year's budget
- Sales tax loss from the County in FY 18 due to NCGS 105-524 is estimated to be \$99,583 due to the redistribution of taxes required in the statute; Transylvania County considered donor county from this pot of sales tax funds
- Positive growth indicators in interest on investment; permitting and property transfer fees reflect economic growth
- Revenue growth is steady, but Administration continues to raise concern that funding increases are outpacing revenue growth in some areas

Requests vs. Projections – Analysis

- Full funded requested expenditures vs projected total revenue started with a \$5,124,079 deficit of requested funds vs projected revenues
 - If all requests were recommended, that would net in a 7.5 cent tax increase for operations and capital including education
- Justifications have improved over the years
 - Data submitted for increases and comparing to standards or peer counties
- Utilized Commissioner feedback to prioritize needs reducing deficit by \$4,622,375, deferring service expansion or other cuts to requests
- Recommended budget included personnel and capital requests that at least had majority support or consensus so the recommended budget is Manager's professional effort to implement Commissioners' priorities under revenue constraints
- Recommended funding is not an indication that all needs are met or that requests will not be seen again in the future

Future Year Planning and Tax Rate

- Revenue growth projected at 2.27%
- Prior classification analysis showed expenditure growth outpacing revenue growth in two areas historically-public safety and education
- Education growth has been offset in this year's proposal by roll-off of bond payments for local system. Public K-12 schools growing at 4.7% this year and Community College at 20% (partially due to a decrease with State bond two years earlier)
- Continuing to see increases above revenue growth that will require a tax increase for operations if not managed better year-to-year
- Largest percentage increase is in Transfers which is related to funds from the General Fund to support Solid Waste

Expenditures by Function

- Most percent growth in Public Safety
- Most percent decrease in Economic Development due to Ecusta Road project funded in FY 18

Expenditures by Classification

- Most growth in personnel
- Decrease in capital from Ecusta Road project
- Experiencing loss of nearly \$800,000 in Human Services resulting from subsidy funds that no longer pass through the County's budget

Summary

- Balanced budget of \$51,268,153 reflecting less than 1% total increase over FY 18
 - \$1 million Golden Leaf grant was booked as revenue in FY 18; 2% increase if that is factored into account
 - Increases for capital expenditures to move forward on deferred maintenance (5 year projections put together on facility needs) and a large increase in transfer from General Fund for Solid Waste
- Recommended budget does not include prior tax increase for capital needs as an expenditure line item, but staff projects a surplus at end of year that will allow distributions into those capital reserves
- No tax rate change proposed
 - Transylvania County has 11th lowest tax rate in the State for FY 18
- Recommend continued policy development
 - Capital prioritization funding strategies and next steps, work closely with Board of Education on bond referendum, evaluate expenditure growth vs revenue growth to avoid operational increases in addition to known capital increases on the horizon

Revenue

- Highest revenue source is property tax 57.5% (56.9% FY 18) of budget and projected to grow 1.2%
 - \$0.511/\$100 valuation (FY 18 reflected rate as 11th lowest in the State) with collection rate of 99.5% presumed; typically collect at higher rate
 - FY 19 projected tax base is \$5.78 billion
- Sales tax this year is running under projection due to a large jump in refunding requested; project 1.4% growth from this year's budgeted figure
- Revenue growth 2.27% (removing Golden Leaf, subsidy pass through, Medicaid Transportation)

Other Revenues

- Jail inmate revenues from other counties down to \$0 (\$380,000 two years ago) because those counties are now building new jails to house their own inmates; State Misdemeanant Confinement Program projecting \$4,000 decrease
- \$79,000 loss of Medicaid Transportation funds, Section 5311 Transportation funding up \$42,000
- \$1.9 million decrease in Intergovernmental Revenue
 - Golden Leaf Grant booked last year at \$1 million
 - North Carolina handling subsidy funds differently; \$800,000 used to pass through as both revenue and expenditure
- Parks and Recreation Senior Center will bring in \$9,000 in federal funds
- Projected stable:
 - Elections office revenues
 - Register of Deeds fees
 - Building and permit fees*

*By statute must support department or go into department reserve

Interest and Fund Balance

- Improvement in interest rates projected to generate additional \$235,000
- \$700,000 from designated fund balance budgeted
 - Reserve funds designated to purpose
- \$501,000 from undesignated fund balance in order to balance budget
- Impact on reserve designation of 2 cents tax increase in FY 17 should have generated \$3.6 million
 - Trends for budget vs. expenditure annually have been reported to the Board on how those funds have been set aside
 - June 30, 2018 reserves projections
 - Economic Development: \$500,000
 - Parks and Recreation: \$886,000
 - Infrastructure: \$500,000
 - Emergency Management/Communications: \$1.08 million
 - Total spent in those designated reserve categories: \$3.75 million (Ecusta Road building, Recreation Center air conditioning); some funds were also used from undesignated reserved

Fund Balance

- Projected decrease in total fund balance at close of FY 18 books of \$1.3 million
 - \$3.7 million taken out in FY 18 for Ecusta Road Industrial Building Project Fund
 - Projected 21.3% Available Fund Balance as % of expenditures (FY 17 was at 22.9%)
 - \$3.1 million going into Fund Balance from FY 18 (at FY 18 budget projected \$1.4 million)

Solid Waste Fund

- FY 19 supplement from General Fund is \$767,000 versus \$197,000 in FY 18; \$388,000 in FY 17

Revenue

- \$5/ton increase in tipping fees proposed for a total fee of \$60/ton
- Scale sales volume expected to grow 4.4% over FY 18 end of year estimate
- Fee and volume increase combined projected to generate an additional \$278,000
- Slight increases expected in sticker sales and recycling revenues with other revenues expected to remain relatively flat

Expenses

- Operating expenses, including personnel, budgeted to be 28.5% more, due primarily to higher leachate disposal costs, dozer lease, and staff changes made in FY 18
- Budgeted capital up significantly due mainly to deferred maintenance of the landfill access road and facility, collection center safety concerns, compliance measures, and the replacement of scales and heavy equipment

Reserves

- NC Department of Environment and Natural Resources requires demonstration of financial assurances for closure, post-closure and potential corrective action costs
- FY 18 provides \$194,000 for the closure, post-closure, PACA liability and \$146,000 for the reserve for the next phase

Expenditure Trends

- Service expansion

- Additional Investigator in Sheriff's Office
- Senior Center operation moving in house; adds onsite staff person
- Enhanced Emergency Medical Response with EMS/Rescue Squad partnership
- Catching up on capital needs deferred with major focus on Solid Waste capital to continue getting Solid Waste operations working smoothly
 - Will face ongoing challenges with leachate volumes due to operational history
 - Signed a five year agreement with Rosman for leachate disposal
- 85% of the budget is mandated or required to meet State mandates
- Economic Development support is a key strategy in future sustainability; intent is to invest in Economic Development to increase our tax base and help to fund projects and community support in the future

Personnel Detail Changes

- 9.5 full time recommended, \$448,000 net additional cost
 - 19.5 full time positions requested would have added \$1.15 million net additional cost
- Recommended positions are:
 - Part time Administrative Assistant in the Legal Department
 - School Resource Officer for Brevard Academy
 - Investigator in Sheriff's Office
 - EMS recommended for two personnel option to work in tandem with Rescue Squad proposal to provide additional response vehicle as needed; requested 10 positions
 - Public Health is receiving a Social Worker II/Public Health Nurse II which will also bring in additional Medicaid funds
 - Social Services-Social Worker III/Child Protective Services-two positions; Social Worker III/Adult Protective Services-one position; these positions are required based on current caseloads
 - Parks and Recreation Program Coordinator for Silvermont; can add for less cost than contracting with WCCA to run Senior Center
- These positions are not recommended:
 - Environmental Health Specialist-recommend waiting until after LEAN measures and software implemented (LEAN is efficiency process; successful implemented in Building Permitting Department)
 - Natural Resources Specialist position not recommended at this time with subject coverage noted in Soil and Water, Cooperative Extension and Solid Waste departments where personnel is already funded
- Recommended total for reclassifications/additional hours \$150,000
 - Total request for reclassification/additional hours \$187,000 net
- \$51,000 for Sheriff's Office Certification Bonuses
 - Removed degree and on call bonuses from recommendation; should be reviewed by Personnel Board for organization-wide
- Recommend \$14,800 for Rosman Summer Camp; program is stable enough to be recommended in budget process; would help to fund other summer camps in summer of 2019 now that Recreation Center has air conditioning
- \$24,000 included for part time Health Nurse III to train new staff after unexpected retirement; up to one year crossover, so this item will not be included in next year's budget

Capital – Totals by Fund

- Increases in capital funding recommended for FY 19
- Solid Waste - \$426,000 increase recommended
- General Fund - \$340,000 increase recommended

- Total increase in capital needs of \$767,000

Summary of Capital Items Budgeted

- Total capital expenditures from General Fund at \$2.38 million
- Total capital expenditures from Solid Waste Fund at \$594,629
 - General fund will be funding Solid Waste at \$767,364 in FY 19
- Major expenses General Fund:
 - Detention Center security equipment no longer supported - \$166,000
 - Community Services Building-continue windows, roof, HVAC replacement (\$330,000) and convert cubicles in DSS for confidentiality (\$68,000)
 - (\$881,000 total) 10 replacement vehicles (6 Sheriff's Office); 1 replacement ambulance; 2 replacement Transportation vans; 1 additional vehicle for Investigator in Sheriff's Office; removed tactical rescue vehicle from Sheriff's Office; recommended to fund personnel in Sheriff's Office over tactical rescue vehicle
 - Continue computer replacement plan
 - Finance and Human Resources software conversion (\$429,000)
 - Parks and Recreation (\$162,000) for landscaping, pickle ball, tennis lighting at Silvermont and ADA improvements
- Major expenses Solid Waste Fund:
 - Woodruff Road maintenance (\$149,000); experienced wash out this year that made road impassable for period of time
 - Convenience site retention walls for safety concerns (\$100,000)
 - New scales (\$75,000)
 - Replacement of equipment and boxes

Outside Agency Requests

There have been a lot of changes over the last few years on how the County approaches outside agency requests. Specifically, there are constitutional authority and requirements as outlined in Article V, Section 2(7) of the North Carolina Constitution. The General Assembly authorizes local governments to "contract with and appropriate money to any person, association, or corporation for accomplishment of public purposes only." All expenditures of public funds must satisfy the North Carolina Constitution's public purpose requirement. Furthermore, satisfying the public purpose requirement is necessary but not sufficient. A local government also must have statutory authority to expend public funds for a particular purpose. Due to these requirements, the County has established an outside agency request process.

- Sub-committee review overall comments under the policy adopted by the Board of Commissioners
 - Criteria for scoring was consistent and included:
 - Ability to enhance/supplement County services
 - Outcomes in line with Strategic Plan
 - Scale out outcomes vs. expense ("bang for the buck")
 - \$277,188 requested, \$102,000 recommended
 - Additional trends in review:
 - Some requested more funds than granted
 - \$10,000 for historic/culture preservation entities was allocated by Joint Historic Preservation Commission
 - A decrease is shown as WCCA hands over the Senior Center to Parks and Recreation to operate (meal site will remain)
 - Feedback from discussion to be shared as requested

- Challenge has been to educate nonprofits on the purposes for which the County can provide funding and to explain that County funding is unlike applying to a foundation
- Community Centers-a new partnership
 - Recommend including \$50,000 for grant funds to fund the new grant system for community centers (FY 17 funding total was \$16,000)
 - Will have free Wi-Fi available to the public soon at community centers; intended to support students to have a place in their community to access internet for homework
 - Will be implementing four capital improvement grant projects and reporting back to Commissioners during the coming six months in hopes of laying the groundwork of the next phase of the grant cycle
- The following outside agencies are recommended for funding in full based on their requests:
 - Blue Ridge Community Health Services
 - Bread of Life
 - Pisgah Legal Services
 - Transylvania Christian Ministry
 - Transylvania County Historical Society
 - Transylvania County Honor Guard
 - Western North Carolina Military History Museum
- The following outside agencies are recommended to receive partial funding:
 - Boys and Girls Club of Transylvania County
 - Brevard College
 - The Haven
 - Transylvania Community Arts Council
 - Transylvania Farmers Market
 - Transylvania Heritage Museum
- The following outside agencies are not recommended for funding based on the applications submitted:
 - Brevard Music Center
 - Mediation Center
 - United Way-NC 2-1-1
 - Western Carolina Community Action

Each outside agency is requested to show not only how their services meet State statutes for County funding, but also how they meet the County's goals and strategies in the Strategic Plan.

Outside Partner Agencies

- Co-operative Extension- small increase for Ameri-corps position already in place
- NC Forest Service
- Vaya Health LME/LMO
- Land of Sky Regional Council
- French Broad River Stewards-debris removal fund

Transylvania County Rescue Squad

- Recommended funding: \$386,950 (no increase for prior two years)
 - Increase results from a personnel request to staff the Rescue Squad 24/7 with an EMT/NC Technical Rescuer

- Partnership will enable EMS supervisors to team up and provide additional coverage for response at less expense than adding a crew at this time while still being available to serve citizens
- This recommendation works in tandem with the recommended EMS personnel change that would have supervisors off of the trucks when not needed for response
- Will require an operational change internally
- Will provide time to get better information on situations where all resources are in use
- Will give time to gauge the impact of the potential TRH/Mission sale to HCA

Education

The Board of Commissioners has a legislative responsibility to fund education: “include appropriations sufficient, when added to appropriations from [the State], for current operating expense of the public school system in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the fiscal policies of the board of commissioners,” -NCGS 115C-426

Initially counties funded capital needs, but over time counties began providing funding for operational needs as well. It begs the question, “is the County providing adequate funding and is the funding allocation consistent with County fiscal policy?”

Education-A Top Local Priority-Fast Facts

- County funding of education has steadily increased since FY 2003
- Over the last 8 years, State and Federal funding have increased as well
- Transylvania County advanced in placement to 4th in per student current spending in FY 18 (operations/personnel) for all 100 counties
- Transylvania County ranks 6th out of all 100 counties in total education spending (capital and operations combined) per student
- Transylvania County also ranks 70th out of 100 counties for number of students in public schools
- Transylvania County Board of Commissioners has shown a history of prioritizing funding for education and should be proud of their willingness to do so. A recent national news media report showed funding per state and indicated Transylvania County ranked in the mid-range nationally at \$11,800 per student for that funding year

Education-Peer Counties

- Education funding has grown by an average of 4.71% at the local level since FY 2003 and at 106.9% total over that time frame
- Other County services and responsibilities have grown by an average of 3.01% and by 57.8% total
- Of all 100 counties, Transylvania County ranked 70th in student total
- Ranked 6th highest of the 100 counties in per student total County funds for K-12 education (operating and capital)
- Ranked 4th highest per student operational funding for education from County funds
- When comparing ADM and total funding per ADM, Transylvania County ranks very high among peer counties; the only peer county that ranks higher is Dare County

Education-Board of Education Request (notes)

- Net increase in personnel of 1.45 personnel for county funding
 - Board of Education change sheet reflects 4 teachers at high school decrease
 - Unable to get an answer on total position changes from School Administration, per Dr. McDaris email they have some projections, but they were not shared

- Includes continuing School Resource Officer program; will be a larger funding increase this year for systems that are not currently funding SROs in schools
- Federal funding cuts are cited on the change sheet as PRC 069 carryover funds and RLIS grant
 - \$160,000 covers software subscriptions, two social workers and three guidance counselors

Education-Operations Funding Summary

- Third year of implementing the Local Public School Funding Formula
- This netted a 5.43% increase per ADM (student) this year to \$3,359 per student recommended
 - Current Expense Funding requested by Board of Education: \$12,323,074 (4.05% increase) from FY 18 County appropriation
 - Along with a budget of \$110,000 Fines and Forfeitures for a total of \$12,33,074 local expense budget proposal
- Current Expense Funding recommended: \$12,429,623(4.9% increase)
 - Recommended funding is \$106,000 higher than requested by Board of Education for operational expenses; these funds could be reallocated to increase the funding for capital improvements should the Board of Education agree
 - Current Expense allocation for FY 18 was \$11,842,443
 - Fines and Forfeitures distributions are processed as received

Education-Operations Summary

- Recommendation to re-evaluate and revise formula over next year
 - Formula has been using the DPI projection number and calls for rectifying based on August student numbers
 - Concern was raised in 2016 by the Superintendent when the formula was developed that using the DPI projection with a claw back could hurt the schools because they need to have contracts in place in the spring; had the County used the claw back provision, this would have meant reduced funding in August because DPI has over projected ADM numbers each year of the formula.
 - DPI projection for students this year is 3,449 students. This figure is unrealistic for trends so recommendation is using FY 18 Month 1 figure of 3,397 to avoid a large August adjustment to School System after school has started since the claw back provision is still in place.
 - ADM has been on a steady decline for 10 years of .6% average
 - Prior year DPI projection has been high and Commissioners have not recovered the difference under the policy (\$300,000 total over two years)
 - Projection vs August 1 ADM: FY 17: 3,485 vs 3,402; FY 18: 3,412 vs 3,397
 - CPI gets counted twice in the formula (from other jurisdictions taking it into account in the year prior in increases and adding it for current year)
 - School Board has requested revisiting the funding formula
 - Note: Formula has resulted in a three year average increase of 3.66%, which is ahead of the County's growth in revenues over that period. Savings from bond roll off payments have helped offset, but those are coming to an end. Future growth exceeding revenues will require a tax increase for operations separate from capital needs.

Education-Capital

- School capital requested by Board of Education: \$5.2 million, a 193% increase over the previous year
- School capital County funds recommended: \$1,850,000, a 2.78% increase and additional \$221,900 in lottery revenue budgeted (consistent with history of availability)

- \$713,071 appropriation for furniture and equipment (9200 category)
 - Request totaled for over 5,000 ADM at \$24 per student figure for furniture, this was adjusted to projected ADM by school
- Allocate by project for renovation projects totaling \$895,129
- All projects paid in full or as a sum of payments exceeding \$50,000 will need executed contracts or invoices submitted to draw down funds
- Projects less than \$50,000 will be given in a lump sum as listed on the recommended capital proposal
- Removed architectural funding requested by Board of Education given the Board of Commissioners previously denied their request
- As allowed by statute and as historically included in County Budget Ordinance, no funds can be reallocated at greater than 10% between projects without County Commissioners' approval

Education-Blue Ridge Community College

- Blue Ridge Community College request:
 - \$506,239 total (\$420,039 Operating, \$86,200 Capital)
 - Two years ago saw a decrease in expense with State bond; FY returning to typical levels
 - Includes Career Coach and School Resource Officer

Operational Summary

- Recommended budget can operate existing services and fund existing obligations as presented with:
 - No property tax increase for operations
 - Initial budget reflects fund balance appropriation, but anticipates surplus to fund capital reserves from FY 16 2 cent tax increase for capital (consistent with historical trends)
- FY 18 projected \$3.1 million to go into fund balance, mostly into designated reserves (\$573,000 health insurance from anomaly year), offset by expenditures from fund balance in FY 18 for a net decrease in fund balance as of June 30, 2018.

Conservative Budgeting Philosophy

- Revenues are projected conservatively
- Expenditures are projected using data, but anticipating some cost variance by purchasing
- Organizational culture and procedures require consumerist shopping for best pricing at purchasing
- Factors of risk in this budget:
 - Fuel pricing
 - Investment projections subject to major event or crisis
 - Sales tax projections increasingly challenging due to formulas and ties to requirements on how those funds are spent

Budget Planning Recommendation Part 2 – Planning for the Future

- Major capital planning- \$93 million of identified capital needs by Board of Education
 - \$68 million school bond vote this fall- Brevard High, Rosman High, Rosman Middle (20 year payback)
 - \$25 million in needs at remaining schools to be financed otherwise in order to move forward
 - *Note: Bond referendums are related to funding methods, not particular projects. State law requires voter approval of this funding method. Other types of financing can be pursued without voter approval. Counties are prohibited from holding voter referendums*

to determine if the public supports a capital project, program or idea. NC Statutes anticipate that as representatives of constituents, local governing bodies make those decisions as a board, unless there are specific statutes pertaining to an item such as alcohol sales.

- Courthouse- \$31 million USDA Loan financing for low rate over longer term (40 years)
 - Note: To put this to a vote of the people would change the financing the method and rather than having 40 years' payback like the USDA loan, the payback would be limited to a 20-year term, making the payments much higher. USDA loan financing is only available for projects where there is a clear justification for the need for the structure. In this case, the age of the current Courthouse is a major factor in the USDA loan process.
- Capital List
 - Water needs community-wide- \$40 million
 - EMS Main Station estimate-\$1.6 million
 - Parks and Recreation- \$32.2 million
 - Economic Development- Product and Site Development
 - Industrial project underway on Ecusta Road with lease payments to help invest in future economic development

Fire District Tax Rates

All of the fire departments have submitted budget requests that include additional staffing and capital.

District	County Funding Budget Request	Dollar Change from FY 18 approved
Sylvan Valley II	\$480,000	\$7,000
Rosman	\$654,125	\$129,221
Little River	\$457,230	\$12,036
Connestee	\$782,258	\$75,046
Cedar Mountain	\$193,100	-\$900
Lake Toxaway	\$1,012,786	\$232,443
Balsam Grove	\$97,277	\$0
North Transylvania	\$291,655	\$134,455

By State law, Commissioners are required to evaluate these funding requests and determine what portions of the budgets to fund. The funding requests range from a slight decrease to as much as a \$232,000 increase.

Fire District Requests

- Brevard Fire/Sylvan Valley II
 - Nominal increases, continue to contract with three agencies for coverage in Sylvan Valley II and save for future substation
- Rosman Fire
 - Annual payment on building: \$12,000 increase

- Communications: \$5,000 increase
- Paid staffing: \$100,000 increase
- Little River Fire
 - Small increases in multiple lines; overall small budget increase and small tax rate decrease using current funding method
- Connestee Fire
 - Deposits down payments: \$45,000 (down payment on property for main station)
 - Annual payment on building to begin FY 20; proposed construction of new main station
- Cedar Mountain Fire
 - Removed grant revenue and expenditure (department is applying and may request funds from reserve if grant approved)
- Lake Toxaway Fire
 - Annual payment apparatus: \$33,979 increase (rescue pumper/early delivery)
 - Breathing apparatus: \$6,825 increase (rescue pumper 5 sets)
 - Capital cash purchase building: \$65,000 for 3 bay building and 30,000 remodel kitchen with commercial appliances
 - Fire suppression equipment: \$70,000 increase for equipment for rescue pumper
 - Paid staffing: \$90,000 increase
- Balsam Grove Fire
 - No funding for firefighters pension- haven't participated due to expense so volunteers will not be eligible for benefits
- North Transylvania Fire
 - Increases in budget that have been discussed over last two cycles reflecting needs not funded previously due to tax impact
 - Part time upgraded to full time staff person: \$15,000
 - Protective gear: \$6,000 increase
 - Grant matching for breathing apparatus and fire apparatus: \$68,500
 - Security cameras: \$6,500

Discussion

This concluded the Manager's recommended budget presentation. The next item she will be discussing is the tax impact of the requests by the fire departments and how Commissioners intend to fund those requests. The discussion on what requests Commissioners would like to fund will be had at the budget workshop on May 31.

Other items that Commissioners may want to discuss at the workshop should be items they feel warrant additional deliberation or a different direction than recommended. The Manager asked Commissioners to identify those issues and inform her of them so staff can gather additional information necessary for the workshop. Staff will provide Commissioners with a full budget packet that will include a full capital list and costs, personnel list and costs, budget by department, budget by line item and other data. Commissioners need to develop their questions and proposals for the workshop.

The budget workshop will be conducted the same as previous years whereby the Manager will facilitate the discussion in an effort to deliver a final product to citizens. The process will involve identifying the topic, reintroducing information presented on the topic and giving additional information, and discussing the topic under a time limit. Once consensus of the Board is reached on an item, the Manager will move onto the next item unless Commissioners call for additional discussion. As always, she asked Commissioners to be patient, kind, courteous and cordial to one another during the process. She called for comments and questions from Commissioners.

Commissioner Lemel thanked staff for the impressive amount of work that went into preparing the budget. She was appreciative of the comprehensive view of the budget. Commissioner Lemel said one of the biggest lessons she has learned as a County Commissioner is that the budget is not a math problem, but a policy statement of what Commissioners believe in, what they value and how they choose to invest in the community. She commended the Manager for presenting a budget that indicates the direction of the County, invests in citizens and cares for the needs of the community. She was pleased to be part of the process.

Commissioner Hawkins agreed with Commissioner Lemel's comments that local government budgets are policy statements about what a particular board is trying to accomplish and what is important to them. He believes this budget demonstrates the County's unwavering commitment to public education, an investment into providing services that the private sector cannot provide and doing them well, and a conscientious reflection that the County operates within an environment of limited resources. He said the budget is a result of a lot of careful thought and a great deal of work by staff and Commissioners. It has a purpose, and he too was proud to be part of this process.

Commissioner Phillips asked if capital funding for local community colleges were bound by statutes. He noted they enhance the public school programming tremendously and wondered if the funding levels were because of the County's commitment to public education. The Manager responded there are statutes that govern the funding. If a county has a community college site within its jurisdiction, it is the local governing board's responsibility; otherwise the county could stand to lose that asset. She agreed that the local community college is critical to our public school programming.

Commissioner Lemel highlighted the \$50,000 investment in the community centers. She was very excited about Wi-Fi being provided in these facilities and she was proud of this investment and the support of our citizens.

Commissioner Chappell thanked staff for all the work that went into preparing the budget. He agreed that the budget reflects Commissioners' priorities, but he also saw the budget as a financial decision because every penny the County spends is a penny citizens cannot spend on themselves. Although the County uses taxpayer dollars for public purposes, he wanted Commissioners to be mindful that these dollars belong to the citizens.

Chairman Chapman requested to add to the budget workshop an agenda item to address the Courthouse. The Board has voted to move forward with a new facility on Morris Road. He would like for Commissioners to look at funding options and the amount of tax increase needed to start funding the project.

The Manager reviewed that the budget workshop will be held on May 31 at 6pm. A second budget workshop is scheduled for June 4. The public hearing is scheduled for June 12 and Commissioners should adopt the budget on June 25.

Chairman Chapman thanked the Manager and staff for the tremendous amount of work that went into developing the recommended budget.

The Manager announced that a copy of the budget and supporting documentation will be available at the library, in the Clerk's office and online.

FUNDING OPTIONS FOR FIRE AND RESCUE SERVICE CONTRACTS

In January of this year Commissioners asked staff to research fire funding methods and provide information back to them. In February, staff presented Commissioners with the funding options allowed

by State statute and then instructed staff to collect public input on these options. This information along with a public input form was posted on the County's website and promoted via social media over a three month period. Each fire department was asked to consider the topic as a board and provide input as well. Online input garnered 27 responses and the Fire Chief's Association submitted a letter as their response.

The Manager provided clarification on some of the questions received during the public input process. First, the funding methods do not change the level of County 'control' over budgets. In all options of funding, Commissioners determine the funding level and set tax rates to cover them. Secondly, Transylvania County Administration is not interested in a county-run fire department. Transylvania County government values volunteers and the community-led approach to fire service in the community.

Upon looking at fire funding methods, one of the issues in this County is property tax values by fire district. Property tax values range from \$90 million to \$1.65 billion throughout the districts. This contributes to the variance in tax rates citizens pay. There are concentrated areas of wealth by fire district and others that lack because of land being held in conservation or owned by the State and federal government.

The public input response was mostly split between Option A, to remain at the current method, and Option D, establishing a countywide fire tax rate where all citizens pay same rate. Having a countywide fire tax rate does not mean a department would lose funding. The majority of the fire departments were in favor of Option A to stay at the current method. There has also been discussion about funding the districts with lower income separately, such as through the County's general fund. This would require a tax increase for all citizens, but it would likely leave the current fire tax rates as they are. This can be accomplished by either freezing those rates where they are and adding tax to fund through the general fund those departments in need or taking all district rates to the same rate and funding the remainder of the budget needs through the general fund/countywide tax. This would allow each district to have a separate reserve fund.

Redistricting is also an option. This method would impact the tax rates because the area covered would change. Some areas of the County may still have trouble pulling in enough operational revenue based on property valuations and maintaining their rating with response times. That process would take at least a year to navigate.

If Commissioners are interested in keeping Option D, the flat tax, as an option for FY 19, staff will need to send notices and hold a public hearing prior to the adoption of the budget ordinance. Option B was not favored through the public input process, but if Commissioners desired to move forward, it could be accomplished over the next year. The final decision does not have to be made until the second meeting in June with the budget adoption and setting of tax rates.

The Manager requested guidance from Commissioners on what options they want available to them before they make the final decision at the end of June.

In order to better inform Commissioners on what the tax rate differences look like, staff updated the tax rates based on the fire departments' requests. The chart below assumes all requests are approved for funding. With the current funding method and if all departments were fully funded, tax increases would be expected in Rosman, Connestee, Lake Toxaway and North Transylvania. Specifically, North Transylvania would see a significant tax increase in order to meet their operational needs because of the property valuation constraint within their district. For the flat tax rate, and if all departments were fully funded, tax increases would be seen in Brevard Sylvan Valley II, Connestee, and Lake Toxaway, but all the others would experience a decrease. The third option is the idea of supplementing from the general fund. If the methodology is to freeze the current fire tax rate and then add a general fund tax increase in

order fund the requests for FY 19, it would add \$0.864 cents countywide to the tax rate which would impact all citizens. The alternative method would be to consider a lower tax rate for all districts, then take the remainder of that balance in addition to the increases in funding for this year to calculate into the \$0.864, but the Manager did not have enough information to run separate figures. If Commissioners want to consider this option, staff can provide the figures at the next meeting.

District	Budget Request	Dollar Change from FY 18 approved	Current Fire Tax Rate	District Fire Funding Method Rate*	Flat Tax Rate*	Supplement out of General Fund**
City of Brevard Residents	None (City Budget)	NA	City Tax only	City Tax only	City Tax Only	City Tax + .864 cents
Brevard/Sylvan Valley II	\$480,000	\$7,000	5.5 cents	5.5 cents	8.32 cents	6.364 cents
Rosman	\$654,125	\$129,221	11.59 cents	14.28 cents	8.32 cents	12.454 cents
Little River	\$457,230	\$12,036	9.11 cents	9.06 cents	8.32 cents	9.914 cents
Conestee	\$782,258	\$75,046	7.67 cents	8.33 cents	8.32 cents	8.534 cents
Cedar Mountain	\$193,100	-\$900	13.78 cents	13.76 cents	8.32 cents	14.644 cents
Lake Toxaway	\$1,012,786	\$232,443	4.79 cents	6.17 cents	8.32 cents	5.654 cents
Balsam Grove	\$97,277	\$0	10.98 cents	10.86 cents	8.32 cents	11.844 cents
North Trans.	\$291,655	\$134,455	12.70 cents	23.39 cents	8.32 cents	13.564 cents

*Assuming Commissioners see justification for all requests as presented for all districts

**Assuming a General Fund Tax to supplement fire districts. Figures assume all requested funds from fire departments would be funded, existing fire taxes remain at FY 18 levels and funded from General Fund. Would also apply to City residents.

Green means tax decreases, yellow stays the same, red goes up.

The Manager recommended Commissioners consider the funding methods. She stated that no matter what funding method Commissioners chose, she requested to change the budget review process next year so that fire department budget requests are reviewed by a subcommittee comprised of two Commissioners, two representatives of the Fire Chief's Association, Administrative County staff, and Fire Marshal's office. The subcommittee would consider the requests and make a recommendation by May 15. This would give Commissioners additional information and allow them an opportunity to review the requests in depth rather than the requests being part of the workshop each year. The Manager also asked Commissioners to consider what options they want to have available for fire tax rate funding methods for FY 19 and to direct staff how to move forward with funding the requests as presented.

Commissioner Lemel stated this issue has long been of interest to her in trying to understand the huge disparity in the tax rates from district to district. She was also dismayed and appalled to learn that Balsam Grove firefighters have no ability to participate in the pension plan as volunteers. This department should not be treated any differently than the other volunteers in the County because they have no money with which to participate. Commissioner Lemel stated that Commissioners have no interest in doing a complete overhaul of fire departments. This issue is merely about the tax rate. She pointed out the Manager's presentation indicated most citizens would see a reduction in their fire tax rate. She is interested in establishing parity. She does not think citizens should be penalized because they live in a district with a lot of publicly owned lands. She said it is unfortunate that the County is not able to look at supporting all of the fire departments and allowing each of them to thrive and develop the ability to care

for their firefighters and have the necessary equipment that they need to function successfully and provide service to the citizens.

Commissioner Hawkins said there are three issues that stand out to him. The first is to determine how the County is to facilitate and assist the different districts access equipment and meet other needs that have a very limited tax base. The second issue is dealing with the disparity in the tax rates across all districts. Thirdly, he thinks it is reasonable to consider that this issue could become a problem in other districts as well, so it is important to plan long term.

Commissioner Lemel pointed out we are also challenged as a community as more land is put into conservation easements and the interest in preserving farmland increases to find opportunities to help some of those fire districts that are behind. She stated she learned a lot as the victim of the largest property fire in the history of Transylvania County. In 2005, multiple fire departments responded to a fire at her camp at a time when the fire departments were a 100% volunteer force. Because of her experience, she said she is a huge advocate of professional firefighters and said the County can no longer remain dependent on volunteers because our workforce has changed. All of the districts need the opportunity to do preplanning, but some of the districts do not have the manpower to truly prepare themselves to respond to a fire. She felt that the fire at her camp would have ended differently had there been preplanning, paid firefighters, and proper equipment in place. Commissioner Lemel emphasized there are excellent fire departments in this community, but it is important that the County support all of the districts equally in their ability to respond with the utmost professionalism in a timely fashion and with the best equipment.

Commissioner Chappell said he did not think it was the right time to make a change to the funding method. He was supportive of the process to allow more time to understand fire departments' budgets. In past years Commissioners have had a very limited amount of time to review fire departments' budgets prior to approval. He alluded to the fact that the lack of time may have been a disservice to the fire departments. He restated that for this year he is not in favor of making changes to the funding method.

Commissioner Phillips pointed out potential ways to assist those departments that are struggling with funding, such as providing the match for grants that require matching funds or paying down loans to increase their equity. He was unsure how other departments would see this assistance, but he felt these were potential short term options for the two departments that are really struggling.

Chairman Chapman commented that the increase to fully fund North Transylvania Fire Department is 10 cents. Commissioners will have to make the hard choice to either raise the tax rate or make significant cuts to their budget request, unless part of their request is funded from the general fund. Chairman Chapman said he was not in favor of the Board prioritizing fire departments' budgets, but did not feel the Board could support such significant tax increases.

The Manager asked for direction about which items Commissioners want available to them. Keeping the existing method in place is one option to consider and requires nothing more from Commissioners other than a review of the individual departmental budgets during the budget workshop. For the flat tax to be on the table for FY 19, property owners must be noticed and a public hearing would be held the same night as the passage of the budget ordinance. There are significant steps to be taken in order for it to be an option. If Commissioners prefer to supplement departments from the general fund, Commissioners would decide during the budget workshop which items to fund and how much they would want to be paid from the general fund. The Manager would then set the general fund tax rate based on this information.

Another option to pursue is to set the tax rate for all departments based on the department with the lowest tax rate. That is currently \$0.479. The remainder of the departments' budgets would be funded from the general fund. The net result is a flat tax, but it is not a true flat tax. The method still involves taking

funds from the general fund to fund the two fire departments that are in most need. Commissioners can also fund just the amount they feel those two departments need in addition to their current tax rate. The problem in navigating this issue is the varying tax rates. Commissioners have the option in either setting a floor or a cap. Commissioners can set a floor of a certain tax rate and then fund anything above from the general fund, or set a cap and anytime a district has needs above the capped amount the amount is funded from the general fund.

Commissioner Lemel felt that Commissioners were under a huge time pressure. Given the letter from the Fire Chiefs Association and Commissioner Chappell's comments, she asked if Commissioners had the option of staying with the current method for FY 19 and then start meeting with the subcommittee in September to look at solving this issue for FY 20. She felt it would be respectful to meet with the departments individually.

The Manager responded that this option would remove the flat tax option from consideration for FY 19. She asked for direction on how to fund North Transylvania because fully funded their tax rate would increase to nearly 24 cents.

Commissioner Hawkins's direction was that Commissioners would approve a budget and tax rate for North Transylvania that they felt comfortable with, and it would not necessarily be fully funded, and to pay for any remaining out of the fund balance.

Based on further discussion, the Manager proposed Commissioners accept the recommendation to develop the subcommittee. For the fire tax methods, she suggested removing the flat tax option for FY 19. She further proposed to utilize the subcommittee to evaluate funding methods. The Manager also recommending taking the proposed funding to the workshop and following the presentation Commissioners should discuss what a maximum tax rate should be for fire departments. Anything above the maximum tax rate would be paid for through the general fund once the budget ordinance is adopted. This would require an increase to the general fund from fund balance for FY 19.

Commissioner Chappell felt that adjusting the tax rates appropriately per district should remain an option and it can be voted on during the budget. The Manager responded that Commissioners would adjust the tax rates to meet the budget, but also establish a maximum tax rate so she would know how much to fund from the general fund in FY 19.

Commissioner Hawkins said this is a one-year band-aid and is not sustainable. There needs to be a better process long term.

Commissioner Lemel thought it was important that Commissioners hear from the Fire Chiefs, potentially at a joint workshop. Commissioner Hawkins agreed.

Commissioner Chappell agreed with a subcommittee evaluating the budget in the future, but he suggested tweaking the makeup.

The Manager restated her recommendations which served as direction for the next meeting.

MANAGER'S REPORT

The Manager reported the following:

- The Early Childhood Initiative met with Sesame Street in Communities about a potential partnership last week
- The Senior Services Task Force has completed the State of the Seniors Report and will be taking next steps to identify ways to implement soon

- There will be a drop-in public meeting on Thursday, May 24 from 4-7 pm at the Transylvania County Library regarding the Pisgah Forest entrance intersection improvements; hosted by the NC Department of Transportation and transportation consultants
- Next meeting there will be a presentation on the implementation thus far of the Parks and Recreation Master Plan; July is Parks and Recreation Month
- CARE Coalition has been successful in securing a grant from Blue Cross NC and NC School of Government to become part of a network of communities actively working to combat the opioid use crisis. Transylvania County is the only county west of Wilkes County to receive the grant and the grant will bring together a team of community leaders starting with David Guice, Sheriff David Mahoney and the County Manager
- Kudos Report!
 - To Mike Owen and the Building Inspections staff for their customer service focus and in being responsive to both Ingle's vandalism and the industrial building project
 - To Kelly McBride from United Way for hosting the Volunteer Celebration this month
 - To Sheila Cozart, Paulette LaBerge, Cindy Landreth, Dean Landreth, Mike McKinney, Doug Tucker and the First Baptist Church of Brevard for making the employee appreciation day special despite the rain
 - To Emergency Management staff for keeping the public up to date on the flood waters and transportation impacts and for those who have deployed with Transylvania Rescue Squad to assist Polk County as they work through some devastating flooding impacts

The Manager reminded Commissioners to submit to her any items they would like to discuss at the budget workshop by Friday. Commissioner Chappell requested to add the Sheriff's request for a tactical rescue vehicle. The Manager agreed and will include options for funding over multiple years.

Commissioner Hawkins asked if the Manager could get a report from the NC Department of Transportation about the status of Wilson Road following the rains and flooding from last week. He also inquired about getting a report from Cooperative Extension on the agricultural impact. He wondered if there was anything the County can do to help. The Manager reported she spoke with Representative Henson and he has reached out to NCDOT to ensure they have adequate funding to make the necessary repairs. She will also follow up with Cooperative Extension.

PUBLIC COMMENT

Terry Crowe: Mr. Crowe said he is a very strong supporter of the pension for firefighters. He hopes County staff will work diligently with the Balsam Grove Fire Department to help them remedy this issue in the coming budget year. He also commented that while grants are great for departments, they can place unforeseen burdens on departments. Sometimes the grant matches have to be paid up front and departments must wait for reimbursement, thus leaving them strapped for cash. He suggested the County help the smaller departments with support in this effort.

COMMISSIONERS' COMMENTS

Commissioner Lemel commended Cindy Cathcart on her efforts to help the community come together to find common ground on a sensitive issue. Elected officials are driven by trying to do the most good for the most people in the community. She said it was a pleasure to join with citizens to find solutions that work for our community. Commissioner Lemel stated if the County's partnership with Sesame Street Communities goes forward, it would be the 4th community in the nation to have this opportunity with them. Transylvania County would follow Los Angeles, Kansas City, and Greensboro, so this is very exciting.

Chairman Chapman invited citizens to the Memorial Day parade on Saturday at 9am. The ceremony will follow at 10am at the Courthouse. He encouraged everyone to attend. The WNC Military History Museum will be open as well. Chairman Chapman said he briefly met the Senior Vice-President of Sesame Street in Communities upon her visit here and he sent her a note thanking her for her visit. She followed up with a thank you note which he read aloud. Chairman Chapman asked everyone to keep the family of Senator Edwards in their thoughts and prayers. He lost his son unexpectedly over the weekend. Chairman Chapman reiterated the Manager's earlier comments about keeping the budget process civil. He also announced that citizens should bring forward their concerns to Commissioners, not staff.

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

CLOSED SESSION

Pursuant to North Carolina General Statute §143-318.11 (a) (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, options, exchange or lease, closed session was entered into at 10:15 p.m. Present were Chairman Chapman, Commissioners Chappell, Hawkins, Lemel and Phillips, County Manager Jaime Laughter, County Attorney Misti Bass, Transylvania Economic Alliance Executive Director Josh Hallingse, Transylvania Economic Alliance Board of Directors Chair Jeremy Owen and Clerk to the Board Trisha Hogan. The meeting was held in the Arthur C. Wilson, Jr. Conference Room.

Commissioners received an update on the negotiation efforts for potential property acquisition. Commissioners directed staff on how to proceed.

Chairman Chapman moved to leave closed session, seconded by Commissioner Phillips and unanimously carried.

OPEN SESSION

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

ADJOURNMENT

There being no further business to come before the Board, **Chairman Chapman moved to adjourn the meeting at 10:45 p.m., seconded by Commissioner Phillips and unanimously carried.**

ATTEST:

Larry L. Chapman, Chairman
Transylvania County Board of Commissioners

Trisha M. Hogan, Clerk to the Board