

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
May 26, 2020 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Tuesday, May 26, 2020 at 6:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC. (Monday, May 25, 2020 was the Memorial Day holiday and County offices were closed.)

Commissioners present were Jason Chappell, Jake Dalton, David Guice, Chairman Mike Hawkins, and Vice-Chairwoman Page Lemel. Also present were County Manager Jaime Laughter and Clerk to the Board Trisha Hogan. The County Attorney participated remotely.

Media: *The Transylvania Times* – Derek McKissock participated remotely.

There were 4 people in the audience, in addition to the Finance Director, Public Health Director and Information Technology staff.

CALL TO ORDER

Chairman Mike Hawkins presiding declared a quorum was present and called the meeting to order at 6:04 p.m.

WELCOME

Chairman Hawkins welcomed everyone to the meeting participating both in person and remotely. He introduced Commissioners and staff in attendance.

SPECIAL APPOINTMENT OF COUNTY COMMISSIONER

APPOINTMENT OF CHARLES JACOB “JAKE” DALTON AS COUNTY COMMISSIONER

With the recent passing of County Commissioner Will Cathey, a vacancy has occurred on the Board of Commissioners. NC General Statutes govern how the vacancy should be filled. At the previous meeting, staff provided some guidance to the Board on how the seat will be filled.

Initially, the seat will be filled in accordance with NC General Statute § 153A-27.1. Since Mr. Cathey won the seat as a Republican in 2018, the Board of Commissioners consulted with the Transylvania County Republican Executive Committee to appoint a person of their choosing. The Board of Commissioners must appoint the recommendation of the Executive Committee as long as the recommendation is made within 30 days of the vacancy occurring. The appointed member will fill the seat until the first Monday in December.

Ruth Harris, Chair of the Transylvania County Republican Party, submitted the Party’s nominee to Chairman Hawkins on May 20 which met the statutory timeline for making the recommendation. The Transylvania County Republican Party chose Charles Jacob “Jake” Dalton as their nominee and requested the Board of Commissioners appoint him to fill the vacancy. Mr. Dalton will serve through the first Monday in December.

A special election will run concurrently with the general election in November. The winning candidate will serve the remaining two years of the term and the seat will be up for election in 2022 as scheduled.

Chairman Hawkins moved to appoint Charles Jacob “Jake” Dalton to fill the vacancy on the Board of Commissioners, seconded by Commissioner Chappell. Commissioners congratulated Mr. Dalton on his appointment and expressed they look forward to working with him. They also thanked Mrs. Harris and the Executive Committee of the Republican Party for their thorough process to review and select the best candidate. **The motion was approved unanimously.**

Clerk to the Board Trisha Hogan gave Mr. Dalton the prescribed oath of office and he took his seat at the dais to begin his service as County Commissioner.

Commissioner Dalton stated it is a privilege to be appointed as a County Commissioner, although the circumstances were not expected. He said he looks forward to working with the Board and doing his very best for the citizens of Transylvania County.

PUBLIC COMMENT

David Morrow: Mr. Morrow asked what citizens can expect in the next several months now that Transylvania County citizens have flattened the curve and sheltered in place for two months to keep from overwhelming the healthcare system. He asked several questions related to the availability of hospital beds, assisted living units, the addition of trained doctors and nurses, etc. He commented that if the appropriate steps have not been taken, a lot of time will have been wasted preparing the County for the next crisis.

AGENDA MODIFICATIONS

There were no agenda modifications.

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

CONSENT AGENDA

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

The following items were approved:

MINUTES

The Board of Commissioners held a strategic planning workshop on August 5, 2019. The Board of Commissioners met in special session on March 31, 2020 for the purpose of considering action related to the COVID-19 response. Prior to the business of that meeting, Commissioners met in closed session to consult with an attorney in which the minutes were sealed. The closed session minutes will be on the Board’s next agenda for approval. The minutes were approved as submitted.

DISCOVERY, RELEASE AND MONTHLY SETTLEMENT REPORT

Per NC General Statute § 105-312 (b), it is the duty of the Tax Administrator to see that all property not properly listed during the regular listing period be listed, assessed, and taxed. The Tax Administrator shall file such reports of discoveries with the Board of Commissioners. Per NC General Statute § 105-381 (b), it is the duty of the Tax Administrator to provide a monthly report to the Board of Commissioners of the actions taken by the Tax Administrator on requests for release or refund, which shall be recorded in the minutes. For the month of April, tax releases totaled \$711.28 and refunds

amounted to \$2.62. The Discovery, Release and Monthly Settlement Report for April 2020 was approved as submitted.

TRANSYLVANIA COUNTY TRANSPORTATION TITLE VI PLAN

Transylvania County Transportation is a recipient of Federal Transit Administration funds from the NC Department of Transportation. County Transportation is committed to ensuring that all decisions are made in accordance with the nondiscrimination guidelines of the Title VI Plan, to the end that no person is excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under any transportation services and activities on the basis of race, color, national origin, sex, age, creed (religion), or disability, as protected by Title VI of the Civil Rights Act of 1964 as required by FTA Circular 4702.1B, and related requirements outlined within the FTA Certifications & Assurances' "Nondiscrimination Assurance." This document details the nondiscrimination program, policies, and practices administered by Transylvania County Transportation and will be updated every three years to incorporate changes and additional responsibilities as they are made. The Transylvania County Transportation Title VI Plan was adopted as submitted.

PROPOSED ISSUANCE OF REVENUE BONDS BY THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY TO PURCHASE CEDAR MOUNTAIN HOUSE ASSISTED LIVING FACILITY

Urban Housing & Community Service Corporation and its affiliates intend to finance the acquisition of the Cedar Mountain House Assisted Living Facility using tax qualified 501(c)(3) bonds issued by the Arizona Industrial Development Authority. The purpose of using bonds is to lower the financing costs for the borrower. Federal laws require the local elected body that has jurisdiction of the area in which the facility is located and is to be financed with tax-exempt bonds to approve the issuance of the bonds. Prior to approval, a public hearing is required to gather public input on the bonds and the facility. The Governor's Stay at Home Order allows for public bodies to hold public hearings required or authorized by law during a remote meeting and take action, provided the public body allows for written comments on the subject of the public hearing to be submitted between the publication of any required notice and 24 hours after the public hearing. There were no in-person comments during the public hearing held on May 11, 2020. No comments were submitted to staff during the 24-hour public comment period. Commissioners approved the issuance of the revenue bonds via passage of the following resolution:

A RESOLUTION (TRANSYLVANIA COUNTY RESOLUTION #18-2020)

REGARDING THE ISSUANCE BY THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY OF ITS SENIOR LIVING REVENUE BONDS IN ONE OR MORE SERIES IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$75,000,000, FOR THE PURPOSE OF FINANCING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ASSISTED LIVING FACILITIES LOCATED IN THE COUNTY AND OTHER RELATED MATTERS.

WHEREAS, The Arizona Industrial Development Authority ("**AZIDA**") is a nonprofit corporation and political subdivision of the State of Arizona. AZIDA is a conduit issuer of municipal revenue bonds with the ability to assist private and public borrowers across the country. AZIDA issues conduit revenue bonds for the benefit of private users. Repayment of the bonds is the obligation of the private user only. The proceeds of these revenue bonds may be used for commercial enterprises of any kind, and the interest on the bonds may be exempt from federal income taxation; and

WHEREAS, Urban Housing & Community Services Corporation, a California nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as

amended (the “*Code*”), or affiliates thereof (collectively, the “*Borrower*”), has applied to AZIDA to issue its Senior Living Revenue Bonds (the “*Bonds*”) in one or more series in an aggregate principal amount of \$75,000,000, of which approximately \$8,750,000 will be loaned to the Borrower to be used, in part, to (1) finance the acquisition, construction and equipping of the 64-bed Cedar Mountain House assisted living facility located at 11 Sherwood Ridge Road, Brevard, NC 28712-6558 (collectively, the “*Project*”), (2) fund a portion of the interest on the Bonds, (3) fund certain reserve and other funds related to the Bonds, and (4) pay costs associated with the issuance of the Bonds. The Bonds will constitute “qualified 501(c)(3) bonds” within the meaning of Section 145(a) of the Code; and

WHEREAS, the Project will be initially owned and operated by the Borrower; and

WHEREAS, pursuant to Section 147(f) of the Code and the Treasury Regulations promulgated thereunder (collectively, the “*Federal Tax Requirements*”), prior to the issuance of the Bonds by AZIDA, and after a public hearing held following reasonable public notice, the Borrower has requested the Board of Commissioners of the County (the “*Board*”), as the highest elected representatives of the County, the governmental unit having jurisdiction over the area in which the Project is located, to approve AZIDA’s issuance of the Bonds and the financing the Project in the County; and

WHEREAS, on May 11, 2020, prior to any deliberations regarding this Resolution, the County held a public hearing at which all interested persons have been given a reasonable opportunity to express their views on the location of the Project, the issuance of the Bonds and other related matters. Written comments on the subject of the public hearing were allowed until 24 hours after the public hearing. The public hearing was duly noticed by publication, attached as Exhibit A, in a newspaper having general circulation in the County, not less than 7 days prior to the date of the public hearing. A compilation of the comments received is set forth in Exhibit B (none received); and

WHEREAS, at the Borrower’s request, the Board now desires to approve AZIDA’s issuance of the Bonds and the financing of the Project in order to satisfy the Federal Tax Requirements;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. It is hereby found, determined and declared that Project and the Bonds will give rise to no pecuniary liability of the County, or a charge against its general credit or taxing power.

Section 2. As required by and in accordance with the Federal Tax Requirements, the Board, as the applicable elected representatives of the governmental unit having jurisdiction over the area in which the Project is located, approves AZIDA’s issuance of the Bonds and the financing of the costs of the Project in the County solely for the Federal Tax Requirements.

Section 3. **The County has no responsibility for the payment of the principal of or interest on the Bonds or for any costs incurred by the Borrower with respect to the Bonds or the Project. The County pledges neither its taxing power nor revenues for the Bonds. The County has no responsibility for, and has not reviewed, the Borrower, the Project, the feasibility thereof, or the legal documents related thereto, and has no responsibility for the success of the Project.**

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force and effect from and after its adoption.

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

DESIGNATION OF APPLICANT'S AGENT FOR FEMA PUBLIC ASSISTANCE

With the issuance of the National Disaster Declaration due to the COVID-19 pandemic, FEMA established a web portal for organizations to register and submit expenses incurred in response to the pandemic. Transylvania County is eligible to submit expenses through this portal. FEMA requires a local designation of a Primary and Secondary Agent to be authorized by the local governing board to work with FEMA on the public assistance process. The completed designation form will give County Emergency Management staff the ability to work with FEMA to recover some or all the expenses the County has made. Commissioners authorized Emergency Management Director Kevin Shook to be the Primary Agent and Communications Director Cameron Sexton to be the Secondary Agent.

CORONAVIRUS/COVID-19

CORONAVIRUS/COVID-19 UPDATE – HEALTH DEPARTMENT

Public Health Director Elaine Russell provided an update to the Board on the Health Department's role in fighting the COVID-19 pandemic. She thanked the Board for their attention and emphasis they continue to place on the County's continued preparedness and response to the evolution of COVID-19 which has been a complex and challenging environment. The following is a summary of her presentation:

Coronavirus Disease: COVID-19 Briefing

- Transylvania County testing data:
 - 396 negative tests
 - 22 pending tests
 - 12 positive tests

Contact Tracing

- Contact tracing generates the information to understand how the person may have been infected and hopefully curtail the spread of COVID
- Contact tracing is only as good as the information provided

Someone Tests COVID Positive

- Agency is supposed to receive notification of all tests ordered by ordering medical partner
- Agency notified of positive cases through Division of Public Health's NC Electronic Disease Surveillance System (NCEDDS)
- Verify county residency
- Agency Communicable Disease Nurse calls the positive person to start the communications process within 24 hours of agency notification

Next Steps for the Patient

- Extensive questionnaire review with Communicable Disease Nurse
 - Activities for past two weeks
 - Recent travel history to hotspots
 - Close contact (less than six feet for more than 10 minutes) with a known COVID case
 - Close contact to anyone with fever, cough, shortness of breath
- Goal to identify exposure pathway
- Communicable Disease Nurse advises
 - Isolation order to the ill COVID positive person
 - Stay home, limit visitors/close contacts, wear a mask around others
 - Limit contact to household members to the fullest extent possible
- Isolation order for seven days since symptoms first started and at least three days without fever with no fever-reducing medications and other symptoms improved

Contact Tracing

- Additional questions with Communicable Disease Nurse
 - Close contacts (less than six feet for more than 10 minutes) to the new case from 48 hours prior to symptom onset until today
 - Close contacts that might occur during isolation
- Goal of identifying others who might have been exposed to new case
- Communicable Disease Nurse will reach out to contacts provided by infected person to advise of exposure to a known case
 - Quarantine order to household/other exposed persons
 - Contacts should self-quarantine for 14 days from last exposure
 - Symptom education
 - Personal control measures
 - Stress protection of those most vulnerable
 - Advise them to get tested by provider
- Could be individual or event group communication depending on nature of contracting the virus

Ms. Russell reported two staff have been assigned to perform contact tracing which has been manageable with the current level of positive cases. She has already identified additional staff to assist in the effort should the positive number of cases increase. She was thankful for the community effort to slow the spread of COVID-19.

Commissioner Chappell asked for an update on the status of the 12 current cases. Ms. Russell reported the first seven cases have all recovered. The five additional cases are newly diagnosed. None of them are hospitalized currently, but they are seeking healthcare through their provider. Ms. Russell noted two pediatric cases were part of the five new cases. She should have updated information as to whether these five cases are in recovery at the Board's next meeting.

Commissioner Guice asked for an explanation of the uptick in positive cases across both North and South Carolina. He was curious if the increase in cases was due to the relaxation of the Governor's Executive Order and the inconsistency of social distancing and wearing PPE. Ms. Russell explained the uptick in numbers is partly due to an increase in testing, which she noted also yielded negative test results. She explained the driver for the uptick in North Carolina cases is the continued emergence of outbreaks in long-term-care and elder-care facilities and prisons/jails. Four counties in North Carolina have over 1,000 positive cases. The meat and poultry processing plants have also experienced a significance increase in cases due to very tight/close-working quarters and long hours which creates added exposure. Ms. Russell also pointed out that most businesses that are starting to reopen are complying with preventative measures, but some are slow to come around which will contribute to some of the uptick in cases. Additionally, WNC has seen an increase overall, but prior to April had the lowest numbers in the State. In terms of social distancing and other protective measures, she felt that it would take an extra effort by the Health Department to promote effective messaging and contacts to those entities that are struggling to comply.

Commissioner Lemel commented that the Brevard/Transylvania Chamber of Commerce and Transylvania County Tourism Development Authority did a great job with messaging about training that is available to businesses that are comfortable with reopening. Ms. Russell shared that Environmental Health has assisted with pushing out that information to restaurants and lodging establishments.

Commissioner Lemel asked if there were only two total pediatric cases out of the 12 positive cases. Ms. Russell confirmed.

Commissioner Lemel inquired about the age range for the other 10 cases. Ms. Russell stated that three cases fell in the 20-40-year-old age group, and the remaining were 62 or older, not counting the two pediatric.

Commissioner Lemel noted that both statewide and nationally there has been a lot of discussion around the importance of testing. According to the data, less than 2% of Transylvania County's population has been tested. She asked if this was acceptable for a small rural community and if more people should be tested. Ms. Russell stated that pursuing testing with the understanding of the results is very important. Unfortunately, many of those testing negative may feel they are free to do whatever they want without taking precautionary measures. The Epi Team is collaborating with Blue Ridge Health to do targeted outreach to some of the less served/high risk population and possibly perform surveillance in the jail. Simply establishing a testing site may not provide the necessary data to understand the state of the community.

Commissioner Guice commented that some counties are enacting various measures to slow the spread. For example, Buncombe County requires everyone to wear masks in public. In other counties, businesses can make those decisions. He was interested in having a conversation about what is appropriate for Transylvania County.

Chairman Hawkins stated that the Board of Commissioners has never talked about their approach to managing their actions related to the COVID decisions they have made. He felt strongly the Board should determine its goals related to this pandemic and take appropriate action in response to it. He stated the Board's goal as being that they want Transylvania County citizens to be safe, healthy, and employed, and live normal lives in the least disruptive fashion possible throughout this pandemic. He pointed out that identifying how to go about that is much harder. The actions of both imposing strict controls versus simply providing information and allowing citizens to decide for themselves are flawed because the world is dealing with a highly contagious virus for which there is no immunity and is unprecedented in any of our lifetimes. Strict and severe lockdown measures are effective, but they do not consider real world implications and the obstacles in instituting them, some of which are impossible to institute in any kind of free society. At the other end, reliance upon individual decision-making is attractive in a theoretical fashion, but it too runs into real world problems, most notably that some individuals will make decisions that could be catastrophic for public health. The Board has taken some restrictive actions already. More generally, the Board has ruled on the notion of individual responsibility and facilitating ways in which the community can take care of each other. Transylvania Public Health and Government have worked in conjunction with myriad of community organizations to provide outright or facilitate a host of support activities for the benefit of the citizens. Chairman Hawkins explained it is hard to know whether this effort has been successful, but Transylvania County is much better off than most other counties. Transylvania County currently has the 5th lowest number of cases out of 100 counties. He attributed the low numbers to citizens banding together to help one another, which will continue to be important in the upcoming weeks and months. Chairman Hawkins encouraged the Board to continue their leadership and do what is necessary to protect the health and safety of all Transylvania County citizens in the least disruptive way. He reiterated Ms. Russell's earlier comments that we live in a great county with great people and he has never been prouder to live here.

Referring to Commissioner Guice's comments, Chairman Hawkins agreed that the Board should discuss whether to make mandatory certain safety measures. He asked Ms. Russell if she agreed that wearing a mask in a confined area, like a retail store, helps deter the transmission of the coronavirus. Ms. Russell agreed that it does. She said when an individual makes a choice to wear a commercially made mask or homemade face covering, they are making a conscious decision to curtain their germs to themselves. It is a courtesy one would extend to anyone that they love or care about.

Chairman Hawkins reported that his business intends to display a sign citing that masks are a proven deterrent to the coronavirus spread and asks patrons to show consideration to their employees and customers by wearing a mask and practicing social distancing as a responsible way of taking care of each other. He asked the Board to consider whether this messaging was a possible solution to the issue of wearing masks that could be distributed to local businesses via the Chamber of Commerce and Heart of Brevard.

Commissioner Guice was hopeful that people would comply with the prescribed safety precautions. He understood that businesses could refuse service if someone did not comply with their precautions, but he was concerned how certain measures could be enforced at the local government level. He was concerned about the safety of the community and wanted to ensure he was making the right decisions now to prevent a future outbreak.

Chairman Hawkins agreed that mandating mask-wearing is not enforceable as a practical matter.

Commissioner Chappell stated he would not support mandating citizens to wear a mask. He felt strongly that individuals should be able to make personal choices for themselves. He cautioned the Board that making statements that people who wear masks do so because they care about others implies the opposite is true. There are also valid reasons for not wearing a mask.

Commissioner Lemel said she did not support mandating masks. However, as a private business owner, she felt comfortable establishing her own parameters and would turn away patrons for not complying with those orders. She felt it was important for businesses to develop their own level of comfort, especially for their employees. She also felt that it is the Board's job to encourage mask-wearing because it has been recognized as an excellent safeguard to keeping one's germs to themselves.

Commissioner Chappell stated he was supportive of private businesses making those decisions for themselves for the safety of their employees and patrons.

Commissioner Dalton pointed out some people have respiratory issues and cannot wear masks. Saying they are not concerned about the community because they are not wearing a mask is somewhat derogatory to him. Wearing a mask should be a personal choice. He did not favor a local government mandate but supported private businesses enacting measures to protect their livelihood.

Chairman Hawkins pointed out we know very little about this virus and what the future will look like. Therefore, it requires exceptional measures. He remarked that people with respiratory issues should especially take precautions because they fall in a high-risk category.

Chairman Hawkins asked if Commissioners would be supportive of a policy that indicates the Board believes it is important that people wear masks in public when in confined areas to the extent they can, in addition to the recommendations by the State. He did not ask for action from the Board at this meeting but asked Commissioners to consider action at a future meeting.

Chairman Hawkins thanked Ms. Russell for her presentation.

PRESENTATIONS/RECOGNITIONS

PRESENTATION OF FY 2021 MANAGER'S RECOMMENDED BUDGET

The Manager thanked the Board and staff for their work over the last few months to develop a budget. She especially thanked Finance Director Jonathan Griffin for being instrumental in implementing the new software which helped craft the first budget using the software package.

The Manager stated that a budget of this size covering 24 departments and numerous outside agencies along with a high volume of state mandated services and local demands make the budget a very complex process. It has been made more challenging by the COVID-19 pandemic. This is perhaps the most unique budget she has presented in the last 14 years.

The County Manager is required by NC General Statutes to submit a recommended budget to the Board of Commissioners no later than June 1. However, there is little time throughout the year that the Board and staff do not discuss current and future budgets as priorities change and trends emerge. With COVID-19, there have been policy changes at both the State and federal level that impact local operations. 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.

The Manager informed that Transylvania County follows a data-informed process intended to gear decision-making to meet rising service levels. County government in North Carolina is unique in that many services are mandated that are particularly essential during a pandemic.

The Manager submitted her recommended FY 2021 budget, beginning with an explanation of the process and highlighting initiatives that are included in the FY 21 budget among the many services the County continues to provide and that citizens expect.

The following is a summary of her presentation:

How Do We Budget?

- Look at trends for revenue and at resources that help suggest what to expect with those trends
 - Limited information from State on revenues they control because they are on the same budget cycle
 - Impact of COVID on FY 20 and FY 21 unknown with no historical references to understand potential impacts
- Gather information from various sources on price changes, including gas, utility rates, economic predictions, etc.
- Make assumptions and layer review so that staff feels comfortable the projections are reasonable
- Seek to understand Board of Commissioners' priorities, community needs, and funding partner needs
- Estimate service demands by examining existing demands (what is growing or decreasing?)
 - Challenge of COVID-19 service impact estimation
 - Challenge to know COVID-19 operational changes that will remain; could impact buildings and infrastructure needs
- Understand mandated services and non-mandated services (86% or more of the local government budget)
- Consider local economy and economic outlook
- Factor in long-term fiscal health and planning in addition to annual budget process
- Budgets are math and statistics problems, but they also reflect the Board's policy

Highlights for FY 21

- Continue tax increase from FY 20 of 10.5 cents based on voter approval of the \$68 million school construction bond to renovate and expand Rosman Middle, Rosman High and Brevard High Schools for a tax rate of \$0.636/\$100 valuation
- No tax increase recommended for the General Fund functions

- Fire department contract funding to be determined by Board of Commissioners, along with funding method
- Reduced capital and vehicle replacements; will need to be revisited as priorities as revenue is available to avoid spiking costs later; recommend additional conversation in September and January on this topic
- Total budget of \$59,765,160 (total requested \$66.2 million)
- Vehicles are recommended at less than half requested for replacement; capital improvements are stripped out
 - Three of seven requested in Sheriff's office, one replacement in fleet, two transit, six non-Sheriff's Office requests excluded
- Capital freeze in place until September
 - Intend to reevaluate funds to continue R-22 replacements after sales tax revenue hits to FY 20 are known to avoid greater unexpected expenses due to lack of maintenance investment
- Personnel freeze for nonessential positions in place until September
 - No new positions (five requested), no new part-time hours included (two requested and three overlap salaries)
 - Travel and training held flat overall
 - Recommendation for FY 21 that all out-of-state travel on County expense be approved by Board of Commissioners before authorization
- Operational funds are minimized to only those that are necessary to operate
- Partner agencies are held harmless at flat or slight increases
 - Nonprofit contracts - slight decrease
 - Community Centers - keeps funding for capital improvement grants and free Wi-Fi
 - Rescue Squad - flat funding
 - Transylvania County Schools operational funding held flat following mid-year increase; additional funds for SRO personnel costs
 - Transylvania County School capital held flat; lottery fund requests to be considered at application
 - Blue Ridge Community College increase in funding to cover operational increases, including SRO expenses; capital funded as requested minus capital planning project for no net increase
- Maintain existing staff infrastructure to respond to pandemic demands
- Support the United States Census 2020 work in Transylvania County to assure an accurate count which helps to bring federal tax dollars back to the County for service support
- Explore operational efficiency and best practices throughout County services
- Facilitate completion of the first small area plan with the Cedar Mountain community
 - Budget includes funds for consultant to facilitate two plans in FY 21 - Lake Toxaway and Dunn's Rock communities
- Continue work on workforce housing, economic development
- Continue facilitating the work of Get Set Transylvania in partnership with Sesame Street in Communities, including providing topic-based resource toolkits to children; provide resources about County services and the Family Connects program
- Manage the construction of a sewer line that will provide expansion support to Gaia Herbs and extend service by the Town of Rosman along the US 64 Corridor
 - County will hire and manage the contracts for design and construction in addition to the grant funding responsibilities and then turn over the line for ongoing maintenance and operation to the Town of Rosman
- Explore options that have been studied and any additional viable options to meet the facility needs of the courthouse and develop a path forward to meet those needs

- Rosman pool support in the amount of \$50,000
- Continue leachate agreement with the Town of Rosman
- Recommend against balancing fire department budgets from fund balance this year due to uncertainty with how FY 20 will be closed out
- Facilitate the education construction bond issuance as needed by the Transylvania County Board of Education
 - Last update from Board of Education was the expectation to proceed with bond issuance in 2021 triggering debt payments at that time
- Implement fixed route transportation services from Rosman to Pisgah Forest with limited Saturday service to expand support to citizens needing transportation
- Continue to navigate COVID-19 services and identify emerging community needs as the economy recovers
- Maintain service levels throughout County departments and offices
- Continue to identify and implement reasonable replacement schedules for equipment and capital purchases
 - County has made progress in replacement of aging HVAC units, but will need to accelerate progress on those replacements due to the number that are reliant on R-22, which will be federally restricted as of 2020 for manufacture
 - This budget does not move forward with replacements and will need to be addressed
- Establish capital improvement schedules that consider reasonable life of capital, such as roof replacements, in addition to new capital items, such as a replacement EMS base location; facility needs and infrastructure may change with COVID-19 impacts
- Master plan new park on Gallimore Road as required by the PARTF grant
- Mental health programming
 - EAP for all employees
 - EAP with up to \$5,000 benefit coverage for first responders
 - Funding in Sheriff's Office for imbedded counselor one day per week

Fiscal Policy Goals

- Develop a long-term capital improvement plan - how will this be different due to the pandemic?
- Identify revenue to fund capital needs
 - Economic development and infrastructure support - Ecusta Road project lease payments
 - Education facilities bond
- Work toward multi-year budget planning in General Fund
 - Vehicle prioritization, computer replacement schedule, long-range maintenance evaluation
 - Must remain nimble in the current year to respond to the pandemic and the community's needs
- Implement performance-based budgeting with outcome measures
 - Annual Work Plan according to Strategic Plan in second year of implementation
 - Difficult year, but continue moving County toward a vision
- Gain consensus on this year's County needs from Commissioners for recommended budget

Processes with Changes Implemented This Year

- Internal departments turned in budget requests with justification, including proposed work plans, in February
 - 6- month reviews were evaluated for FY 20 work plans in March
- **Stay at Home Order begins in March and schools shut down**
- Nonprofit requests
 - Open call for applications in March, review by subcommittee and scored in April

- School funding - impacted by pandemic and their ability to communicate their needs to the County
 - Presentation from Blue Ridge Community College President, Dr. Leatherwood cancelled due to COVID, print request received in March
 - Print request received May 15 per statute from schools; Superintendent presentation rescheduled to June workshop on behalf of Board of Education for County schools which is a deviation from the normal process
- Outside agencies- fire departments, Rescue Squad, etc.
 - Budget requests due in April
- Priorities and preliminary discussion
 - Commissioner meetings in April/May to clarify priorities, discuss justifications
 - Commissioners included in budget review for Register of Deeds, Sheriff's Office, Blue Ridge Community College and Transylvania County Schools requests

Revenue Projections

- Property tax value up almost 2%
- Sales tax growth decrease of 15%; conservative estimate, but reasonable compared to other counties
- Medicaid Hold Harmless decrease of \$200,000 back to FY 14 levels
- Revenue impact of COVID-19 will not be clarified until August and impacts ability to accurately estimate fund balance
- \$2 million deficit to be funded with capital tax funds previously levied to bridge gap in conjunction with reduction in spending

Expenditures

- Slight changes from previous year, but decrease across the board
- General Government portion down 3% share
- Transfers down from previous year
- Debt service up due to school bond (from Transfers to Debt Service classification)
- Education remains steady portion of the budget at 25%
- Culture and Recreation remain steady at 4%
- Public Safety share of the budget 2% share
- Human Services share of the budget up 2%
- Increase in Public Safety and Human Services reflective of COVID-19 needs

General Fund Summary

- Balanced budget of \$59,765,160; includes a reduction of revenues and expenditures from the previous year
- Recommended budget includes the FY 16 and FY 20 capital 2 cent tax increase as revenue replacement for COVID-19 revenue losses
- Recommended budget includes \$6.2 million (FY 20 10.5 cent increase) in FY 21 to pay school bond debt service
- Any additional increases in spending will need to be offset with expenditure cuts or tax increase
 - Staff does not recommend further pressure on fund balance until sales tax impact of COVID-19 is known
- Recommended budget does not include supplement to balance fire department budgets.
- Recommended budget backs off regular vehicle replacement and capital progress which cannot be sustained indefinitely

- Consideration will need to be made on permanent COVID-19 impacts including those on infrastructure

Solid Waste Enterprise Fund Summary

- Balanced budget of \$2,614,244
- Includes a General Fund transfer of \$210,000
- Includes a Fund Balance appropriation from Solid Waste Fund Balance of \$257,994
- Fall 2020 will include discussion on service delivery vs revenue generation for sustainability

Fire Department Budgets

- Specific departmental budgets will be presented and discussed in a budget workshop setting
- Recommend County go out to RFQ/RFP for all fire department audits, to include Rescue Squad
 - Current budget requests include \$39,450 for audit services with two fire departments not including it in their budgets
- Budget requests range from \$206,000 to \$1.5 million; budget increases range from \$0 to \$302,000
 - Lower budgeted districts reflect the higher tax district (if funded purely from district taxes due to property valuation spread)
- Requests include capital, personnel, and operating expense increases
- Commissioners have received detailed budget requests which will be reviewed in the workshop
- Commissioners will need to consider funding level for each district and funding method
- Last year, fire departments were funded by assessing each district a rate of 5.5 cents/\$100 valuation with the balance of any approved funding levels coming from General Fund Balance
 - Resulted in an offsetting decrease for most citizens so they did not see the full impact of the bond increase
- If fire department requests are funded in full and the old method of funding only from the district is used, tax rates would range by district from 6.48 cents in Lake Toxaway to 22.73 cents in Balsam Grove
 - This would be a fire tax increase of between 0.98 cents to 17.23 cents, depending on the district
 - One the higher end, that would be a 25% increase in taxes on the total County bill to fund fire departments for citizens in some districts
- Funding requests shown below range greatly
- If Board chooses district method for fire funding, would see a wide range of tax rates in those districts
- Staff will provide the Board with several scenarios for funding
- Fire department funding method is ultimately the decision of the Board of Commissioners as spelled out in statutes

	FY 21 Rate Fully Funded	FD Rate FY 20	County Funds Budget	District Only Tax
<u>Fire District</u>	<u>Requests</u>	<u>Approved</u>	<u>Request</u>	<u>Change</u>
Sylvan Valley 2	\$0.055	\$0.055	\$488,730	\$0.151
Rosman	\$0.206	\$0.055	\$966,985	\$0.043
Little River	\$0.098	\$0.055	\$517,110	\$0.031

Connestee Falls	\$0.086	\$0.055	\$830,650	\$0.100
Cedar Mountain	\$0.155	\$0.055	\$221,475	\$0.010
Lake Toxaway	\$0.065	\$0.055	\$1,079,674	\$0.172
Balsam Grove	\$0.227	\$0.055	\$205,157	\$0.162
North Transylvania	\$0.217	\$0.055	\$283,121	\$0.151

For Workshop Discussion

- Identify topics for the workshop next Monday that do not have consensus tonight and report those to staff no later than Friday so that staff has time to prepare information for discussion
 - Additional data?
 - More detail on an area?
- Proposed workshop format
 - School Superintendent and Finance Officer plan to present the Board of Education's budget request
 - Manager will serve as the facilitator
 - Present prior information and any known options for each item of discussion
 - Open for Commissioner discussion along with questions
 - Start with person who requested item
 - Opportunity for each to speak
 - Once it appears there are three Commissioners in agreement or when 15 minutes is reached, Manager will poll Commissioners for consensus unless there is interest in continuing discussion
 - When consensus is reached, move to the next item
 - Fire department budget review already on the agenda to consider funding levels and funding method for FY 21
- Public hearing on Budget during June 8 Board of Commissioners' meeting; option to hold second public hearing at 2nd meeting, but requires 24-hour comment period following scheduled public hearing and prior to approval, per Governor's Executive Order

This concluded the Manager's recommended budget presentation. She intends to transition into facilitating the next steps in the process. The recommended budget is her best offering to the Board to balance the needs of the community and the Board's priorities against the revenues available.

Chairman Hawkins stated this budget is complicated and filled with uncertainty. He advised Commissioners to think about the budget and their goals in broad themes. He opened the floor for general discussion and asked Commissioners to identify specific items they want to discuss in the workshop.

Commissioner Lemel stated that despite all the challenges of unknown funding sources it was important to recognize the County continues to make a commitment to move forward. She was very impressed with the priorities the Manager placed on services and initiatives that match the Board's strategic goals and that add to the quality of life to our citizens. She felt strongly that the Board could not take steps backward and continue to thrive as a community.

Commissioner Guice stated there is no doubt the pandemic has impacted the budget which highlights the Board's responsibility to ensure they are asking the right questions to make good decisions. He shared

several concerns he had with the recommended budget. He was troubled about using funds set aside for capital projects for balancing the budget on the front end. He also felt strongly that the pandemic could alter future operations of both the education and judicial systems. He noted the school bond was passed overwhelmingly by the voters, but it was before the pandemic hit and before citizens were impacted financially. He feared long-term negative financial impacts to Transylvania County and its citizens. Commissioner Guice wanted input from officials from the education and judicial systems on what the new norms will look like and how they expect those to impact operations, as well as ongoing and future capital projects. He also wanted to hear from other counties that are dealing with this same situation and how they are overcoming the challenges. Commissioner Guice was equally troubled with the State and federal government's current spending craze and cuts to certain programs. He did not think Transylvania County should count on the same funding levels being available.

Chairman Hawkins responded to Commissioner Guice's concerns about using funds designated for capital projects and explained that none of the funds already designated will be used to balance the budget. Only the funds generated by the 2 cents for FY 21 will be used to meet the demands of the budget. The Manager confirmed and noted that tax dollars and grant monies already designated for specific projects, like the Gaia Herbs/Town of Rosman sewer extension project will remain as such. Staff will monitor the budget throughout the year.

Commissioner Chappell stated it was striking to him that much of the difficulty with the budget stems from a lack of information due to elements out of the County's control. All other counties are facing the same challenges. He felt that the Manager and staff had done a good job with developing a recommended budget with very limited information. Thus, it will be imperative the Board revisit the budget in September when there is more information available. All counties are in the unfortunate position of having to revisit the budget after they would have already adopted a tax rate and established spending priorities. He assured citizens that Commissioners will make the best decisions possible based on the information they have and the statutory requirement to have a budget passed prior to July 1. Commissioner Chappell reminded the Board they also have some difficult decisions to make in terms of funding the fire departments. Staff has recommended against using fund balance again this year which makes the decision more challenging. Unfortunately, Commissioners will be making decisions that will not please all citizens.

Commissioner Dalton said he tried to digest a lot of information over the weekend prior to being appointed to office today and understand the complexity of all the issues, especially the fire departments' budgets. He reiterated there will be difficult decisions ahead to make, but that is the responsibility of the Board of Commissioners. As a taxpayer, he intends to act in the best interest of all citizens.

Chairman Hawkins agreed with all the comments made thus far. He thought Commissioner Guice's point was very important in terms of determining the new norms and their impact on future capital projects, most notably the Courthouse. He stated that the Board is committed to dealing with the court space needs, but the pandemic could impact the future if court operations. He wondered how to go about determining those impacts. He noted that he has not had discussion with any members of the Board of Education in terms of their view on their new norms around education space facility needs but he agreed the issue needs to be explored.

Commissioner Dalton implored the Board not to lose focus on economic development needs. He pointed out that the Sylvan Valley Industrial Building has more than shown there is a need for manufacturing space. Continuing to focus on building the tax base will help taxpayers and improve the lives of citizens overall. He said that citizens cannot continue to be burdened with tax increases.

Commissioner Guice requested to have further conversation over his concerns with not funding certain vehicles requested by Public Safety, as well as a need for additional nurses. He also informed the Manager he would be willing to reach out to his contacts in the NC House of Representatives and ask if the Legislature intended to explore changes in the court system for operations.

Chairman Hawkins talked about the Board's next steps. He will reach out to the Board of Education Chair to invite a conversation to better understand these new paradigms for education and likewise with the President of Blue Ridge Community College. Additionally, he asked Commissioners to send staff a list of items they wish to discuss in the workshop no later than Friday to give staff time to pull together the information they need. Commissioners were agreeable.

Chairman Hawkins expressed the Board's appreciation to the Manager, Finance Director, department heads and staff for their work on the budget on developing a budget in a year no like no other year we have experienced, and yet makes sense for County operations and the citizens at this time.

APPOINTMENTS

LIBRARY BOARD OF TRUSTEES

The terms of Marshall McCallie and Andy VonCanon expire at the end of June. Mr. McCallie has served two full terms and is not eligible for reappointment. There are several applications on file. Library Director Rishara Finsel recommended the reappointment of Andy VonCanon and the appointment of Karen Cole to replace Marshall McCallie at the end of his term.

Commissioner Lemel moved to reappoint Andy VonCanon to the Library Board of Trustees, seconded by Commissioner Guice and unanimously approved.

Commissioner Lemel moved to appoint Karen Cole to replace Marshall McCallie at the expiration of his term, seconded by Commissioner Chappell and unanimously approved.

OLD BUSINESS

ADULT FITNESS COURSE SITE IMPROVEMENT REQUIREMENTS

Assistant County Manager David McNeill presented this item. On November 12, 2019, the Board of Commissioners partnered with Jameson's Joy Foundation to construct a fitness/ninja course on County-owned property at Parks and Recreation. The County contributed \$139,704.19 of the \$214,929.51 total project cost from the Parks and Recreation Capital Reserve Fund.

County Operations staffs were directed to oversee the project. They met with representatives from Barr's Recreation to review soil conditions and site preparation requirements. Barr's Recreation communicated that site required a 95% compaction rate 27" deep. Staff then worked with an engineer to assess the site and prepare plans to meet those requirements. A soils condition test determined that a 95% compaction rate was unachievable without significant site preparation.

Staff went back to the drawing board with the manufacturer and engineer. Following discussions, the engineer removed the 95% compaction rate requirement from the site plan. The recommendation was modified to include onsite changes to footer size during the construction phase by the installer if water and/or loose soil is experienced. Thus, the design was revised to include much less site preparation requirement.

The engineer, however, emphasized the importance of keeping water away from the site which would require improvements to the existing storm water ditch, piping, and adjacent areas. The site is basically

flat making draining a challenge. Staff consulted with High Country Engineering to design the installation of the pipe to help drain water from the site. The site also required handicap accessibility.

Staff provided cost estimates for handicap accessibility requirements and water drainage improvements for the Board's consideration. The additional project costs also include engineering and design fees. Barr's Recreation has agreed to issue the County a credit of \$3,000 for the soil tests.

Following is the cost breakdown for the improvement requirements:

Handicap Accessibility	\$6,400
Water Drainage	\$31,800
Engineering & Design Fees	\$3,800
Signage	\$347
Contingency 8%	\$3,854
Total Additional Costs	\$46,201

Staff sought direction from Commissioners on how to proceed.

The Manager noted the initial funding to construct the park came from the Jameson's Joy Foundation and Parks and Recreation Reserve Fund Balance. The additional funds for site improvement, if approved, would also come from the Parks and Recreation Reserve Fund Balance which has a current balance of \$484,000.

Commissioner Lemel felt this project is very important to the County and it meets the top recreation goal for providing adult fitness opportunities. Thus, the reason for the partnership with Jameson's Joy which provided a substantial commitment toward this project.

Commissioner Lemel moved to approve the additional cost of \$46,201 to be moved from the Parks and Recreation Capital Fund Reserve, seconded by Commissioner Guice. Commissioner Lemel stated the importance of being able to provide a free outdoor opportunity for recreation, especially in these times of economic stress. Commissioner Chappell expressed support of this project, the partnership with Jameson's Joy Foundation, and the use of Parks and Recreation Fund Balance. With that said, he was troubled that the additional costs and site preparations were not known when the project was first brought before the Board for consideration. The amount of money to remedy this site and thus add to the project cost is substantial and he did not want a proposal to come before the Board in the future without being vetted thoroughly. Mr. McNeill shared that the Manager has made some changes regarding the consideration of future projects that should correct this issue. This project was proposed by another department before County Operations was involved. Commissioner Guice agreed with Commissioner Chappell's concerns, noting there is always the potential for issues for soils and water drainage in our terrain. He remained very much supportive of the project and the Courtine family. **The motion was approved unanimously.**

RELEASE OF FUNDS FOR APPROVED CAPITAL PROJECTS

Assistant County Manager David McNeill presented this item for the Board's consideration. The Board of Commissioners enacted a temporary freeze on FY 20 and FY 21 non-awarded capital projects on April 27, 2020 and required all projects to come before the Board for review and approval.

Phase 3 Community Services HVAC Project (Planning and Transportation)

On December 9, 2019, the Board of Commissioners approved a phased approach for replacing the HVAC systems serving the Community Services Building. A total of eight systems serve the two-story building.

To date, phases one and two (Building Department and DSS Administration) have been completed. Staff is systematically replacing the five systems with outside units on the roof in preparation for a needed roof replacement. Phase three will replace a 1997 R-22 Carrier unit. For the first two phases, Horizon replaced the units with Trane equipment and staff recommended the same with phase three. The total project cost, including 8% contingency, is \$44,945. The funds have already been set aside of this project.

Commissioner Guice moved to authorize the continuation of the Community Services HVAC replacement phase three using Horizon and Trane equipment, seconded by Commissioner Lemel.

Commissioner Lemel stated this is an example of what is necessary to take care of our facilities. By purchasing the same equipment, it provides consistency for repairs and parts in the future. The County should not put itself in a deferred maintenance situation five years from now that is impossible to fund. Mr. McNeill was very pleased with what has been accomplished in the first two phases with a combination of in-house staff and contract services which provided a very significant savings over the initial estimates from several months ago. Commissioner Guice felt strongly about replacing R-22 units in the other County facilities. He was appreciative of the local government and private sector working together to achieve cost savings. The Manager shared that in September when the Board revisits capital, staff will bring forth a comprehensive list of issues. Commissioner Dalton inquired about warranties. Mr. McNeill reported all the new units will come with a one-year warranty which is standard in the contract. **The motion was approved unanimously.**

Landfill Road Repair

Staff has been working to assess the road repair needs at the landfill and acquire the necessary quotes for making those repairs. Staff recommended repairs to the entrance lane from the Old Toxaway Road entrance. Staff identified the amount of pavement needing repair, in addition to the underlying roadbed (740' length, 10' width), for a cost of \$22,682.

Commissioner Lemel moved to authorize staff using budgeted funds in the amount of \$22,682 for the needed repairs, seconded by Commissioner Chappell.

Commissioner Chappell supported the needed repairs and pointed out ignoring them would make conditions worse and more costly. Commissioner Guice wanted assurance that the base would be sufficient to handle heavy truck traffic. Mr. McNeill reported the base will consist of 8" compacted stone and 2" of pavement which should be sufficient. **The motion was unanimously approved.**

NEW BUSINESS

MANAGER'S REPORT

The Manager reported the following:

- Budget workshops are scheduled for Monday, June 1 at 6 p.m. and Thursday, June 4 at 6 p.m.; if needed, the workshop can continue during the regular meeting on June 8 at 4 p.m.
- Memorial Day – heartfelt gratitude to all who made the ultimate sacrifice for our country

Commissioner Lemel asked for an update on the bridge loan program at the next meeting.

PUBLIC COMMENT

Ruth Harris: Mrs. Harris was in attendance to support Commissioner Dalton on his appointment as County Commissioner. After listening to the discussion, she felt it was important that Commissioners encourage people to wear masks in public and practice social distancing, while balancing support of the local businesses to help combat the current economic devastation. She also wanted to calm those

irrational fears about a rise in the number of positives meaning there are more cases, when it really correlates to more testing being done. She wanted businesses to open quickly because people are hurting financially, but in a safe way. Lastly, she pointed out it is obvious the County's budget is directly related to the impacts of the pandemic.

Dan Courtine: (Mr. Courtine emailed the Clerk during the meeting and asked this his comments be read aloud. Commissioner Lemel read aloud his comments.) "On behalf of Jameson's Joy and our community, thank you for continuing to support our work to bring this fitness course to town. We fully understand the tough financial decisions you all have to make now and coming up with this new budget. We hope that this course will bring much joy to our community and help them through whatever the future issues are. Thank you for your service."

COMMISSIONERS' COMMENTS

Commissioner Chappell shared that he lost a true friend and mentor last week with the death of Bill Ragland. Mr. Ragland was instrumental in workforce development issues and initiatives across the State and nation and has helped many individuals over several decades. He was the voice of the Rosman Tigers for 40+ years. Commissioner Chappell wore a Rosman Tigers Football cap in his memory.

Chairman Hawkins agreed with Mrs. Harris' comments that the pandemic has caused both a public health crisis and an economic issue. He reported that he participated in an interesting conference call recently with the State's Economic Development Board. One of the messages throughout the call was about being purposeful in how we reopen. They used the example from the Spanish flu pandemic of 1918. While there are many differences between the two pandemics, one lesson from the 1918 pandemic was that those communities, states, and regions which reopened thoughtfully enjoyed greater economic growth over the long-term than those who did it less thoughtfully. So, he agreed that the reopening phase is a balance that should be thought through carefully.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Lemel moved to adjourn the meeting at 8:45 p.m., seconded by Commissioner Guice and unanimously carried.**

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board