

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

The Board of Commissioners of Transylvania County met in regular session on Monday, December 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 Larry Chapman, Chairman Jason Chappell, Vice-Chairman Jake Dalton, David Guice, and Teresa McCall. Also present were County Manager Jaime Laughter and Clerk to the Board Trisha Hogan. County Attorney Julie Hooten participated remotely via Zoom meeting software.

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

There were 15 people in the audience, including staff and presenters.

**CALL TO ORDER**

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

**WELCOME**

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

**PUBLIC HEARING**

**ECONOMIC DEVELOPMENT PERFORMANCE-BASED INCENTIVE GRANT FOR PROJECT WHOOPING CRANE**

Transylvania County partners with the Transylvania Economic Alliance to support and expand existing businesses while recruiting new ones. Industrial development brings better jobs, wages and tax base that help fund County services.

The Transylvania County Board of Commissioners has an incentive policy that requires performance of job creation and capital investment by a locating or expanding business to receive grants back on taxes. This tool for attracting expansion and location projects helps to show that Transylvania County prioritizes jobs and investment in our County.

Following the incentives package approval, the State will determine their incentive package and a performance contract will be developed to assure that commitments for incentives are met prior to an annual rebate of taxes under that agreement. NC general statutes require local governments to hold a public hearing prior to any incentives being approved.

Transylvania Economic Alliance Executive Director Josh Hallingse presented information on Project Whopping Crane, aka Raybow USA, for the purpose of the public hearing. Mr. Hallingse introduced Roger Frisbee and Pete Newsome, co-Presidents of the local operation, who were present at the meeting. Under the project as proposed, the public benefits to be derived from the capital project include a total taxable investment in increments through 2025 of \$15.8 million in real and business personal property. The project would result in the creation of 74 new jobs through 2025 at an average wage of \$76,514, which exceeds Transylvania County's average wage of just over \$34,000, for full-time employment, plus

other benefits. The contemplative incentive period would not exceed six years. Based on the new investment, number of new employees, and the Board's incentive guidelines, the maximum amount of incentives to be considered in this grant over the total period is expected to be valued at \$463,548.56.

Transylvania County has adopted incentive guidelines which are designed to help our community compete for quality job creation projects and achieve our economic development strategy. The incentive policy is a tool which uses a formula-based point system to determine eligibility and the monetary level of the incentive support. To qualify, a project must commit to jobs and taxable investments. The amount of the incentive is based on the net new property taxes generated by the project. This project is competitive with other locations and the Alliance is working on other tools to help support this project. Based on the incentive point scorecard, this expansion scores 100 out of 100 points, which is a first for the Alliance and this community under this policy. He requested the Board's support of this project moving forward.

Mr. Hallingse reported that Raybow USA is part of a larger corporation called Raybow Pharmaceuticals based in Taizhou, China. While Raybow is relatively new to our region, its co-Presidents Mr. Frisbee and Mr. Newsome have been in our community since 2002 where they have been actively involved in the business community and have worked with the Alliance to position the community for job-creation projects.

As part of Raybow's introduction to our community, they sent the County a glass sculpture from their home country. The Alliance presented the gift to the Board of Commissioners on behalf of Raybow as a sign of prosperity and community-building with Transylvania County and their corporate parent.

**Chairman Chappell declared the public hearing open at 4:09 p.m.**

Jeff Joyce: Mr. Joyce works for Brevard College. Today he spoke to the Board as a representative of the Brevard/Transylvania Chamber of Commerce. He reported that the Chamber represents over 500 businesses in our local community. Each year the Chamber conducts a survey of the members to determine their top priorities that they would like the Chamber to focus on. For the last three years, the top priority has been identified as economic development. The Chamber believes this project is a great opportunity and encourages the Board of Commissioners to support this project and do whatever is necessary to make them part of the community. Mr. Joyce looks forward to welcoming the new business as part of the community.

There were no further comments and **Chairman Chappell declared the public hearing closed at 4:10 p.m.**

#### **PUBLIC COMMENT**

There were no comments from the public.

#### **AGENDA MODIFICATIONS**

There were no agenda modifications from the Board or staff.

**Commissioner Chapman moved to accept the agenda as presented, seconded by Commissioner Guice and unanimously approved.**

## CONSENT AGENDA

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

The following items were approved:

### MINUTES

The Board of Commissioners met in regular session on September 28, 2020 and following met in closed session in which the minutes were sealed. There was an Oath of Office Ceremony on December 7, 2020 in which newly elected county officials were sworn in, followed by the Board of Commissioners holding its organizational meeting. 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 November 2020, tax dollars released totaled \$1,229.20 and refunds amounted to \$937.49. The Board approved the Discovery, Release and Monthly Settlement Report for November 2020 as submitted.

### CANCELLATION OF THE DECEMBER 29<sup>TH</sup> BOARD OF COMMISSIONERS MEETING

Staff recommended the Board of Commissioners cancel the December 29, 2020 regular meeting. Transylvania County offices are closed for the Christmas holiday Thursday, December 24 through Monday, December 28. There is no pressing business and staff would like to utilize vacation time during the holiday season prior to the next meeting which is scheduled for January 11, 2021 at 4:00 p.m. The Board cancelled the December 29, 2020 Board of Commissioners meeting and instructed the Clerk to post and publish appropriate notice.

## PRESENTATIONS/RECOGNITIONS

### SPECIAL PRESENTATION OF AWARDS BY LAND OF SKY REGIONAL COUNCIL

Staff from the Land of Sky Regional Council presented awards to Transylvania County staff – County Manager Jaime Laughter and Public Health Director Elaine Russell – for their outstanding work.

The first award was presented by Deputy Director of Land of Sky Regional Council, Dana Stansbury. She presented the Robert E. Shepherd Excellence in Local Government Award, dedicated in 2016 to annually honor a local government professional, to County Manager Jaime Laughter for her dedication to serving the citizens of Transylvania County in the Land of Sky region. Ms. Stansbury stated that Ms. Laughter's service has greatly enhanced the quality of life for countless citizens. Ms. Laughter is a dedicated and faithful local government professional. Her leadership and work ethic serve as a shining example for all those who choose to serve the public. Ms. Stansbury presented the Manager with a plaque in her honor.

The Manager was very grateful for this recognition. She shared that her family has been in WNC for generations and she was grateful that she was able to return home for her career. Her hope is that in working with the elected officials her children will be able work here and raise their families here one day and that this community will continue to thrive. She shared that she has learned two important lessons over her 20-year career – the importance of collaboration and that “rising waters raise all ships”. There is

no better example than to receive this award on the same night as the announcement of jobs and investment coming to our community. She thanked the Board of Commissioners for the opportunity to serve this community that she loves.

The second award was presented by Executive Director of the Land of Sky Regional Council, Nathan Ramsey. He presented Public Health Director Elaine Russell with the Extraordinary Public Service Award in appreciation for her devotion, commitment, and exemplary service. Her unwavering dedication to the citizens of Transylvania County has helped the region respond to the many challenges presented by the COVID-19 pandemic. The Land of Sky Regional Council is grateful for her exemplary leadership and dedication to public service. Mr. Ramsey presented Ms. Russell with a plaque in her honor.

Ms. Russell thanked the Land of Sky for this acknowledgment. She stated she could not do the work without the devoted and committed staff of the Health Department. She felt incredibly blessed and stated that Transylvania County has the best Health Department in the State. She acknowledged and expressed appreciation to the leadership of this County – Board of Commissioners, Board of Health, and the County Manager. Ms. Russell also thanked the community for their willingness to do what is right during very difficult circumstances and she was confident we could get through this pandemic together.

The Board congratulated Ms. Laughter and Ms. Russell as recipients of these prestigious awards.

## APPOINTMENTS

### BOARD OF HEALTH

Sandra McNeill and Teesie Stanton were recently appointed to the Board of Health to fill the remaining month or two of expiring terms. Public Health Director Elaine Russell recommended their appointments to full three-year terms. Dr. Lawrence Cull has served two full terms and while he is eligible to serve another term per statute, he has not been attending the meetings since the spring due to work commitments. Staff will recruit an applicant to fill this position as soon as possible.

**Commissioner Guice moved to reappoint Sandra McNeill and Teesie Stanton to a full term on the Board of Health, seconded by Commissioner McCall and unanimously approved.**

### BREVARD PLANNING AND ZONING BOARD

Dr. John Folger's term on the Brevard Planning and Zoning Board expires at the end of December. Although he is eligible to serve another term, he has chosen to step down at the end of the year. There is one application on file and the applicant lives within the City's ETJ which is a requirement for the County's appointment.

**Commissioner Guice moved to appoint Edwin English to the Brevard Planning and Zoning Board to replace Dr. John Folger at the end of his term, seconded by Commissioner Chapman and unanimously approved.**

### TRANSYLVANIA COUNTY TOURISM DEVELOPMENT AUTHORITY (TCTDA)

The terms of Tad Fogel (Member-at-Large) and Layton Parker (Accommodations Owner/Operator) expire December 31, 2020. They are both eligible for reappointment. The TCTDA contacted both members regarding their interest in continuing service on this board. Mr. Parker requested reappointment, and Mr. Fogel decided to step down at the end of this term.

The TCTDA recommended the reappointment of Layton Parker to fill the Accommodations Owner/Operator position and the appointment of Ali Lien to replace Tad Fogel at the end of his term to

fill the Member-at-Large position. A letter of recommendation is included in the Board's agenda packet for consideration.

**Commissioner Chapman moved to reappoint Layton Parker to the Accommodations Owner/Operator position and to appoint Ali Lien to fill the Member-at-Large position effective January 1, 2021, seconded by Commissioner Guice and unanimously approved.**

#### COUNTY COMMISSIONER APPOINTMENT TO SCHOOL BOND CONSTRUCTION COMMITTEE

The interlocal agreement between the Board of Commissioners and Board of Education for administration of the bond projects established a School Bond Construction Committee made up of two Board of Education members, two Transylvania County Schools employees, two County Commissioners, and the Transylvania County Schools Finance Officer. On February 25, 2019, the Board of Commissioners appointed Commissioners Jason Chappell and Mike Hawkins as its representatives.

**Commissioner Guice moved to appoint County Commissioner Teresa McCall to replace former County Commissioner Mike Hawkins on the School Bond Construction Committee, seconded by Commissioner Chapman.** Commissioners asked Chairman Chappell and Commissioner McCall to bring back regular updates from these meetings to share with the Board and the public. **The motion was unanimously approved.**

#### VOTING DELEGATE TO NCACC LEGISLATIVE GOALS CONFERENCE

The North Carolina Association of County Commissioners (NCACC) Legislative Goals Conference will be held virtually on Thursday and Friday, January 14-15, 2021. Each county is entitled to vote on the legislative goal proposal submissions brought before the membership. The NCACC asked each county to identify one voting delegate prior to the Legislative Goals Conference and that person's name is due back to them by January 11, 2021.

**Commissioner McCall moved to appoint Commissioner Chapman to attend the virtual Legislative Goals Conference on January 14-15, 2021 and serve as Transylvania County's Voting Delegate, seconded by Commissioner Guice and unanimously approved.**

### NEW BUSINESS

#### ECONOMIC DEVELOPMENT PERFORMANCE-BASED INCENTIVE GRANT FOR PROJECT WHOOPING CRANE

The Manager recapped the information presented during the public hearing for Project Whooping Crane, aka Raybow USA. The company intends to invest \$15.8 million in real and business personal property into the expansion through 2025. The project as proposed would result in the creation of 74 new jobs with an average wage of \$76,514. The incentive period would not exceed six years. The maximum amount of incentives to be considered in this grant over the total period is expected to be valued at \$463,548.56. This information would be included in a performance agreement with Raybow USA.

Chairman Chappell emphasized for the benefit of the public that incentive grants are not simply a "give-away" of taxpayer dollars. The incentive is performance-based. He was excited about the anticipated investment in our community and the creation of 74 jobs with highly competitive wages. This expansion will be very impactful to Transylvania County. He was appreciative of the work that has been done to get to this point.

Commissioner McCall was appreciative of the Alliance for all their work in the realm of economic development. She was very supportive of industry coming into Transylvania County. She acknowledged

that tourism in this County has served some very well, but others not so much. Therefore, she vowed to work diligently to support industry in Transylvania County.

Commissioner Dalton was very excited about this opportunity. He acknowledged the amount of work that has gone into this project. He congratulated Mr. Frisbee and Mr. Newsome on their partnership with this international company. They have accomplished a lot in a short amount of time, and it proves that Transylvania County is welcoming to business.

Commissioner Guice noted this level of expansion is rare for Transylvania County. He was impressed with the investment that is anticipated and he felt it was a tremendous opportunity for our citizens. He complimented Mr. Frisbee and Mr. Newsome on their efforts, as well as the work of the Alliance.

Mr. Hallingse shared that the approval of the incentive grant package is not a formal announcement, but he hopes that will come soon. It remains a competitive project with other locations. The Alliance continues to work with partner organizations. The approval of an incentive package is the first step in what the Alliance hopes will lead to an announcement. Mr. Hallingse added that this project highlights how attractive Transylvania County is to others. He was excited about being able to move this project closer to an announcement.

**Commissioner Guice moved to approve the economic development performance-based incentive grant as proposed, seconded by Commissioner Dalton and unanimously approved.**

As someone who has traveled a great deal during his working career, Commissioner Chapman encouraged the Board, should this project come to Transylvania County, to research Chinese customs and business traditions because they are very formal. He intended to share some information from his working career. He wanted to make sure they were welcomed into the community.

Commissioner Dalton added this project would be a great opportunity for Blue Ridge Community College to partner on providing workforce training to help fill these jobs with qualified workers.

#### 2020 TRANSYLVANIA COUNTY SCHOOL SYSTEM FACILITIES NEEDS SURVEY

Finance Director Jonathan Griffin presented this item. He pointed out the Board received the full Facilities Needs Survey in their agenda packet.

The presentation and acceptance of this survey is a statutory requirement. The State Board of Education is empowered by statutes to prescribe a certain format by which public school systems must report out what their needs are for the next five years.

The Transylvania County Board of Education provided a report of their estimated needs from 2020 through 2025. They are required to prepare this report every five years. Part of the process is that the NC Department of Public Instruction requires this information be transmitted to the local governing board. Statutes make the Board of Commissioners responsible for capital needs in the public school system.

Mr. Griffin noted that Transylvania County Schools Finance Officer Norris Barger was in attendance to answer any specific questions on the report itself. The only action being requested by the Board is to acknowledge receipt of the report.

Mr. Barger reiterated that the School System is required to prepare a report of this kind every five years. With this report, he tried to match it to the facility needs survey that was completed by Clark Nexsen in 2015. There are differences in the reporting formats and the way figures are shown, so his effort was pointed toward a total dollar amount for each school.

Commissioner Guice asked Mr. Barger to describe the difference between current capacity versus ADM (average daily membership). According to the report, there appears to be more capacity in the middle and high schools than in the actual number of students. He wondered if the school system was losing students in their middle and high school years. Mr. Barger said a couple of items factor into these figures. First, the current capacity numbers are calculated by the formulas provided by the State. Compared to current ADM, the school system is lower in its middle and high school grades because there are many more offerings for those students than in previous decades. The State's calculation of current capacity is not necessarily based on Transylvania County's current capacity because they have more course offerings than many other school systems. The State calculations are based on an average of capacity across all school systems. Mr. Norris noted that the only school in the report that adds capacity is Pisgah Forest Elementary which is based on growth in that section of the County. Overall, in terms of capacity, he felt the School System was in good shape.

Commissioner Guice asked when the ADM numbers are normally reported to the State. Mr. Norris reported that the School System must provide the State with monthly ADM figures. They receive funding from the State based on the best one of two from the previous year. The 2019 ADM was a function of last year's ADM average and it was generated by the State. That figure was not used to fund the School System last year and was not what they ended up with this year.

Commissioner Chapman inquired about the number of students in the community who are home-schooled or attend private schools. Mr. Barger stated he did not have those figures on-hand but could provide those post-meeting. He reported nearly 300 students attending charter schools. Not all those students necessarily attend Transylvania County Schools. Transylvania County Schools pays for the students whose legal residence is in Transylvania County, no matter where the charter school is that they attend.

Commissioner McCall asked if the monies to pay for charter school students transfer from Transylvania County Schools or from the NC Department of Public Instruction. Mr. Barger responded both. NCDPI funds the State portion of funds and Transylvania County Schools funds a pro rata portion from the local current expense appropriations and from fines and forfeitures totals.

Commissioner McCall asked if Mr. Barger agreed with the State's formula that Transylvania County has the capacity for 4,460 students. Mr. Barger responded no. He stated the School System values lower class sizes than most school systems in the State and it has made a difference in how they are able to educate students. He felt the current capacity figures were high.

Commissioner McCall stated the reason for her question is that capacity and what we can provide students has an impact on funding. In looking at the figures provided, the total School System is operating at about 74% capacity, whereas the two high schools are operating at 60% capacity. She asked if there was room for growth in the School System or whether it was at capacity. Mr. Barger stated there is room for some growth, but because of the courses they offer in the middle and high school level and due to the class size requirements at the elementary school level, the School System is not at 60% of what they could offer. They are much closer to capacity, but again, there is room for some growth.

Commissioner Guice mentioned how important the School System's relationship is with Blue Ridge Community College, especially at the high school level. He was very interested in trying to determine future needs and what elected officials should be considering to best fund the educational needs of the community. He believes there is a correlation between the dual enrollment and the relationship between the two entities. Mr. Barger reported the School System has a great working relationship with Blue Ridge Community College. They are always looking for ways to expand that relationship and they continue to add programs when opportunities arise.

Commissioner McCall asked if the bond projects have been calculated into the Facilities Needs Survey resulting in a reduction of overall future needs or if they were included as an addition to what is being planned with the bond referendum. Mr. Barger responded it is in addition to. He received clarification from the State that the projects included in the bond referendum are not supposed to be reflected in the Facilities Needs Survey.

Commissioner Guice asked Mr. Barger if he felt the State would honor their commitments for funding, such as lottery money, or whether he felt it would be used to balance the budget due to the pandemic. He is worried about costs being pushed down to the local level. Mr. Barger responded that over the past couple of years the State has floated ideas related to limited obligation bonds and some emergency funding for capital outlay construction, but so far, those ideas have not gotten far. He hopes these discussions will take place soon. The local school boards will continue to put pressure on the State because they continue to push more and more of their obligations to counties. He felt it was the State's turn to step up and cover their obligation.

Commissioner McCall commented that given that counties are potentially expecting huge budget shortfalls due to the pandemic, she would like to discuss the School System's preventative maintenance program. Mr. Barger agreed to provide some information to the Board in the future.

The Board of Commissioners was appreciative of the report and of the relationship with the Board of Education and the leadership in the School System. The Board acknowledged receipt of the report.

#### STATE ECONOMIC TIER ADVOCACY

NC General Statute § 143B-437.08 designates a Tier System Methodology intended to help prioritize state investments in economic incentives. The NC Department of Commerce released the 2021 rankings in December which raises concern that the four key indicators do not provide an accurate depiction of local economic health and wealth of Transylvania County or of other counties across the State.

Specifically, Transylvania County is moving from a Tier 2 county to a Tier 3 county, which means we would be categorized as one of the less distressed counties in the State.

The four factors that are considered in the tier system:

- Unemployment rate
- Median Household Income
- Property Tax valuation per Capita
- Population Growth

For Transylvania, the median household income is a completely different picture than average weekly wage. For average weekly wage in 2019, Transylvania ranked 80<sup>th</sup> of the 100 counties ranked highest to lowest. Transylvania's working population is struggling with low wages and high property tax valuations making housing challenging. The household income and property tax valuation factors being half of the ranking do not consider that the wealth that is driving up both the median and the cost of property is wealth primarily contingent on economic success elsewhere through pensions and investments. This means that our localized economy is very sensitive to market volatility and should mean more interest from the State in prioritizing economic development investment funds that would allow us to prosper in growing our local economy for long term stability. In reviewing the Department of Commerce map that accompanied the release, it is apparent that this is an impact seen in retirement and tourism destinations across the State.

Additionally, rural counties are penalized in the population growth percentage. Counties like Transylvania have residents who claim permanent residency at homes in states without income tax, so the official population is much lower than the demands on local government services. A small relative increase in population generates a higher percent gain, but compounds a reality that counties are responsible for services for a far greater number and those citizens are not paying into the State income coffers.

Transylvania County's land mass is comprised of 50% state and federal lands. The County remains responsible for the many services such as law enforcement, emergency management, fire services, rescue, DSS and health that are required in that area but the burden of paying for those comes from our property tax for the taxable area. Without being able to diversify our tax base with economic development support, the tax impact lands squarely on our households and families, particularly those who are making lower working wages compared to the State already.

Not only does the tier designation make Transylvania County's incentives offerings at the State level lean or non-existent, the same goes for grant program eligibility like State school capital grants. The latter is appalling given that our poverty rate of children is at 24% and Buncombe County, an urban county now at Tier 2, is at 18%. The same households struggling with wage levels are then impacted in their children's schools.

The Tier System methodology needs revision to better assess local economic health, as indicated in the NC General Assembly study in 2018. One change would be to factor in average weekly wage information in addition to or instead of median household income. The health and wealth of the local economy is captured much stronger in average weekly wage because it does not include income generated elsewhere (pensions, investments, etc.). Transylvania County, and many like ours, are vulnerable to market fluctuations completely out of our control when the wealth is coming from outside our community. This was very apparent when the housing bubble burst delayed retirements. Child poverty rate is also a good indicator because generally their families are reflecting the working population and local economy.

Second, the property valuation measure is intended to imply that counties can generate more property tax, but that does not hold true necessarily. For instance, single family home median value is one of the top in the state in our county, but working families are not making top in the state wages to afford that home or a higher tax burden. A more realistic and achievable measure to collect would be the ratio of property tax base of residential to commercial/industrial uses. The reason this would be more realistic is that the Tier System is intended to help support county economic development and reflect need. When that ratio of residential to commercial is high, it means that households are bearing the burden of local government services that are required by the state of counties.

The Tier System rankings should be reflective of both local economic health and wealth to accurately evaluate where there is a need for state investment to nurture and create local stable economies throughout North Carolina.

The proposed resolution requests a revision of the Tier System Methodology and a stay on use of the tier designations in 2021 and to keep the 2020 designations until revisions can be made. Already, staff and the Board have begun conversations with State leaders about this issue on behalf of rural counties in the eastern and western extremes of the State. The Manager recommended adoption of the resolution and for the Board and staff to continue advocacy efforts with the State Legislature.

Commissioner Guice was interested in the process, because the NC Legislature is set to begin the long session in 2021. He wanted to know if our legislators intend to support the County in its efforts and

whether they recommend legislation that would have statewide impact or a local bill that only impacts Transylvania County and any other county that might join that bill. The Manager responded that the feedback she had gotten is that they recognize there are some issues with the tier system as it is currently written. Other counties in the eastern part of the State experience the same issues as Transylvania County. She indicated there is a growing dissatisfaction across the State with the Tier System. It could result in change. Transylvania County has advocated for change since 2018.

Commissioner Guice was concerned about future impacts to the County's budget and budget planning.

Chairman Chappell indicated staff is working on scheduling meetings with our legislators after the new year. This was a topic of discussion during a Land of Sky meeting as well.

**Commissioner Chapman moved to approve the resolution as presented and expeditiously submit it to our State legislators, seconded by Commissioners Guice and McCall simultaneously and unanimously approved.**

Chairman Chappell directed the Manager to bring back regular updates to the Board on this topic because it will impact many of the Board's decisions moving forward.

#### **RESOLUTION #38-2020**

#### **REQUESTING THE NORTH CAROLINA GENERAL ASSEMBLY TO AMEND THE CURRENT TIER DESIGNATION SYSTEM IN NORTH CAROLINA UNDER G.S. § 143B-437.08**

**WHEREAS**, the North Carolina Department of Commerce recently released county tier designations for 2021; and

**WHEREAS**, the tier designations for 22 counties were changed with Transylvania County moving to a less distressed tier ranking; and

**WHEREAS**, tier designations determine eligibility and guidelines for several different grant programs that N.C. Commerce administers including the One North Carolina Fund, building reuse, water and sewer infrastructure, and the downtown revitalization Main Street program and they play a role in the state's performance-based Job Development Investment Grant (JDIG) program, serving as a mechanism to channel funds for infrastructure improvements into more economically distressed areas of the state as well as several programs that assist in economic development; and

**WHEREAS**, the Tier system was developed with the intent to prioritize state investments in economic development by prioritizing communities who have the most economic distress; and

**WHEREAS**, Transylvania County is concerned that the Tier system data points of population growth, unemployment rate, median household income and property tax valuation per capita do not provide accurate indicators of local economic health and wealth as indicated in the January 11, 2018 Presentation *Measures of County Economic Well-Being and Local Revenue Capacity*, to the Joint Legislative Economic Development and Global Engagement Oversight Committee; and

**WHEREAS**, Transylvania County recognizes that the median household income is not accurately reflective of the working wages of our citizens. The median household income is a completely different picture than average weekly wage. For average weekly wage in 2019, we ranked 80th of the 100 counties ranked highest to lowest. Our working population is struggling with low wages and high property tax valuations making housing challenging. The household income and property tax valuation factors being half of the ranking do not take into account that the wealth that is driving the median household income

up and the cost of property is wealth primarily contingent on economic success elsewhere through pensions and investments. This means that our localized economy is very sensitive to market volatility and should mean more interest from the state in prioritizing economic development investment funds that would allow us to prosper in growing our local economy for long term stability; and

**WHEREAS**, tier designations are also an eligibility factor in GREAT grant funding and Needs-based Public School Building Capital Fund to fund public school capital needs; and

**WHEREAS**, changing Transylvania County’s tier designation reduces Transylvania County’s eligibility for many grant programs; and

**WHEREAS**, Transylvania County is of the firm opinion and belief that some of the areas within geographical boundaries of counties are more economically distressed with citizens experiencing economic distress than is reflected by the new tier designation; and

**WHEREAS**, Transylvania County is also of the firm opinion and belief that there should be alternative ways of designating county tiers that would provide an accurate economic picture as described in the NCGA presentation such as average annual working wages, multi-year poverty rates, 3-year employment growth, household wages in relation to housing costs and removing property valuation per capita and population total factors;

**NOW, THEREFORE**, the Board of Commissioners of Transylvania County requests the North Carolina General Assembly to change the methodology prescribed by the North Carolina General Assembly in General Statute §143B-437.08 so that it more accurately reflects each county’s economic status. The Board also requests that the North Carolina General Assembly consider a stay for implantation of the Tier designations as announced for 2021.

Adopted this 14<sup>th</sup> day of December, 2020.

S://Jason R. Chappell, Chairman  
Transylvania County Board of Commissioners

APPROVAL OF COUNTY SEAL AND NATIONAL MOTTO FOR BOARD OF COMMISSIONERS’ CHAMBERS

Chairman Chappell requested this item be placed on the agenda for Board approval to place the County Seal on the wall behind the Commissioners’ dais to include both the National and State mottos: “In God We Trust” and “Esse Quam Videri”. He reported that he and the former Chairman, Mike Hawkins, had been working on this project but it ceased due to the pandemic.

Staff sought guidance on how the Board wants to proceed on a design. The Manager provided a sketch of what the seal and mottos would look like on the wall.

**Commissioner McCall moved to approve going forward with developing the County seal and national and State mottos for the Board of Commissioners Chambers, seconded by Commissioner Guice. Staff will bring back professional options for the Board to consider and for final approval. The motion was approved unanimously.**

MODIFICATION OF BOARD OF COMMISSIONERS’ RULES OF PROCEDURES TO INCLUDE REMOTE/ELECTRONIC MEETINGS DURING STATE OF EMERGENCY

Under the Governor’s State of Emergency, NC General Statute § 166A-19.24 gives local governments/public bodies the authority to hold remote meetings during certain declared states of

emergency. A remote meeting is defined of at least one board member taking part by “simultaneous communication”. “Simultaneous communication” is defined as any communication by conference telephone, conference video, or other electronic means. If all participating board members are physically present, the statute does not apply regardless of any restrictions on in-person attendance by the public. If one or more board members participate remotely, the statute applies, even if there are no restrictions on in-person attendance by the public.

The Board’s Rules of Procedures has not been updated to reflect the new statutory reference for electronic meetings. Staff took the key provisions from the statute to include in the Rules of Procedure so that moving forward the Board would be able to participate remotely if they need to. The Manager noted that members of the Board have participated remotely in previous meetings when a situation arose, but they could not vote on matters. This statute allows Commissioners participating remotely to vote on matters and it requires some specific procedural changes.

Staff recommended the Board include the proposed modifications to permit remote/electronic meetings during certain declared states of emergency by the State of North Carolina to the Rules of Procedure and discuss the format for future meetings if they feel it is necessary. Only the current State of Emergency permits remote/electronic meetings. Nothing in statutes permits counties to hold remote/electronic meetings during local states of emergency.

**Commissioner Guice moved to approve the modification of Board’s Rules of Procedure to permit remote/electronic meetings during certain declared states of emergency by the State of North Carolina, seconded by Commissioner Chapman and unanimously approved.**

Chairman Chappell asked Commissioners to give some thought on how to handle public comment. The Board has been accepting public comment in different formats, but the procedure has not been outlined in the Board’s Rules.

#### MANAGER’S REPORT

The Manager reported the following:

- Board of Commissioners implemented a recognition program to express appreciation to citizens who volunteer their time and expertise on the County’s many citizen advisory councils. The Board normally invites each member to attend a meeting in person and receive a certificate of appreciation and coffee mug. To protect the health and safety of others, Commissioners will recognize these members by name and the Clerk will mail them their certificates and invite them to stop by the County Admin office to pick up a mug if they so choose.
  - This period covers July 1, 2020 – December 31, 2020

Nancy Henderson	Joint Historic Preservation Commission
Vera Taylor	Joint Historic Preservation Commission
Daniel “Woody” Noland	Transylvania Natural Resources Council
Dan Hodges	Transylvania Natural Resources Council
Lee McMinn	Transylvania Natural Resources Council
RK Young	Transylvania Natural Resources Council
Davis Whitfield-Cargile	Transylvania Natural Resources Council
Carol MacKusick	Regional Council on Aging
William Dalton	Board of Health
Chris Biecker	Board of Health
Lawrence Cull	Board of Health
Ben Lamm	Nursing & Adult Care Home Advisory Committee
Betsy Smith	Transylvania County Council on Aging
Elaine Deppe	Transylvania County Council on Aging
Linda Fluck	Transylvania County Council on Aging
Tad Fogel	Transylvania County Tourism Development Authority
John Folder	Brevard Planning & Zoning Board

- 2<sup>nd</sup> Board of Commissioners’ meeting in December has been cancelled. Next regular meeting scheduled for Monday, January 11, 2021 at 4pm
- Merry Christmas and Happy New Year!

### **PUBLIC COMMENT**

There were no comments from the public.

### **COMMISSIONERS’ COMMENTS**

Commissioner Dalton congratulated Project Whooping Crane. He was hopeful their expansion would be successful in Transylvania County. It will be a great opportunity for 74 families in our community.

Commissioner Guice stated that the opportunity for an existing business to expand in Transylvania County is tremendous, especially with regard to the overall economic climate. As discussed earlier, the Board needs to be mindful of the tier system because this company is getting to take advantage of the current tier level that is in place due to when the process started. Had they just come to the County now, they may very well have lost the opportunity. This issue is going to impact the County for the long-term if the issue is not resolved.

Commissioner Chapman thanked citizens of this community for the opportunity to serve. He wished Commissioners and their families a Merry Christmas and a prosperous New Year.

Commissioner McCall wished everyone a Merry Christmas and a Happy New Year. She prayed that 2021 will be a year of recovery for small businesses and that the County continues to support them in every way possible.

Chairman Chappell thanked citizens, County staff and Commissioners. Everyone has asked more of themselves this year and he was appreciative of the sacrifices everyone made and even those decisions that were made that were not sometimes popular. He was confident Transylvania County would get through this pandemic together. He also thanked the Board for their confidence in him to serve as their Chairman.

**ADJOURNMENT**

There being no further business to come before the Board, **Commissioner Dalton moved to adjourn the meeting at 5:35 p.m., seconded by Commissioner McCall and unanimously carried.**

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Jason R. Chappell, Chairman  
Transylvania County Board of Commissioners

ATTEST:

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Trisha M. Hogan, Clerk to the Board