

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
September 14, 2020 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, September 14, 2020 at 4:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

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. County Attorney Bill Bulfer participated remotely via Zoom meeting software.

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

There were 12 people in the audience, including staff. To maintain social distancing and mass gathering requirements, the conference rooms in the Administration Building were used as overflow space.

CALL TO ORDER

Chairman Mike Hawkins presiding declared a quorum was present and called the meeting to order at 4:02 p.m.

WELCOME

Chairman Hawkins welcomed everyone to the meeting participating both in person and remotely. He introduced Commissioners and staff in attendance. Chairman Hawkins welcomed Brian Farmer who is serving as the County's new NCACC Fellow. He will be working with the County on various projects in the Finance Department over the next 24 months.

PUBLIC HEARING

APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

The purpose of this public hearing is to receive citizen input in the development of Community Development Block Grant (CDBG) applications for the upcoming year. In addition, North Carolina has received Community Development Block Grant Coronavirus (CDBG-CV) monies as part of the CARES Act. CDBG-CV funds can be used for a variety of different activities that prepare, prevent, or respond to the health and economic impacts of COVID-19. Applications are being accepted by the North Carolina Department of Commerce and the North Carolina Department of Environmental Quality. Programs are designed to provide grants to local units of government for housing, housing-related activities, and public facilities that support housing activities for low-to-moderate-income persons, job creation, the elimination of slum and blighted conditions or for efforts to support families, small businesses, and economic recovery as a result of COVID-19.

Awards are limited to \$900,000 or less and must serve low-to-moderate income families. Grant awards for capital improvements must serve a nonprofit or local government facility. The total funding available is \$26.5 million and will be awarded on a first-come, first-serve basis for applications that meet the requirements and comply with the identified priorities.

This public hearing is the first step in the application process. Land of Sky Regional Council is working with the County to develop an application and to coordinate with other funding sources currently being allocated through CARES to maximize service to the community.

Chairman Hawkins declared the public hearing open at 4:05 p.m.

There were no comments from the public.

Chairman Hawkins declared the public hearing closed at 4:06 p.m.

PUBLIC COMMENT

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

Mary Ann Hollocker: Ms. Hollocker stated that although it was not likely the intention of the Board, she felt that her reputation and credibility, specifically her work ethic, were called into question at the previous Board of Commissioners' meeting. It was reported at that meeting that she worked only a two-week notice, but she refuted the statement, pointing out she worked an eight-month notice. She stated that earlier this year she reported through the appropriate chains some issues she was experiencing and although she continued to voice her concerns, she felt that nothing changed. When the opportunity to work for the Neumann Law Firm presented itself, she made the decision to leave because it was the best for her and her family. She offered to stay on part-time after she left for the new firm, but her offer was rejected. Most importantly, Ms. Hollocker wanted the public to know that she did not shirk her responsibilities to this community.

AGENDA MODIFICATIONS

There were no agenda modifications from Commissioners or staff.

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

CONSENT AGENDA

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

The following items were approved:

MINUTES

The Board of Commissioners met in regular session on May 26, 2020. The minutes were approved as submitted.

REQUEST BY COUNTY TRANSPORTATION TO AMEND FY 20 CARES ACT GRANT APPLICATION

CARES Act grants are available to rural and small urban public transportation systems to continue providing services and assist with operating expenses for items including staff, supplies, etc. To qualify for CARES Act funds, the applicant must be the Designated Recipient of Section 5311 or Section 5307 funding. Transylvania County Transportation is a recipient of Section 5311 funding and is therefore eligible.

According to Transylvania County Transportation's Grants and Financial Management Procedures, the Transportation department would normally secure public input and Board approval due to the requirement

for local matches by most Federal Transit Authority and NC Department of Transportation grant programs. The CARES Act grant provides 100% in federal funds and requires no local match.

Transportation was awarded an initial disbursement of \$181,922 through the FY 20 CARES Act Operating Funds grant application. The department was notified of its eligibility to receive a second disbursement of \$209,654, but it first requires an amendment to the original application. The funding will be used to supplement losses in funding typically received by the State.

The Board approved the request to waive local *Grants and Financial Management Procedure* requirements and authorize Transylvania County Transportation to amend its FY 20 CARES Act Funding Application to apply for additional funding.

PROCLAMATION – CONSTITUTION WEEK

September 17, 2020 begins the national celebration of Constitution Week and a weeklong commemoration of America's most important document. A resolution petitioning Congress to set aside September 17-23 annually to be dedicated to the observance of Constitution Week (submitted by the Daughters of the American Revolution) was signed into Public Law #915 on August 12, 1956 by President Dwight D. Eisenhower. The aims of the celebration are to emphasize citizens' responsibilities for protecting and defending the Constitution, preserving it for posterity, inform people that the Constitution is the basis for America's great heritage and the foundation for our ways of life, and encourage the study of the historical events which led to the framing of the Constitution in September 1787. Chairman Hawkins read aloud the proclamation. Commissioners approved Proclamation #25-2020 – Proclaiming Constitution Week.

PROCLAMATION #25-2020 CONSTITUTION WEEK

WHEREAS: September 17, 2020, marks the two hundred and thirty-third anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS: It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and to the patriotic celebrations which will commemorate the occasion; and

WHEREAS: Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week;

NOW, THEREFORE, the Board of Commissioners of Transylvania County does hereby proclaim the week of September 17 through 23 as

CONSTITUTION WEEK

AND asks our citizens to reaffirm the ideals of the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties, remembering that lost rights may never be regained.

FURTHERMORE, the Board of Commissioners of Transylvania County urges all citizens to study the Constitution and reflect on the privilege of being an American with all the rights and responsibilities which that privilege involves.

This the 14th day of September, 2020.

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

PRESENTATIONS/RECOGNITIONS

COVID-19 UPDATE BY THE HEALTH DEPARTMENT

Public Health Director Elaine Russell provided the Board with an update on the COVID-19 pandemic impact on Transylvania County and its response. This is a summary of her presentation:

COVID-19 County Level Data, as of 9/14/2020

- Total tests: 5,142
 - Not detected: 4,786
 - Percent positive: 6%
- Total cases: 305
 - Percent change over past 7 days: 6%
 - Residents currently in isolation: 13
- Total hospitalizations: 30 since onset of pandemic
- Total deaths: 6
- Cases among children:
 - Total: 38
 - Under 1 yr. (Infants): 2
 - 1-2 yrs. (Toddlers): 3
 - 3-4 yrs. (Preschoolers): 2
 - 5-10 yrs. (Elementary): 8
 - 11-13 yrs. (Middle School): 5
 - 14-17 yrs. (High School): 18
 - Staff worked with School System to quickly remove children from school if tested positive which has happened twice, with no further emergence of cases in those two classrooms
 - No children with potential exposure could enter the classroom
- Likely exposure sources
 - 31% healthcare or long-term care facility
 - 24% close contacts to other cases
 - 19% out-of-county travel (vacations, attending events, hosting overnight guests)
 - 8% worksite
 - 6% other
 - 6% no known exposure; signals community transmission; figure has held steady which proves prevention measures are working
- 81 positive cases and 4 deaths associated with Accordius Health
 - 53 facility residents and 28 employees
 - 79 Transylvania County residents and 2 out-of-county
 - 7 positive cases who were close contacts to these cases
 - First cases identified 8/13 and 8/14
 - 2 employees and 1 resident identified through routine surveillance testing by NCDHHS vendor on 8/10
 - 1 resident identified through medical provider testing
 - Transylvania County Public Health conducting onsite surveillance testing (8 times so far) and on-demand rapid testing for those with symptoms

- What should you do if you believe you have been a close contact to a case?
 - You will receive a call from Transylvania County Public Health or the State contact tracers if you have been identified as a close contact to a case (within 6 feet for 15 minutes or more)
 - If you find out that a close contact has tested positive, it is okay to contact Public Health for resources: call 828-884-4007 (will be posted more readily on the website and in the daily Public Health update)
 - Seek testing 5-7 days after exposure or immediately if you develop symptoms
 - Stay home except to seek medical care for 14 days after last close contact with a case

Ms. Russell credited the community for their prevention efforts. She felt that the State and WNC are very well-positioned but must remain vigilant.

Commissioners thanked Ms. Russell and her staff for what they have done and are continuing to do for this community during the pandemic.

BOARD OF ELECTIONS RESPONSE TO COVID-19 AND ABSENTEE VOTING

Elections Director Jeff Storey presented an update on behalf of the Board of Elections on their response to COVID-19 and the challenges the pandemic has presented for both in-person and absentee voting this year. This is a summary of his presentation:

Three Options for Voting in NC

- Absentee by mail
- Early voting
- Election Day voting

Absentee by Mail

- Current voter registration: 25,665 as of September 4, 2020
- Absentee by mail returns in 2016
 - 754
 - 2.9% of registered voters
 - 4.1% of voted ballots
- Absentee by mail requests in 2020
 - 3,621 as of last Friday
 - 12.1% of registered voters
 - Approximately 400 returned
 - Approximately 1,500 Democrat, 500 Republican, 1,200 Unaffiliated
 - 80% of ballots being requested are from voters 56+ years old

How Are We Addressing the Increased Volume?

- Increased staffing to assist with requests and mailing
 - Mailed over 3,400 ballots over a 3-day period
- Absentee board meetings will begin earlier than normal election cycle
 - Will review ballots upon return for appropriate signatures and then validate
 - Curable “offenses” like signing in the wrong place can be corrected by immediately contacting the voter
 - Once ballots are approved, they are opened and stored into a tabulator and then secured in a fire-proof safe
 - Ballots will be officially tabulated on Election Day
- State Board will have high speed scanners on stand-by

- One of eight across the State will be housed in Transylvania County due to the volume of requests for absentee
- Transylvania County volunteered to host because staff is skilled in using the equipment and it can be secured
- Staff from other counties can come to Transylvania County Board of Elections and County staff will assist them in using the equipment
- Encouraging voters to request absentee ballot earlier
 - Deadline is October 27
 - Must be postmarked by November 3
 - Must be received by November 6
 - Ballot can be mailed or dropped off in-person
 - In-person must be dropped off by voter or near relative; must sign log

Frequently Asked Questions

- What is the deadline to mail an absentee ballot?
 - Ballots must be postmarked by November 3, 2020.
- What if my ballot is received after Election Day?
 - Ballots received by Friday, November 6, 2020 at 5:00 p.m. (with valid postmark) are valid.
- How do I know if the Election Center received my ballot?
 - Ballot tracking software will allow election staff and the voter to track the ballot.
- Do you have a drop box to return ballots?
 - No, ballots must be mailed or delivered in-person to the Board of Elections.
- Who can return the ballot in-person?
 - The voter, or near relative (listed as a spouse, brother, sister, parent, grandparent, child, grandchild, mother-in-law, father-in-law, daughter-in-law, son-in-law, stepparent, stepchild, or legal guardian).
- I changed my mind and want to vote at early voting or Election Day. Can I do that?
 - If the ballot has not been received by the Board of Elections office, an absentee ballot may be “spoiled”, and the voter allowed to vote in-person.
 - Ballots returned and processed by the Board of Elections will result in the voter’s status showing “already voted” in the electronic poll books used by early voting and Election Day workers.
- Will this affect the timeliness of Election night results?
 - Not expected to delay election night absentee results.
 - Note: Results are unofficial on Election Day.
 - Board will review and process returned absentee ballots at each absentee board meeting
 - Ballots are scanned each meeting.
 - Public count is verified before and after.
 - Ballots are secured and kept confidential.
 - Not tabulated until Election Day.
- When will we know the results?
 - Canvassing is a 10-day period.
 - Reconciliation of voter history to ballots cast.
 - November 6
 - Sample audit.
 - November 10
 - Provisionals.
 - Supplemental absentee ballots.
 - November 13

- Canvass to certify results and number of votes cast.

How Are We Minimizing the Risk to In-Person Voting?

- Personal protection equipment provided by the State
- Voters not required to wear mask but are encouraged to do so
- Social distancing procedures
- Alternative Procedures
 - Additional curbside staff
 - Pens for each voter
 - Cotton swabs for touch screens
 - Professional cleaning at polling sites
 - Masks available at each site

Early Voting

- Secured old Kmart, next to Ingles as one of the early voting sites; 96,000 sq. ft.
- Rosman Town Hall to serve as a second site with the same operating hours as Kmart site
- For comparison purposes, 11,588 citizens voting during Early One Stop Voting in 2016

Election Day Sites

- Consolidated Election Day polling sites due to COVID-19 related issues
- Old Kmart
 - Brevard #3 and Brevard #4
- Rosman Town Hall
 - East Fork and Rosman Eastatoe
- Canopies and rearranging of operations for several locations

BallotTrax

- Only voters who have a valid request on file may create an account
- Data is uploaded nightly
- Status messages will be loaded into the portal for each status state from requested to accept
- County admins can communicate with individual voters through the portal with direct messages

North Carolina Absentee Ballot Request Portal

- Provides secure way for voter to request an absentee ballot by mail
- Military and overseas can submit ballots using portal

The Elections Department wants voters in Transylvania County to feel safe and be able to vote, as well as have a fair and accurate election. The department felt the measures they have in place will ensure so.

Commissioner Guice commented that he found staff to be helpful and well-trained and that the process to turn in the absentee ballot was smooth. He expressed concern about the North Transylvania polling site because it has limited space. Mr. Storey said there will be additional signage to direct voters, as well as assistance from law enforcement for traffic control.

Mr. Storey pointed out that, historically, most sites average between 300-600 voters on Election Day. Because of the pandemic, he anticipates those figures being less. The department has developed contingency plans for every possible situation.

Commissioner Guice asked whether someone must turn in an unused absentee ballot. Mr. Storey explained it does not have to be turned in, but voters are encouraged to do so or destroy it. Once the person has voted in-person, the absentee ballot is spoiled, even if it received later.

Commissioner Guice asked how the department would handle a situation where a voter mailed in their ballot but attempted to vote during early voting or on Election Day, and if by doing so if they would be committing a felony. Mr. Storey informed they would not be able to vote twice because the department would have a record of their absentee ballot. It is a felony offense to attempt to vote twice. Should someone attempt to do so, the incident would be investigated and reported to authorities.

Commissioner Chappell thanked Mr. Storey and his staff for working through the challenges during an already large and important election. He was also appreciative of the work from volunteers as well.

APPOINTMENTS

TRANSYLVANIA ECONOMIC ALLIANCE BOARD OF DIRECTORS

The Transylvania Economic Alliance Board of Directors is made up of 11 members, with one being appointed by the Board of Commissioners. Ruth Harris has served as the County's representative since the formation of the Board of Directors. She has served the maximum allowable two three-year terms. Her term expired June 30, 2020.

The Clerk to the Board advertised for applications in the local newspaper and on the County website. Applications were accepted through September 4. The Clerk received three applications for the Board's consideration.

Commissioner Lemel moved to appoint John Shoemaker to the Transylvania Economic Alliance Board of Directors, seconded by Commissioner Guice. Commissioner Chappell thanked Ms. Harris for her service and dedication. She served as one of the founding members of the organization. When the organization first came into existence, the Board of Directors met weekly, and their hard work was acknowledged. Commissioner Dalton asked if Mack McNeely also cycled off the Board of Directors. The Manager stated staff would contact the Alliance Executive Director to find out. The Clerk would only have record of the County's appointment. Commissioner Lemel stated she nominated Mr. Shoemaker due to his experience with another local government and his involvement in Transylvania County in many ways. Commissioner Guice felt it was important that the Board ensure citizens represent many parts of the County. He noted the other two applicants are extremely qualified and he was appreciative of their interest. The Manager stated staff will forward the other applications to the Alliance Executive Director so that he is aware of the interest from those individuals. Commissioner Dalton noted that the Town of Rosman will be filling the seat that he vacated soon. **The motion was approved unanimously.**

NEW BUSINESS

CONSIDERATION OF A LETTER TO THE US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) REGARDING FAIR MARKET RENTS

The U.S. Department of Housing and Urban Development (HUD) has issued draft 2021 Fair Market Rent (FMR) allocations for Transylvania County that are far below the true local rental market rates. The disconnect between the real cost of living for renters and the set rate impacts the ability for those who qualify for rental assistance to find rentals and thus afford to continue living in this community. The proposed FMRs for Transylvania County are proposed as follows:

Final FY 2021 & Final FY 2020 FMRs By Unit Bedrooms					
Year	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
FY 2021 FMR	\$532	\$536	\$706	\$897	\$1,054
<u>FY 2020 FMR</u>	\$567	\$570	\$681	\$867	\$976

The chart above contrasts the rates between FY 2020 and FY 2021. It indicates that rates for efficiency and one-bedroom rentals went down from the previous year. There were slight increases for the two-, three- and four-bedroom categories.

The Manager shared that a study released in 2020 called the Bowen Report calculated the rents in the region, to include Buncombe, Henderson, Madison, and Transylvania Counties. The study reported that Transylvania County has the highest rents in the region for all categories, as noted below:

Bowen Report Median Market-rate Rents by Bed/Bath Type				
One-Br/ 1.0-Ba	Two-Br/ 1.0-Ba	Two-Br/ 2.0-Ba	Three-Br/ 2.0-Ba	
City of Asheville	\$1,075	\$1,085	\$1,340	\$1,495
Buncombe County	\$1,050	\$1,100	\$1,305	\$1,495
Henderson County	\$995	\$700	\$1,175	\$1,415
Madison County	-	-	-	-
Transylvania County*	\$1,200	-	\$1,500	\$1,900
Region	\$1,045	\$1,090	\$1,298	\$1,475

*Excludes senior projects with cottage units and upscale features and services

Staff discovered that HUD does not conduct actual surveys in rural counties like Transylvania County. They conduct surveys in the metropolitan/urban areas only. When staff inquired about how to go about having a survey conducted, HUD informed that the County would not be able to meet their standards for a suitable survey. The surveys must be random samples of a size that would be unrealistic for our population. Another challenge in completing a randomized survey is that fewer people have land lines.

Staff attempted to conduct the work nonetheless due to its importance to the community and issued a request for proposals. There were no respondents because contractors felt they could not meet the conditions and requirements set by HUD. Staff then contacted Congressman Meadows' office to seek advocacy through HUD.

Western Carolina Community Action (WCCA) submitted comments to HUD on the proposed 2021 rates. WCCA invited the County to submit comments as well which are due by September 30, 2020. The Manager stated it is not clear whether the Bowen Report would meet HUD's standard as an appropriate survey, but she intended to reference the report and its findings that the FMRs in our region are not in line with actual rates, and, in some cases, they appear to be nearly half. She recommended staff be allowed to submit public comments by the deadline of September 30 to request consideration of the 2021 FMRs using the Bowen Report as justification that they are erroneous to the market reality.

Commissioner Lemel moved to direct staff to submit public comments requesting consideration of the 2021 Fair Market Rents using the Bowen Report as justification that they are erroneous to market reality, seconded by Commissioner Guice. Commissioner Lemel pointed out that many Section 8 vouchers are not being used because they are not sufficient to cover housing costs. The Manager added that vouchers are based on the FMR rate. If a landlord can get a substantially higher rent without having to participate in the voucher program, then they are likely to do so. Chairman Hawkins asked staff to submit comments to the President's Chief of Staff Mark Meadows to advocate on our behalf. Commissioner Lemel also encouraged staff to submit a copy of the same letter to the Office of Intergovernmental Affairs because they perform outreach to local governments. Commissioner Chappell asked the Manager to contact our counterparts in other rural counties to learn whether their data is skewed and inform them of what we are doing. If they decide to join us in our effort, it may have a greater impact. Commissioner Lemel asked if there was an opportunity for Transylvania County to join the MSA. She learned that Madison County saw a substantial increase in their FMRs since becoming part of the MSA. The Manager informed that MSA stands for Metropolitan Statistical Area which is based on population density connected to a metropolitan area. Transylvania County does not have the option of joining the MSA. Madison County's population density is closer to Buncombe County, whereas Transylvania County's population density is centered in Brevard and Rosman. Commissioner Guice reminded the Board that the County's last effort yielded no response, so he thought it would be appropriate to get our message across using another method. Chairman Hawkins stressed that we need to do whatever we can to get our message heard. **The motion was approved unanimously.**

CENSUS PROMOTION REPORT

Assistant Planning and Community Development Interim Director Allen McNeill presented this item. Accurate census counts are critical to communities because often census information determines federal and state funding formulas that support communities. A study in North Carolina identified that each person equates to approximately \$1,623 per person per year of federal aid and \$205 in state aid tied directly or indirectly to the census.

Transylvania County has been working through the Planning and Community Development, Administration and Communications to encourage citizens to take the census. COVID-19 has made census promotion work challenging due to limits on public gathering opportunities. Staff has implemented several methods from distribution of flyers with curbside orders, posters, advertising, social media, to other creative approaches, such as a prerecorded message to citizens with landlines. In addition, a census coordinator has been stationed at the Library on Mondays to assist people with completing the census. For every person that completes the census using this process, the Dogwood Health Foundation will make a \$20 donation to the Sharing House.

The Dogwood Health Foundation has granted the Planning and Community Development Department funds to continue those activities through the month of September, but the US Census unexpectedly announced that they are shortening the response time to end in September instead of October. Land of Sky Regional Council has issued a letter opposing this decision. Staff sought direction from Commissioners on their interest in sending a letter as well.

Commissioners felt it was unlikely a letter from Transylvania County would force an extension on the count deadline which is two weeks away. They encouraged staff to continue their outreach to the community and encourage citizens to complete the census.

Commissioner Dalton noted there is someone helping at the Lake Toxaway and Balsam Grove community centers. Commissioner Chappell added that the NC Works Career Center is doing the same. They are reminding anyone who comes in that they can complete the census there.

BALSAM GROVE FIRE DEPARTMENT CONTRACT

Assistant County Manager David McNeill presented this item. As part of the 2019/2020 Audit process, Transylvania County was informed that Balsam Grove Fire Department maintained insufficient accounting records and had failed to file its IRS 990 forms resulting in the loss of the department's IRS tax-exempt status.

In his research on this issue, he reviewed all the fire department contracts to ensure the County's expectations were clear and specific. The contracts require fire departments to file for nonprofit status through the NC Secretary of State per NC General Statute § 55A. Having a nonprofit status does not necessarily mean one is tax-exempt. That is another step the department must go through.

Mr. McNeill drafted a letter to the Balsam Grove Fire Department documenting the issue and outlining the corrective actions necessary to maintain a contractual arrangement with Transylvania County. The recommendation was for the Board to authorize staff to work with the department to reinstate their tax-exempt status. The County would issue a promissory note or loan instead of paying them their quarterly payment. Once they are reinstated, the quarterly payment would pay back the loan. Mr. McNeill suggested a thorough review of the contracts to emphasize the departments must obtain and maintain both their nonprofit and tax-exempt status.

Mr. McNeill reported that a review of the IRS website resulted in the finding that another department did not have tax-exempt status either. He intended to place that on the Board's next agenda for consideration.

Commissioner Chappell stated that the Board's action is not intended to be punitive, but to help the department with the financial status. Mr. McNeill noted the draft letter to the department affirms the same.

Commissioner Lemel agreed and added that it gives all departments an opportunity to become stronger organizations and standardize operations in terms of finances. The Board of Commissioners takes its fiduciary responsibilities seriously and it is only prudent that any organization the County contracts with is held to the same fiduciary responsibility level.

Commissioner Lemel moved to approve County Administration to send a letter to Balsam Grove Fire Department, to instruct termination of quarterly payments and to authorize staff to loan Balsam Grove funds not to exceed the department's approved quarterly payments for October 2020 and January 2021. She further moved that provided Balsam Grove meets the expectations in the letter, the loan will be reimbursed from the budgeted quarterly disbursement, seconded by Commissioner Guice and unanimously approved.

REPORT ON ACTUAL FINANCIAL ACTIVITY THROUGH FOURTH QUARTER OF FY 2020

Finance Director Jonathan Griffin presented this item. He indicated that most revenue indicators were positive and that the economic situation is not as scary as originally feared. The tax levy does not appear to have been impacted by COVID-19. Other taxes, primarily those levied by the Register of Deeds, do not appear to be impacted either and they are almost exactly at budget. The restricted intergovernmental

revenues, e.g., Social Services and Public Health grants, are 98% of budget. Unrestricted governmental revenues are somewhat lower and are related to a timing issue for payment-in-lieu of taxes from the federal government. Permits, fines and fees, mainly from revenues in the Building Permitting Office, were 101.4% of budget once adjustments were made for expected shortfalls.

Sales and use taxes varied significantly from pre-COVID-19 trends. Sales tax revenues stalled through the winter months due to pandemic-related closings. The figures from February to May were flat compared to 2019 figures, although revenues were predicted to fall below 2019. June figures were significantly higher and were recorded as the highest sales tax month ever at nearly \$1 million in revenues. Mr. Griffin pointed out it is difficult to ascertain the reason for the increase in sales taxes for that month because the NC Department of Revenue does not provide counties with specific data. It is inarguable that more people are ordering online due to the pandemic. The sales tax is based on the destination of delivery. Mr. Griffin said another factor could be that people are spending money closer to home as opposed to traveling to nearby counties. Commissioner Chappell reported that June also had the highest occupancy rate in the County's history which may have attributed to the it being the highest sales tax month.

For Medicaid Hold Harmless funds, clawback provisions hit several counties but not Transylvania County. In fact, Transylvania County received extra revenues in August. The calculation is based on the difference in what the State collects as sales tax dedicated for that purpose and what the State actually spend on Medicaid in Transylvania County. Mr. Griffin informed that Medicaid expenses increased sharply, by 15%, which is a warning sign to expect a decrease in Medicaid Hold Harmless funds. For FY 2020, Transylvania County received \$860,000 in Medicaid Hold Harmless monies. Sales tax figures are not growing at a rate to offset the growth in Medicaid spending.

In response to a question from Commissioners, Mr. Griffin reported that Medicaid spending is up across the State. The larger counties do not receive Medicaid Hold Harmless funds because their Medicaid expenses outweigh what the State collected in sales taxes. The formula was set by the State years ago. The State had intended to eliminate Medicaid Hold Harmless funding a few years ago, but pressure from the local level prevented that. These funds are a significant part of the County's budget, but there is always the risk the State could keep those funds.

Investment earnings took a significant reduction over the fourth quarter of FY 2020. By June 30, 2020, the County's rate of return had fallen to 0.03%. There is currently a lot of instability in the financial markets. Monthly returns in cash fell from \$50,000 to \$1,500 which is in line with the changing financial picture.

Sales of goods and services by County departments were the most material shortfall in the budget and are tied to closures:

- Fewer EMS trips due to lower call volume meant lower reimbursements.
- Closing Parks and Recreation, the Library and Animal Shelter to the public for a period of time brought in fewer fees and rental revenues.

Overall, total revenues amounted to \$59.9 million for the General Fund. With the hiring and capital freezes in place, spending totaled about \$59.7 million.

Chairman Hawkins asked if a firm handles the County's investment portfolio or if it is done in-house. Mr. Griffin informed that the Finance Officer is statutorily required to maintain custody of the County's finances, but First Citizens acts as the County's financial advisor.

Chairman Hawkins asked if First Citizens has provided any guidance on the County's investment rate of return dropping from \$50,000 to \$1,500. Mr. Griffin replied that the County has been advised not to take any risks on bond market changes.

Commissioner Guice commented it may be useful to investigate other financial advisors.

Mr. Griffin felt it was worth mentioning that although general fund spending was lower, the County is supplanting some employees' salaries and the purchase of goods and equipment with CARES Act funds. The Disaster Response Fund absorbed about \$850,000 in expenses that would otherwise have been accounted for in the general fund. However, the County's strategic approach to using CARES Act monies is consistent with how other counties are using them to mitigate some of these issues associated with the pandemic.

Mr. Griffin presented several action items for the Board's consideration.

ACTION ITEMS:

1. Approve the Emergency Telephone System Fund amendment of \$34,206

The Finance office did not receive the final reconciliation of the 911 Revenue Report for the State until September 4 and could not appropriately account for these expenditures in the year end budget amendments. That said, it is in the County's interest to take advantage of the full reimbursement for staff time spent on administering the 911 system, which was approximately \$30,000 higher due to compensation increases for employees who administer the 911 system.

2. Approve an amendment to increase expenditures in the Disaster Response Fund by \$105,517.

The Finance Office did not receive a full accounting of the City of Brevard's planned coronavirus relief expenditures until September 3 and needed time to review the expenses to ensure appropriate internal controls before reimbursing the City. As a result, the Disaster Response Fund was not amended in FY 2020 to include municipal expenditures. Staff did not anticipate this item because the requirement was not handed down until late summer. It highlights one of the many challenges of navigating finances through changing policy that sometimes has a retroactive effective date.

3. There is room to adjust upward projected sales tax revenues. Staff currently projects the ability to increase sales tax revenues for FY 2021 and use them to reinvest in delayed capital outlay.

Commissioner Chappell remained concerned due to there being so many unknowns. He did not think the State or County have experienced the full effect of the pandemic. In addition, unemployment benefits are set to expire soon and the winter months are generally slower in terms of pulling in revenue. He preferred to remain cautious.

The Manager informed that the hiring freeze is a soft freeze in that only essential positions are being filled. Staff will circulate the list of delayed capital items for the Board's information. She agreed staff needed to be measured and careful moving forward.

Commissioner Guice commented that it is challenging to prioritize needs when there are so many unknowns. He was concerned about the pandemic headed into flu season and noted the County faces other issues beyond its control, such as the two hurricanes projected to hit the region.

Commissioner Lemel inquired about the status of the County's Self-Insurance Fund which is up \$300,000 over revenues. In previous years, the fund experienced a surplus. Mr. Griffin stated the Self-Insurance fund balance equates to 35 or 36 weeks of normal expenses. The recommended amount is to have at least 30 weeks, so this fund is in good shape. He noted that one bad year essentially washed out two good years.

Commissioner Lemel moved to receive the report, seconded by Commissioner Chappell and unanimously approved.

2021-2022 BIENNIUM LEGISLATIVE GOALS

Before each biennial session of the General Assembly, counties submit their legislative proposals to the NC Association of County Commissioners (NCACC). County commissioners from across the State review and approve a comprehensive goals package and then the NCACC sets off to work on legislation that may impact counties. The goals submission deadline date to the NCACC is September 30. This item is on the agenda for the Board's discussion and to provide staff with direction and guidance to draft language for the proposed goals. Staff intends to ask Commissioners to finalize their goals and approve them at the next meeting on September 28.

Staff requested Commissioners submit to staff any other proposals not discussed tonight no later than September 18 to allow staff time to draft language for the agenda packet publication and subsequent submission to the NCACC. There is a significant amount of research that goes into developing the supporting documentation for the goals so that is clear to the NCACC the problems being identified and what the County would like to accomplish.

Commissioner Lemel stated she reviewed the goals from the previous submission and found that none of the NCACC's final adopted legislative goals have been 100% achieved. Therefore, she supported resubmitting the County's goals from the previous biennium.

Commissioner Lemel stated that she was interested in using the working weekly take-home wage metric as a data point for the economic tier levels. Having an average income as consideration causes Transylvania County's data to be substantially skewed. Transylvania County's weekly take-home wage is \$30 less than Scotland County which is a tier 1 county. She felt that it was unfair to young families who are working to define Transylvania County's tier level based on average income alone. The average income considers the income of our more affluent residents who may have already retired.

Commissioner Lemel also felt it was important to include the consideration of declaring broadband as a utility and using the rural electrification program for the incentivization of private entities to invest in infrastructure that would allow for broadband expansion. She expected other counties to bring forth this issue, particularly due to the online learning going on across the State.

Commissioner Chappell supported continuing advocacy for redefining the definitions and formulas for low wealth and small school funding and the lottery fund distribution. These three funding sources directly impact Transylvania County. If Transylvania County had access to these funding sources, which it qualifies for based on the original intent, it would provide a significant amount of additional State funding for the local school system that other similar systems already have access to.

Commissioner Lemel pointed out the low wealth funding source would be resolved if the weekly working take-home wage were used to calculate the tier levels. She felt that other benefits should be examined on a sliding scale, not from an all-or-nothing approach.

Commissioner Chappell requested to include the goal to seek flexibility with the K-12 calendar with the ability to align it with the community college calendar, particularly with the Career and College Promise Program serving so many high school students.

Commissioner Lemel noted that Transylvania County's Medicaid expenses rose by 15% which proves that support for Medicaid expansion is needed. She was troubled that so much of our tax dollars paid to the federal governments do not get returned to us to serve our citizens. She felt Medicaid expansion was particularly important with the State's move toward Medicaid transformation.

Chairman Hawkins asked Commissioners to advise of any others and inform staff by the end of the week.

MANAGER'S REPORT

The Manager reported the following:

- Kudos to DSS and to Katherine Cox for their work pulling together additional documentation during the 4E audit that concluded with no findings. Food and Nutrition is also being audited and has resulted in 100% compliance upon review.
- Kudos to Parks and Recreation staff and Director Jared Mull. The Jameson's Joy ribbon cutting exhibited the best of local government partnerships with local nonprofits to better serve the community. Pickleball courts are almost complete. A ribbon cutting is to be scheduled soon. Thanks to Operations Staff. They are working in partnership with Parks and Recreation and they have worked in partnership with them to get these facilities prepared for opening.
- Kudos to Parks and Recreation staff and Director Jared Mull for continuing to serve families during COVID with day camp. His department was able to expand summer offerings to support the Boys and Girls Club's reduced capacity and to continue responding to community needs.
- GetSet is partnering with Transylvania County Schools to conduct a parent survey around care needs on off days from school attendance to inform additional expansion. Another concern is older children caring for younger children as part of the solution to care needs.
- Shared pictures of new facilities. WLOS attended Jameson's Joy ribbon cutting. The Courtine family was very thankful to see the park come to fruition and it is truly an asset for our community. This is the only facility west of Charlotte in our State which makes it unique. Seeing the pickleball court complete is good news as well.
- Kudos to Comporium. Commissioners have budgeted for three years running to pay for free Wi-Fi at nine community centers to support students. Three centers are still on DSL and have been experiencing issues with speeds due to the number of devices with children accessing for schoolwork. Comporium agreed to sponsor an upgrade to the DSL plans to make them more comparable to the cable-based modem services at the other centers.
- County Facebook Main Page, Animal Services Facebook and GetSet Facebook pages have been shut down by Facebook. Staff has been working to get the account reestablished. Meetings continue to be available on the County's website at www.transylvaniacounty.org

PUBLIC COMMENT

Elise Wall: Ms. Wall, a local attorney, spoke in support of Ms. Hollocker's statements made earlier in the meeting. Over the last few months, the DSS process has run as smoothly as she has ever seen it and other attorneys would agree. She noted Commissioners received a letter from Brian Stretcher, a local attorney, asking them to consider options for contracting local members of the Bar Association. Having a local attorney is essential for fostering relationships and understanding services available. She encouraged the Board to consider using a local attorney for DSS counsel.

Yvette Brooks: Ms. Brooks emailed the Clerk to the Board and requested her comments be read during an open meeting. (Email summarized by the Clerk to the Board.) Ms. Brooks asked the Board to her announce her new nonprofit in the community to help bring internet access to rural parts of the community through collaboration with local government and community support.

Carole Deddy: Ms. Deddy emailed the Clerk to the Board and requested her comments be read during an open meeting. (Email summarized by the Clerk to the Board.) Ms. Deddy pointed out the City of Brevard has been asked to change the zoning for a large parcel of property adjoining the Deerlake community to allow for higher density housing and mixed-use business. She felt the current zoning in place was appropriate and thus she did not support the City modifying its use. Ms. Deddy was concerned about the community's continued dependence on tourism and a retiree destination. In addition, the infrastructure is fragile and deficient. She felt that the residents in the Deerlake community have no desire for more density. She was concerned with how changing the density will resolve any current or future issues.

COMMISSIONERS' COMMENTS

Commissioner Chappell offered prayers to the family of Henderson County Deputy Ryan Hendrix who lost his life in the line of duty. Deputy Hendrix was a graduate of Blue Ridge Community College's BLEET program. He asked for everyone to keep his family and the local law enforcement community in their thoughts and prayers.

Chairman Hawkins moved to enter into closed session per NC General Statute 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body and per NC 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 terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease, following a 5-minute recess, seconded by Commissioner Lemel and unanimously carried.

CLOSED SESSION

Per NC General Statute 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body and per NC 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 terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease, closed session was entered into at 6:25 p.m. Present were Chairman Hawkins, Commissioners Chappell, Dalton, Guice and Lemel, County Manager Jaime Laughter, County Attorney Bill Bulfer (participating via Zoom meeting software), and Clerk to the Board Trisha Hogan. Human Resources Director Sheila Cozart attended the first closed session to consult with an attorney.

The Board consulted with the County Attorney on a matter that is protected by attorney-client privilege.

The Board also heard reports from the Manager on property negotiation efforts. Commissioners directed staff on how to proceed.

Chairman Hawkins moved to leave closed session, seconded by Commissioner Lemel, and unanimously carried.

OPEN SESSION

Chairman Hawkins moved to seal the minutes of the closed sessions until such time that unsealing the minutes does not frustrate the purpose of the closed sessions, seconded by Commissioner Chappell and unanimously approved.

ADJOURNMENT

There being no further business to come before the Board, Commissioner Chappell moved to adjourn the meeting at 7:40 p.m., seconded by Commissioner Lemel and unanimously approved.

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board