

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
MAY 27, 2025 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in a regular meeting on Tuesday, May 27, 2025, at 6:00 p.m. in the Multipurpose 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, Teresa McCall, and Chase McKelvey. County Manager Jaime Laughter and Clerk to the Board Trisha Hogan were also present. County Attorney Julie Hooten participated remotely via Zoom.

Media: Dan DeWitt – *The Brevard Newsbeat*
 Laura Denon – *The Transylvania Times*

Approximately 50 people were in the audience.

CALL TO ORDER

Chairman Jason Chappell presiding declared a quorum was present and called the meeting to order at 6:00 p.m.

WELCOME

Chairman Chappell welcomed everyone to the meeting and introduced the Commissioners and staff in attendance.

PUBLIC COMMENT

The following comments reflect the opinions and viewpoints of the speakers.

Bruce Gleasman: Mr. Gleasman proposed several cost-saving measures aimed at reducing the County's building footprint and overall budget. His suggestions included relocating the Health Department to the regional hospital, repurposing the former Health Department and Community Services buildings for the courthouse, elections, and administrative functions, and establishing a nonprofit to manage the old courthouse. He proposed demolishing the former administration building to create green space and free parking and relocating the Veterans Museum to the courthouse. To meet court needs, he suggested either building a new courthouse for \$38 million, retrofitting existing buildings, or using part of the Sylvan Valley Industrial Building. He also proposed selling surplus properties and privatizing landfill operations to close funding gaps and potentially reduce the tax rate by \$0.08 to \$0.10.

Sam Stites: Mr. Stites urged the Board to support increased supplemental pay for school staff. He read excerpts from postcards written by educators and school staff, highlighting their financial struggles, dedication to students, and the urgent need for a living wage. He emphasized that many teachers and school support staff are unable to afford basic living expenses and often work multiple jobs. He stressed that while educators cannot collectively bargain, their voices deserve to be heard and supported by the County.

Lisa Rodke: Ms. Rodke expressed strong support for the School Board's unanimous decision to increase the supplement pay for all school staff. She emphasized the importance of not only teachers but also bus drivers, cafeteria workers, and custodians in shaping students' school experiences. She shared personal stories and

noted the recruitment struggles within the School System. Ms. Rodke urged the County to approve the proposed increase to help attract and retain vital school personnel.

AGENDA MODIFICATIONS

There were no agenda modifications.

Commissioner Chapman moved to approve the proposed agenda, seconded by Commissioner McKelvey, and unanimously approved.

CONSENT AGENDA

Commissioner McCall moved to approve the Consent Agenda as submitted, seconded by Commissioner Dalton, and unanimously approved.

The Board approved the following:

APPROVAL OF MINUTES

The Board approved the minutes of the regular meeting held on May 12, 2025. The sealed closed session minutes from the same meeting will come forth to the Board for approval later.

APRIL 2025 DISCOVERY, RELEASE, & MONTHLY SETTLEMENT REPORT

In accordance with N.C.G.S. § 105-312(b) and § 105-381(b), the Tax Administrator submitted the monthly report of property discoveries and actions taken on requests for release or refund of taxes. For April, releases totaled \$1,043.96 and refunds issued amounted to \$1,037.16. The Board of Commissioners approved the April 2025 Discovery, Release, and Monthly Settlement Report as presented.

REGION 1 WORKFORCE DEVELOPMENT DOGWOOD HEALTH TRUST'S GRANT OPPORTUNITY: INVESTING IN COLLABORATIONS AND POSSIBILITIES IN A POST-HELENE ENVIRONMENT

Transylvania Public Health, serving as the fiscal agent for the Region 1 Rural Health Network Development grant, has helped develop a strategic plan to guide collaboration among Health Departments in the eight-county Region 1 area. Key priorities identified include strengthening public health through regional partnerships, shared staffing, joint training, policy development, and communities of practice. To support the implementation of this plan, Transylvania Public Health requested approval to apply for a \$250,000 grant from Dogwood Health Trust's "Investing in Collaborations and Possibilities in a Post-Helene Environment" initiative. The grant supports innovative, community-based solutions in health, housing, education, and economic opportunity, particularly in areas impacted by Hurricane Helene. The grant requires no local matching funds. The Board authorized Transylvania Public Health to pursue the grant opportunity.

RESOLUTION REGARDING THE IMPORTANCE OF SALES TAX REVENUE FOR COUNTY GOVERNMENTS

The Board approved a resolution affirming the essential role that local sales tax revenues, authorized under Articles 39, 40, and 42, play in funding core county services across North Carolina. These revenues are critical to budgeting and service delivery, and any threat to their stability would jeopardize counties' ability to meet statutory and community obligations. The resolution urges the NC General Assembly to preserve and protect these vital funding sources.

Commissioner Chapman was thanked for bringing the issue forward. He emphasized the need for the General Assembly to understand counties' concerns about reallocating sales tax revenue for other purposes, such as the Viper system. While the Viper system is valuable, it is costly. It could significantly impact Transylvania County's budget if funded through local sales tax.

RESOLUTION #25-2025
IN SUPPORT OF PRESERVING LOCAL SALES TAX REVENUE UNDER ARTICLES 39, 40, AND 42 FOR COUNTY GOVERNMENTS

WHEREAS, counties in North Carolina are responsible for funding a wide range of essential services including public education, public safety, emergency medical services, human services, and general government operations; and

WHEREAS, the North Carolina General Assembly has authorized counties to levy local option sales taxes under Articles 39, 40, and 42 of Chapter 105 of the North Carolina General Statutes, which together provide a critical source of revenue for counties across the state; and

WHEREAS, Article 39 authorizes counties to levy a one percent (1%) local sales and use tax, distributed based on point of sale, which supports general county operations and helps offset reliance on the property tax; and

WHEREAS, Article 40 provides for an additional one-half percent (½%) local sales and use tax, distributed on a per capita basis, with a portion required to be used for public school capital outlay and other designated purposes; and

WHEREAS, Article 42 was enacted with the stated purpose of “afford[ing] the counties and cities of this State an opportunity to obtain an added source of revenue with which to meet their growing financial needs, and to reduce their reliance on other revenues, such as the property tax and federal revenue sharing” (N.C.G.S. § 105-496); and

WHEREAS, under N.C.G.S. § 105-502(a), sixty percent (60%) of Article 42 revenue must be used for public school capital outlay or for retiring debt related to school construction, making it an indispensable funding source for local education infrastructure; and

WHEREAS, the revenues generated from Articles 39, 40, and 42 are foundational to county budget planning and service delivery, and any disruption to these revenue streams would significantly impact counties’ ability to meet statutory and community obligations;

NOW, THEREFORE, BE IT RESOLVED, that the Transylvania County Board of Commissioners affirms the critical importance of local sales tax revenues authorized under Articles 39, 40, and 42 to the fiscal health and operational capacity of county governments across North Carolina;

BE IT FURTHER RESOLVED, that the Board respectfully urges the North Carolina General Assembly to preserve and protect these vital local revenue sources to ensure counties can continue to meet the growing needs of their residents;

BE IT FINALLY RESOLVED, that copies of this resolution be shared with members of the North Carolina General Assembly, the North Carolina Association of County Commissioners, and other appropriate stakeholders.

Adopted this the 27th day of May 2025.

S://Jason R. Chappell, Chairman

Transylvania County Board of Commissioners

CANCELLATION OF JULY 28 AND AUGUST 11 BOARD OF COMMISSIONERS MEETINGS

The Board approved the cancellation of its July 28 and August 11 meetings to provide staff time to take earned leave or focus on project work. Following several years of continuous emergency response, including

COVID-19, Tropical Storm Fred, Hurricane Helene, and recent wildfires, staff across departments need a break or time to catch up. The Clerk to the Board will provide proper public notice. If urgent matters arise, a special meeting may be scheduled.

PRESENTATIONS/RECOGNITIONS

RECOGNITION OF TRANSYLVANIA COUNTY TRANSPORTATION AS THE TRANSIT SYSTEM OF THE YEAR

Transylvania County Transportation has been honored as the Transit System of the Year by the North Carolina Public Transit Association (NCPTA), which represents 95 public transportation providers statewide. The award recognizes excellence in service and commitment to public transportation. Drivers and staff from the Planning and Community Development Department attended the meeting and were officially recognized by the Board. Chairman Chappell presented a letter of congratulations on behalf of the Board.

RECOGNITION OF ANGIE GILLESPIE AS SOCIAL WORKER OF THE YEAR

Angie Gillespie, a Transylvania County Social Worker, has been named the 2025 Social Worker of the Year by the Foster Family Alliance of North Carolina (FFA-NC). The award was part of a statewide Social Worker Appreciation Contest held during Social Work Month, with nominations submitted by foster families. Ms. Gillespie was recognized for her exceptional dedication and daily efforts to support children and families in the community. The Board honored her during the meeting, and Chairman Chappell presented her with a letter of congratulations.

EMERGENCY RESPONSE UPDATE TO HURRICANE/TROPICAL STORM HELENE

The Manager provided a detailed update on the County's response and ongoing recovery efforts following Hurricane/Tropical Storm Helene:

- FEMA Assistance (as of 5/19/2025):
 - Over \$8.1 million in Individual Assistance was awarded to Transylvania County residents.
 - Of the 4,838 valid registrations, 4,189 were referred to Individual Assistance; 3,037 were found eligible for Housing and/or Other Needs Assistance.
 - No households from Transylvania County are currently staying in hotels through FEMA's TSA program.
 - FEMA's application period has closed, but SBA Disaster Relief is still available through June 6 for economic injury applications.
- Additional Recovery Resources:
 - Economic and mental health recovery resources are available at wncrecovery@nc.gov/resources.
 - Property owners with damaged private roads or bridges can register for assistance at ncdps.gov/Helene/prb, under the Disaster Recovery Act of 2025 – Part 1.
- Debris Removal:
 - Transylvania County was approved for debris removal from public rights-of-way, private properties, and waterways.
 - The US Army Corps of Engineers (USACE) oversees contractor operations; the County does not manage these contractors.
 - A temporary pause in waterway debris removal occurred for environmental review, but operations were confirmed to be compliant.
 - Private Property Debris Removal (PPDR) is set to begin soon, with around 400 applications expected from the County.
 - Public right-of-way debris that remains uncollected has been reported; the County is awaiting updates from USACE on next steps.

- Clarified that property located within designated navigable waterways is not owned by adjacent private property owners.
- Public Inquiries:
 - Residents with questions and waterway debris removal should contact:
 - FEMA: FEMA-dr4827-NC-debris@FEMA.dhs.gov
 - NC Emergency Management: debris@ncdps.gov

MONTHLY CAPITAL UPDATE

The County Manager provided the Board with a monthly update on capital projects, which will be shared during the second regular meeting of each month and posted online for public transparency.

Key Highlights

- Over \$150 million in capital projects are currently underway or planned.
- The County has secured approximately \$30 million in grant funding to support these efforts (not including broadband funding awarded directly to local providers).
- The July update will be skipped due to the cancellation of the second monthly meeting.

Fixing Transylvania County Schools – Step One: Investment in Capital Projects at All Nine Schools

- Architect contracts have been signed.
- In May and June, staff will issue Requests for Qualifications for Construction Manager at Risk services and begin reviewing responses.
- The architect has started conducting site visits, with about half of the schools visited so far. Remaining site visits and fieldwork are scheduled in the coming weeks.

Brevard High School Scope #1 Project Update

Staff are still awaiting final review from the North Carolina Department of Public Instruction (NCDPI) for the Brevard High School Scope #1 project. This delay has been a source of frustration for the County, the School System, and contractors. NCDPI responded on April 28 and May 9, but after follow-up inquiries, staff only received an update today indicating that an additional form is required to continue the review process. Staff remain concerned about the impact these delays have on the project timeline, not only for this repair but for other related projects as well. The project involved five plan sheets, and the full eight-week review period has hindered the County's ability to proceed with necessary repairs. The Manager expressed appreciation to Superintendent Dr. Lisa Fletcher for also reaching out to NCDPI to help expedite the review. Despite these efforts, the County must wait for NCDPI's approval before work can begin.

Additional School Project Updates

Projects Led by the County:

- Brevard High School (BHS) Scope #2: Architect approved by the joint committee; contract approved on April 28. Construction Manager at Risk (CMAR) Request for Qualifications (RFQ) to be released soon.
- Brevard Area Renovation: Architect approved by the joint committee; contract approved on April 28. CMAR RFQ to be released.
- Rosman Area Renovation: Architect approved by the joint committee; contract approved on April 28. CMAR RFQ to be released.
- Storage Tank Assessment and Mitigation: Assessment completed. Mitigation is recommended for BHS. Proposal pending for the next steps. Plans include the removal of unused Brevard area tanks this summer and the replacement of a damaged tank at Rosman High School (RHS). Consideration is also underway for replacing existing tanks in Rosman due to a lack of propane line access. Board action on these matters is expected soon.

Projects Led by Transylvania County Schools (TCS):

- Rosman Retaining Wall: Funds allocated; project management under TCS as requested.
- Brevard Elementary School (BES) Playground: Additional funds approved; contract scheduled for approval on May 27.
- Rosman Elementary School (RES) Playground: Contract approved.
- HVAC ESSER/County Funded Project: Additional funds will be needed after TCS financial staff finalize expenditure reviews. A request will be considered on the May 27 agenda.
- Wrestling Facility: TCS has requested an architectural program review for the area adjacent to BHS Scope #1. Guidance is forthcoming.
- RHS/Rosman Middle School (RMS) Turf Field: The project is underway.

The joint subcommittee will meet again in June to fulfill its quarterly meeting requirement. The joint committee will also conduct the CMAR selection process in July and August, maintaining progress throughout the summer. Timeline changes and other updates will be communicated to both Boards per the local interlocal agreement.

The new project manager, Beecher Allison, started on May 19. Coming from the private sector with prior experience in education projects, Mr. Allison is currently familiarizing himself with the public sector processes required by local government. He will manage education projects under the interlocal agreement and provide monthly updates to both Boards.

Protecting Transylvania Natural Resources: Clean Water, Sanitary Sewer, Solid Waste Disposal, and Streambank Restoration

- The emergency interconnection between the Town of Rosman and the City of Brevard water systems is underway. Boring is complete, with the remaining work pending the installation of a vault to house the on/off mechanism.
- The landfill cell expansion project is progressing; the contract is currently under review. The contractor expects to begin work in approximately two weeks after contract execution.
- Updated infrastructure plans have been requested from both Brevard and Rosman; a draft has been received from Brevard.
- Housing-related infrastructure needs are under assessment, with revised preliminary engineering reports pending to evaluate potential water and sewer projects.
- Design work is ongoing for the Gallimore Road sewer project.
- The grant for the Pisgah Labs extension has been approved, and staff are awaiting final authorization to proceed.
- The Emergency Watershed Protection (EWP) Streambank Restoration project associated with Tropical Storm Fred was recently closed out, just before Hurricane Helene impacted the region. New EWP projects are being identified and coordinated with state and federal partners to determine funding and implementation plans.

Creating Jobs and a Safe Community: New Space for Growing Businesses and Upgrading Public Safety

- Sylvan Valley Industrial Building – Phase 2 recently held a ribbon-cutting ceremony. While a few punch list items remain, including gas line installation for the permanent certificate of occupancy, the building is otherwise ready for leasing through the Transylvania Economic Alliance.
- Hart Road Emergency Access & Flood Mitigation Project is progressing, with materials onsite and NCDOT moving forward with construction. The grant-funded project is on track for completion by the end of the calendar year.
- The new Courthouse at the Public Safety Complex continues to advance. Revised site layouts have been reviewed at the staff level, and elevation renderings are expected to be presented to the Board in June for consideration.

- Library Amphitheater Cover Project is moving toward implementation. The Library Foundation is finalizing the project budget, and staff will request a sole source resolution for approval at the next Board meeting.

The County Manager concluded the presentation and invited comments and questions from the Board.

Commissioner Chapman asked whether the Board would be receiving visual renderings of the new courthouse. The Manager confirmed that two design options have been developed by the architect and reviewed by staff, with feedback already provided. The Board will have an opportunity to offer input soon. She noted that the design will be simple and cost-conscious, while still reflecting the dignity of the judicial process.

Chairman Chappell referenced public comments related to the Sylvan Valley Industrial Building and asked what the financial implications would be if the County chose to pursue a different direction for the building. The Manager explained that the County would be required to repay approximately \$1.5 million in grant funding. The current lease payments are structured to pay off a promissory note. She added that the County does not own the building, as it serves as the financial backer under an agreement specifically designated for economic development. The project also involved the donation of land by the City of Brevard and leveraged a range of grant funding and resources, including the lease proceeds.

Turning to the landfill, Chairman Chappell again responded to public comments, asking how long the County had been planning the next cell expansion. The Manager stated that planning began in 2019 or 2020 due to the lengthy permitting process, which can take years. The expansion, once completed, is expected to last approximately five years. She emphasized that even if the Board wanted to change direction, it would not be something that could happen quickly due to regulatory hurdles. Additionally, she explained that the current fee structure does not support privatization, as it does not generate enough revenue to meet operational costs.

Chairman Chappell also addressed suggestions made during public comment about relocating the Health Department to the regional hospital. He clarified that the hospital is a privately owned, for-profit facility and the County does not own the property. The Manager confirmed this and explained that any potential relocation would require a formal lease arrangement, which would carry costs and need to be thoroughly evaluated. She also confirmed that there are no large areas of unused office space within County buildings that would allow departments to be easily relocated. These clarifications were provided in response to questions raised during the public comment portion of the meeting.

PRESENTATION OF MANAGER'S FY 2026 RECOMMENDED BUDGET

Chairman Chappell opened the agenda item by acknowledging that the FY 2026 Recommended Budget is the product of many years of careful planning. He thanked the County Manager and staff for their efforts in preparing a balanced and thoughtful budget, especially amid ongoing emergency management efforts related to Hurricane Helene's recovery and recent wildfires. He expressed appreciation for the professionalism of the budget document, calling it the most polished version presented to date, and then turned the presentation over to the County Manager.

The Manager began by outlining the collaborative and comprehensive process used to develop the annual budget. Multiple budget review teams participate in evaluating internal departmental requests as well as requests from external partners such as nonprofit organizations and fire departments. She noted that several Commissioners serve on review committees, and she thanked them for their active participation and time. She gave special recognition to Budget and Management Analyst Jennifer Wright, highlighting her creativity and vision in preparing the document and noting that the budget would not have come together without her exceptional work. Ms. Wright was present to assist during the presentation.

The Manager emphasized that budget planning is a continuous, year-round effort. In some cases, revenue forecasting requires looking ahead 18–24 months, particularly when projecting sales tax revenues. This requires staff to closely monitor local and statewide economic trends to inform planning.

The formal budget development process begins each January when department heads and funded agencies provide status updates to the Board. These updates are intended to justify any future resource requests by demonstrating growing service demands, regulatory or policy challenges, and rising operational costs.

Department budget submissions are typically due in February, followed by internal reviews. The nonprofit funding application process occurs simultaneously. Fire department budgets are submitted later in March or April and undergo committee review. The Transylvania County Schools budget is statutorily due by May 15, but the Manager expressed gratitude to the School System and Superintendent for consistently submitting their information ahead of schedule. Other funded entities, such as Blue Ridge Community College, the U.S. Forest Service, and the Transylvania Economic Alliance, also contribute to the County's budgeting process and must submit timely funding requests.

The Manager noted that in revaluation years, the timeline for preparing revenue projections is more complex due to the property value appeal process, which can affect overall numbers. Staff carefully time the budget presentation to ensure projections are based on the most accurate and current information available.

Throughout the process, the Manager holds one-on-one meetings with each Commissioner to understand individual and collective priorities. These meetings help ensure the final recommendation reflects statutory mandates, emerging requirements, Board direction, and community needs. She emphasized that the budget is not only a financial document but also a key policy tool.

Key Factors

The County Manager highlighted several key factors shaping the FY 2026 Recommended Budget, which reflects both long-term planning and emerging financial pressures.

- **Capital Planning Implementation:** The FY 2026 budget reflects a decade of capital planning that began in FY 2016. The County identified major needs including a new EMS base, school facility improvements, and a new courthouse. Early projects were funded on a pay-as-you-go basis, while the financial plan anticipated a transition to debt service for larger capital needs.
- **Cost Escalations:** The County continues to face significant inflation in the cost of equipment and associated contracts, especially in emergency services. For example:
 - In FY 2016, the County paid \$45,100 per fully equipped patrol vehicle and \$176,000 for a new ambulance.
 - In FY 2026, those costs rose to \$98,000 per patrol vehicle (including \$43,500 in upfit costs) and \$355,409 per ambulance.
- **Cybersecurity Needs:** The County is responding to growing cybersecurity threats, including statewide alerts related to VPN access. Investments in secure software systems and two-factor authentication are now necessary and will continue to grow.
- **Federal and State Funding Uncertainty:** Although specific impacts are still unclear, potential federal cuts, such as a recently announced reduction in federal DHHS funding to states, could affect local funding, particularly in social services. The FY 2026 budget does not account for these cuts yet due to the lack of definitive information.
- **Policy and Regulatory Changes:**
 - The County must comply with the ADA Digital Compliance Act by 2027, requiring updates to digital content to meet new accessibility standards, an effort that will require additional funding.

- Recent and pending state legislative changes, including EMS-related mandates, could also create unanticipated budgetary impacts.
- Recruitment and Retention: Maintaining competitive pay across County departments, including public schools and fire departments, remains essential to ensure adequate staffing and service delivery.
- Use of General Fund for Supplementing Services:
 - The County's General Fund has historically supplemented the Solid Waste Enterprise Fund and some fire department budgets, a practice that is not common in other counties and skews budget comparisons.
 - With the proposed countywide fire service district, this budget eliminates General Fund supplements to fire departments, while retaining funding for the Transylvania Rescue Squad and NC Forestry Service, as these agencies serve both municipal and unincorporated areas.

Tax Appraisal: How It Works

This part of the Manager's presentation focused on the impact of the recent property revaluation and addressed some of the public concerns raised over the past few months.

- The revaluation process is required by North Carolina law and is governed by the Department of Revenue. It is standardized statewide and has been in place for many years. Local governments do not have the authority to alter the process, or the criteria used to determine property values.
- All reappraisals are conducted by state-certified assessors in the Tax Office. Property values are based on objective market data and state-defined regulations. Any changes to the appraisal system must come through legislative action at the state level.
- Property owners who believe their assessed value is incorrect, either due to market inconsistency or property record errors, may file an appeal. Appeals are reviewed by the Board of Equalization and Review, a body established and governed by state law.
- Informational videos explaining the revaluation process are available at: www.transylvaniacounty.org/2025-tax-reappraisal-educational-videos. The Manager encouraged all residents to view these resources to better understand the purpose and methodology of countywide reappraisals.
- State law requires counties to publish a revenue neutral tax rate to provide transparency following a revaluation. The formula accounts for natural growth and is more complex than simply adjusting last year's rate to the new tax base. Even with a revenue neutral rate, individual tax bills will vary depending on how property values change.
- Because vehicle values do not appreciate like real estate and are valued separately by the state, many residents will see their vehicle tax bills decrease, with a corresponding increase in their property tax bills. This shift will occur even if the tax rate remains revenue neutral.

Tax Rate: Transylvania Considerations

The County Manager provided important context around the property tax rate and the unique challenges facing Transylvania County.

- While the County's official population count is modest, seasonal residents and visitors substantially increase the actual number of people using County services (such as emergency services in Pisgah National Forest and other public lands). Property owners (both full-time residents and secondary homeowners) fund services at a higher level to accommodate the higher demand.
 - Although the County receives federal Payment in Lieu of Taxes (PILT) for federally owned lands, this equates to just over \$200,000 annually, which is far below the cost of the emergency services provided on those lands.

- North Carolina law limits the ways counties can generate revenue, with property tax being the primary tool available for raising local funds.
 - Transylvania County's tax base is skewed heavily toward residential, which presents a funding challenge since residential properties consume more in services (e.g., schools, EMS, law enforcement) than commercial, industrial, or agricultural properties.
 - As a result, residential taxpayers shoulder a disproportionate share of the tax burden compared to counties with a more balanced property mix (see chart below).
 - Nearly 50% of land in Transylvania County is tax-exempt, primarily due to federal and state parks and forests. These lands still require services, particularly public safety and emergency response, but generate no property tax revenue.
 - A significant portion of residential property consists of second homes, short-term rentals, and seasonal residences, which increases service demands while complicating revenue recovery.
 - The North Carolina Constitution prohibits differentiated property tax rates (e.g., taxing second homes differently), so state legislative changes would be required to implement such a structure.
 - Counties with a broader mix of residential, commercial, and industrial properties can fund services more efficiently, maintain lower residential tax burdens, and invest in non-mandated services like parks and broadband. These benefits highlight the importance of economic development and the County's efforts to diversify its tax base over time.

	Transylvania (33,130)		Henderson County (121,151)		Dare County (38,537)	
Residential Property	\$5,040,167,342	79%	\$10,467,439,798	63%	\$14,154,651,775	85%
Commercial/Industrial Real Property	\$654,111,462	10%	\$3,094,688,800	18%	\$1,552,167,500	9%
Present-use value	\$35,135,730	1%	\$170,197,216	1%	\$13,500	0%
Personal Property	\$501,220,379	8%	\$ 2,671,648,195	16%	\$1,026,345,520	6%
Public Service Companies	\$116,731,987	2%	\$326,671,538	2%	\$144,451,838	1%
	\$6,347,366,900		\$16,730,645,547		\$16,877,630,133	
	Macon (38,575)		Rutherford (64,482)			
Residential Property	\$6,448,116,725	78%	\$4,412,408	74%		
Commercial/Industrial	\$1,071,450,830	13%	\$495,788	8%		
Present-use value						
Personal Property	\$561,673,699	7%	\$657,378	11%		
Public Service Companies	\$173,065,385	2%	\$417,796.00	7%		
	\$8,254,306,639		\$5,983,370			

Tax Rate: Comparisons

The County Manager provided context for how Transylvania County's property tax rate compares to others across the state, particularly following a revaluation.

- Among North Carolina counties that have undergone reappraisal in the past two years, tax rates range significantly, from \$0.27 to \$0.92 per \$100 of assessed property value.
- Following a revaluation, state law requires counties to calculate a revenue neutral tax rate. This is the rate that would generate the same amount of revenue as the previous year, accounting for natural growth and changes in property values.

- The revenue neutral rate serves as a baseline. Any increase above that amount is considered a tax increase.

County	Tax Rate	Latest Reappraisal	County	Tax Rate	Latest Reappraisal
CABARRUS	\$ 0.58	2024	ALAMANCE	\$ 0.47	2023
CASWELL	\$ 0.59	2024	ALEXANDER	\$ 0.65	2023
EDGECOMBE	\$ 0.89	2024	ASHE	\$ 0.44	2023
FRANKLIN	\$ 0.51	2024	BRUNSWICK	\$ 0.34	2023
GRANVILLE	\$ 0.63	2024	BURKE	\$ 0.56	2023
HALIFAX	\$ 0.70	2024	CAMDEN	\$ 0.73	2023
HYDE	\$ 0.92	2024	CATAWBA	\$ 0.40	2023
MADISON	\$ 0.36	2024	CRAVEN	\$ 0.44	2023
NASH	\$ 0.63	2024	GASTON	\$ 0.60	2023
PERQUIMANS	\$ 0.52	2024	GRAHAM	\$ 0.59	2023
PITT	\$ 0.57	2024	HENDERSON	\$ 0.43	2023
RICHMOND	\$ 0.75	2024	IREDELL	\$ 0.50	2023
ROBESON	\$ 0.75	2024	LEE	\$ 0.65	2023
ROCKINGHAM	\$ 0.58	2024	LINCOLN	\$ 0.50	2023
SAMPSON	\$ 0.63	2024	MACON	\$ 0.27	2023
VANCE	\$ 0.71	2024	MCDOWELL	\$ 0.57	2023
WAKE	\$ 0.51	2024	MECKLENBURG	\$ 0.48	2023
WILSON	\$ 0.60	2024	MOORE	\$ 0.31	2023
YANCEY	\$ 0.52	2024	NORTHAMPTON	\$ 0.83	2023
			RANDOLPH	\$ 0.50	2023
			ROWAN	\$ 0.58	2023
			RUTHERFORD	\$ 0.45	2023
			YADKIN	\$ 0.65	2023

Budget Growth: Comparisons

The County Manager addressed recent public comments regarding the County's tax rate and budget size by providing data-driven context. She reviewed the 10 North Carolina counties with the lowest property tax rates in FY 2025, comparing each county's FY 2015 and FY 2025 budgets to evaluate percentage growth over the 10 years.

- On average, those counties experienced 58% budget growth over the 10 years.
- Transylvania County's budget grew by 63% during the same period. However, one-third of that growth is due to costs not typically carried out in other counties' general funds, including:
 - Supplements to Solid Waste and Fire Departments
 - The school bond payments being shifted into the General Fund
- Adjusting for those unique factors, Transylvania's adjusted budget growth would fall below the 58% average of counties with the lowest tax rates.
- Neighboring Henderson County, which is often used as a point of comparison, saw a 75% increase in its budget over the same period.
- The Manager emphasized that while benchmarking budget growth against peer counties is useful, meaningful comparisons require more than looking at totals.

		County	FY 15	FY 25	Delta	%
FY 25 Lowest County Tax Rates	1	Macon	\$45,721,122	\$63,704,651	\$17,983,529	39%
	2	Moore	\$93,277,963	\$145,341,165	\$52,063,202	56%
	3	Watauga	\$43,586,346	\$82,066,362	\$38,480,016	88%
	4	Carteret	\$81,526,400	\$130,020,000	\$48,493,600	59%
	5	Brunswick	\$148,475,105	\$277,925,747	\$129,450,642	87%
	6	Madison	\$22,218,191	\$33,068,798	\$10,850,607	49%
	7	Jackson	\$55,141,090	\$93,803,495	\$38,662,405	70%
	8	Catawba	\$177,595,263	\$250,435,039	\$72,839,776	41%
	9	Avery	\$26,000,000	\$39,639,298	\$13,639,298	52%
	10	Dare	\$100,454,649	\$136,171,205	\$35,716,556	36%
					Average	58%
		Transylvania	\$46,788,000	\$76,209,010	\$29,421,010	63%*
		Henderson	\$117,076,752	\$204,542,012	\$87,465,260	75%

*One-third of the increase from Solid Waste supplement, Fire Department supplement, and School Bond in the General Fund.

Budget Growth: Comparison Example

To provide context to budget comparisons, the County Manager shared a deeper look at Macon County, a neighboring Western North Carolina county with a similar population (~35,000) and low tax rate. Although North Carolina counties are mandated to provide many of the same services, local priorities, funding strategies, and service levels create meaningful differences in budget size and structure.

- Transylvania County's FY 2025 budget exceeds Macon County's by \$12.5 million. The Manager highlighted key reasons for this gap, primarily driven by local funding priorities and supplemental support for external agencies:
 - Transfers Out (Capital, Fire Department Supplement, Solid Waste Supplement): \$6.2 million
 - K-12 Operational Education Funding: \$3.6 million higher in Transylvania County
 - Community College: \$300,000
 - Rescue Squad: \$548,000
 - Economic Development: \$200,000
 - Animal Services: \$300,000
 - Total \$11.2 million**
- Transylvania operates revenue-generating services such as the Tag Office and Passport Office, which increase the budget's size but are offset by non-tax revenue.
- Macon County relies more heavily on user fees, especially in solid waste, which it fully funds through fee revenue rather than supplements from its general fund.
- Transylvania County's budget reflects local priorities shaped by its demographics and values:

- Older Population
 - Highest percentage of residents over 65 in NC → higher demand for EMS, public health, and human services
 - 95th for the population under 18
- Economic Development Investments
 - 48th in average weekly wage in 2023 (up from 75th in 2013)
 - Ongoing focus on increasing income and job opportunities
- Education Commitment
 - Highly educated population with only 7% of adults without a diploma (14th lowest in the state)
 - 25th-ranked public school district in the state
 - 7th highest per-student funding (2024)
 - Ranked #2 of 115 school districts for best teachers (niche.com)
 - 29th for teacher salary supplement (2023)
 - Over 91% of teachers report their school is a good place to work (2024 survey)
- Public Health and Safety
 - 14th lowest overall crime rate in NC (2023)
 - 5th lowest for overdose deaths
 - Animal Shelter has maintained a 90%+ live release rate for over six years
 - Recognized as a model by the NC Department of Agriculture

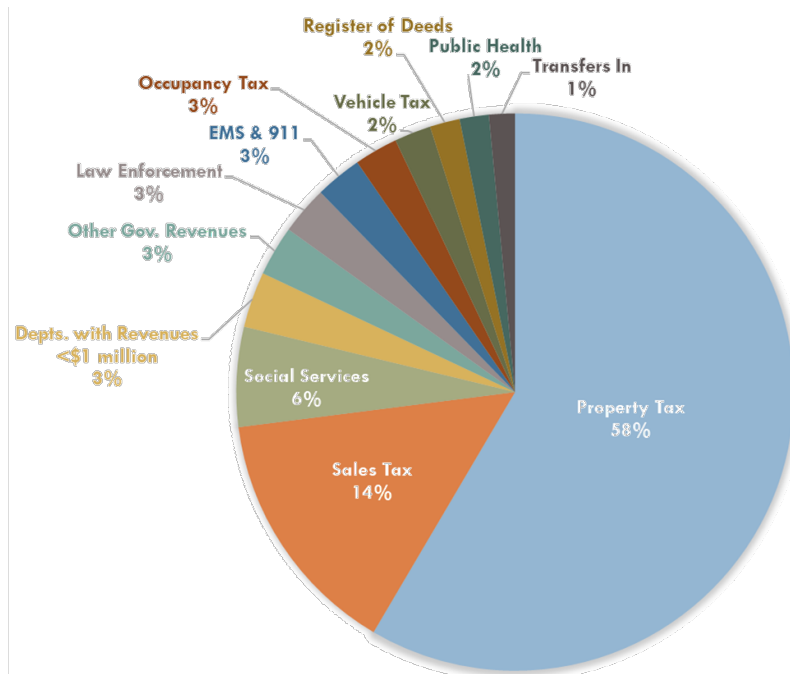
Revenue Highlights for FY 2026

- Property Tax
 - Continues to be the County's largest revenue source.
 - The FY 2025 tax rate was \$0.6033 per \$100 valuation.
 - For FY 2026, the recommended rate is \$0.4105, which would have placed Transylvania among the lowest 10 counties statewide in FY 2025.
 - This rate includes a \$0.0268 increase over the revenue-neutral rate of \$0.3837, marking the first operational tax increase (not tied to capital needs) in the last 10 years.
 - If fire department funding had remained in the General Fund, it would have required approximately \$0.01 on the new valuation. The FY 2026 proposal shifts this cost to a single countywide fire district.
 - A decline in vehicle tax revenue is expected due to lower rates, causing a shift in tax burden to property bills.
- Sales Tax
 - FY 2025 collections were negatively impacted by Hurricane Helene, showing a 22% drop in September/October.
 - Collections are gradually rebounding, with expectations to finish the year on track.
 - FY 2026 sales tax projections assume flat growth based on current trends.
- Investment Income
 - Elevated in FY 2024 and FY 2025.
 - Expected to remain stable due to statutory investment restrictions, regardless of broader market volatility.
- Departmental Fee Adjustments
 - Updates include increases in Public Health, Fire Marshal, EMS, and Library service fees.
- Capital Revenue
 - The County is pursuing grant opportunities and USDA loan options for the new Courthouse, which may impact multi-year projections.
- Total Budgeted Revenue
 - \$81,342,524 total projected revenue.

- Reflects a 6.7% increase from the original FY 2025 budget.
- Excluding a lease accounting adjustment (required to show full lease obligations up front with offsetting entries), the actual revenue increase is approximately 4.1%.

FY 2026 Revenue Projections

- Property Tax
 - Continues to be the County's largest revenue source, projected at 58% of total revenues.
 - The recommended tax rate is \$0.4105 per \$100 valuation, following the 2025 revaluation.
- Restricted Revenue
 - Many non-property tax revenues, such as those received from the state for social services, are restricted and do not fully cover the costs of providing mandated services.
 - Sales tax revenues are also subject to state-imposed restrictions and are projected to remain flat in FY 2026.
- Investment Income
 - Higher than in previous years, though future growth depends on overall economic conditions.
 - County investment options remain conservative by law, limiting volatility.
- Fee Adjustments
 - The FY 2026 Fee Schedule includes adjustments in various departments.
 - Notably, EMS fees are being aligned with contractor recommendations to stay competitive regionally.
- Occupancy Tax
 - Collected funds are designated by statute for the Transylvania County Tourism Development Authority (TCTDA).
 - The County has no authority to redirect these funds for other uses.



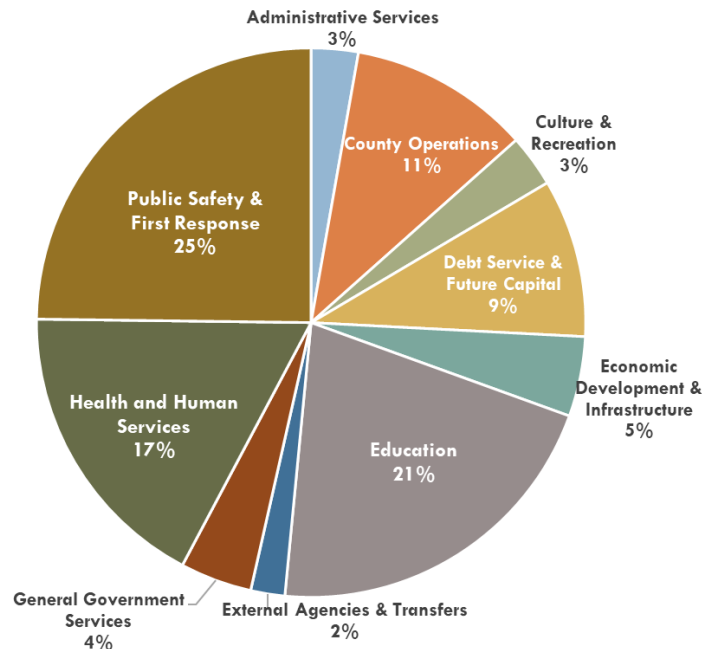
FY 2026 Expense Highlights

- **Total Budget**
 - Balanced budget of \$81,342,524, representing a 6.7% gross increase over FY 2025.
 - Adjusting for new GASB standards (multi-year lease accounting), the actual increase is 4.1% with a functional General Fund total of \$79.3 million.
- **Lease Accounting Requirement (GASB)**
 - The new GASB rules require a full accounting of multi-year leases/subscriptions over \$5,000 (e.g., EMS and Sheriff equipment), adding \$2 million in placeholder expense and offsetting revenue.
 - These are non-cash transactions but inflate the budget totals.
- **Personnel & Organizational Investments**
 - Two new full-time positions: Project Manager (school projects) and Narcotics Investigator (restoring one of two positions previously funded by the City of Brevard).
 - Part-time hour increases in several departments, including Information Technology, Register of Deeds (offset with additional revenue from the Passport Office), Housekeeping, and Maintenance.
 - Nine job reclassifications across departments.
- **Personnel Committee Recommendations**
 - 2% 401(k) contribution for all employees (bringing parity with other NC counties).
 - Longevity pay cap increase (first since 2007).
 - Mental health copay reduced to \$10, supporting access for frontline staff; shift away from an embedded model based on employee feedback.
- **Emergency Response & Equipment**
 - Ongoing cost increases for emergency response equipment; software integration shortens lifespan.
 - Restoring Sheriff's vehicle replacement plan (5/year).
 - New leases for bodycams, tasers, and EMS cardiac/lifting equipment.
 - Equipment updates: AEDs, body scanner, jail oven, ambulance, and future replacements built into the budget.
 - Communication tower location study underway to improve first responder coverage in underserved areas.
- **Capital & Debt Planning**
 - The four-year capital plan leverages current budget capacity and a portion of sales tax to manage long-term debt without requiring future tax increases.
 - Current and upcoming debt obligations: EMS base, school bond projects (Tranche 1), courthouse, and projected Tranche 2 in 2027.
 - Future projects (unfunded): Blue Ridge Community College expansion, infrastructure upgrades, parks, and school improvements.
- **Other Notable Initiatives**
 - IT Upgrades: Core network switches, AV system upgrades (Library, Elections, Commissioners' Chambers), and compliance with cybersecurity and ADA digital accessibility standards by 2027.
 - Planning & Transit: Continued grant work for community centers, new facility rental software, and transit vehicle replacements with County match.
 - Ongoing contract evaluations for potential cost savings and improved service delivery.

FY 2026 Expenditures by Function

- **Public Safety & First Response**
 - Includes the Sheriff's Office, EMS, 9-1-1 Communications, and Emergency Management.

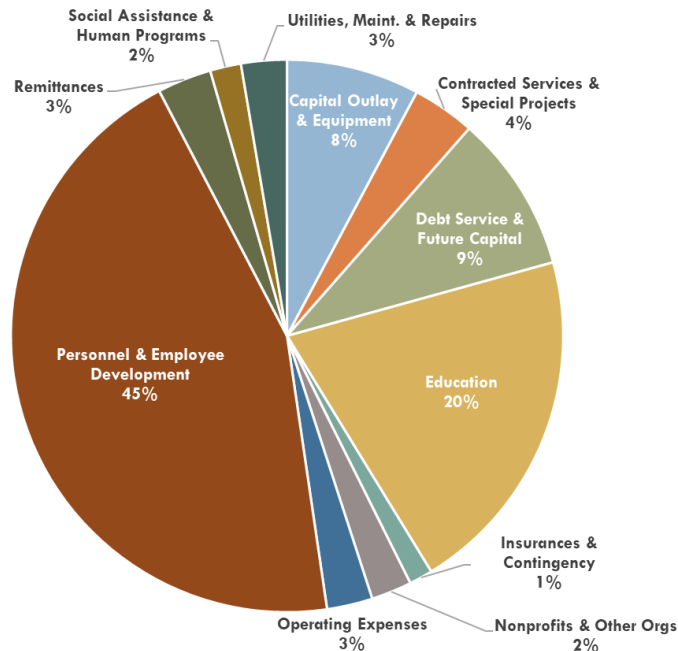
- Budgets in this area have been impacted by rising equipment costs, first responder recruitment and retention challenges, and emergency response demands related to Hurricane Helene and recent forest fires.
- **Health & Human Services**
 - Comprises Public Health and Social Services.
 - These services are mandated, but only partially funded by state and federal revenues.
 - Vulnerable to changes in external funding streams
- **General Government**
 - Encompasses Elections, Register of Deeds, and Tax Administration.
- **County Operations**
 - Includes Facilities Maintenance, Information Technology, Facilities Housekeeping, and Capital Project Management.
- **Administrative Services**
 - Covers Finance, Human Resources, and County Administration.
- **Debt Service & Future Capital Planning**
 - Includes current debt obligations and planned debt (new courthouse, second school bond sale in 2027)



FY 2026 Expenditures by Type

- **Personnel Costs**
 - The largest expenditure category in the FY 2026 budget.
 - This reflects the fact that county government is fundamentally people serving people.
 - Most county services are delivered in person.
- **Education Funding**
 - The second largest expenditure in the budget.
 - Personnel accounts for 60.2% of Transylvania County Schools' current expense funding, according to the Superintendent's budget presentation.
 - Also reflected in the Debt Service & Future Capital category.

- Remittances, Assistance Payments & Transfers Out
 - These categories include statutory remittances (e.g., from Register of Deeds fees)
- Debt Service
 - Increasing in FY 2026 due to planned capital project repayments, including EMS base and the first tranche of school bond projects
- Capital Outlay & Maintenance
 - Notable increases in Public Safety and Emergency Services driven by rising costs of essential equipment and integration of technology and software



Education Funding: K – Community College

- Transylvania County Schools (K–12)
 - Operations
 - Recommended operational funding totals \$14,567,870.75, a 7% increase over FY 2025.
 - While not the full amount requested, this funding enables the School System to match Henderson County’s teacher supplement rate.
 - Also funds the state’s projected 5% teacher salary increase.
 - If the final state-approved increase is less than 5%, the remaining funds may be reallocated at the discretion of the School System.
 - Total new FY 2026 County funding for K–12 education reflects a 10% overall increase, including capital.
 - Includes funding for a County-employed Project Manager dedicated to school bond projects.
 - Capital
 - All FY 2026 capital requests fully funded: \$1,572,006.28
 - An additional \$432,690 is anticipated from NC Education Lottery funds to support a new school safety system.

- The School Capital Projects Fund now totals \$83,931,993.77, incorporating bond and legacy capital funding.
 - Debt service for education projects scheduled for this year are not included.
- Blue Ridge Community College (Transylvania Campus)
 - Operational Funding: \$731,920, a 6% increase
 - Capital Funding: \$75,000, a decrease from FY 2025
 - Future capital needs will be reevaluated following the Axios capital planning study.

Fire and Rescue Services Highlights

- Transylvania County depends on its network of community fire departments to provide essential fire and rescue services. The importance of these partnerships was underscored by the recent forest fires, where mutual aid and countywide coordination played a vital role in emergency response.
- A single, countywide fire service district is proposed for FY 2026 to fund all local fire departments.
 - This approach consolidates fire funding into a single source, with a total increase of 5.86% in County funding for fire and rescue services.
 - Transylvania Rescue Squad and the NC Forestry Service will remain funded through the General Fund, not the new district.
- A key recommendation for FY 2026 is to improve baseline paid staffing levels across departments.
 - The new staffing model proposes four paid firefighter positions per department, funded at a standardized salary and benefits rate to promote equity and prevent departments from competing for personnel.
 - This expands on the initial 2013 model, which funded one position per district.
 - Departments that already meet the minimum will see smaller funding increases; others will receive funding to reach the new standard.
 - Balsam Grove will transition to this staffing model after completing necessary equipment investments.
- As with other areas of public safety, fire departments are facing increased equipment costs, especially due to integrated technology and changing service standards.

Proposed Fire Service Tax District

Transylvania County is proposing a new funding model to ensure equitable, consistent support for fire and rescue services across all unincorporated areas and the Town of Rosman.

- The County currently has eight separate fire protection districts (not including the City of Brevard), each with significantly different tax bases, ranging from \$1.7 million to \$1.9 billion in property valuation.
- These differences greatly impact a department's ability to raise adequate revenue if limited to its own district. For this reason, the County does not approve the fire departments' budgets based on district property tax value. Funding purely by district tax would require rates ranging from 5.4 cents to 22.2 cents, in addition to the overall property tax rate.
- A single countywide fire service district (excluding the City of Brevard) is being proposed that would fund all rural fire departments through one unified property tax rate.
 - No changes would be made to fire department response areas, operational procedures, or contracts with the County.
 - The City of Brevard would continue to manage and fund its own fire services separately.
 - Streamlined and fair revenue collection eliminates the disparities tied to district-specific property values.
 - Budgeting remains consistent; fire departments would still submit and receive funding based on approved budgets.

- Reduces administrative complexity by lowering the number of taxing districts and simplifying tax collection.
- Paid firefighters are increasingly necessary to ensure coverage during daytime hours when volunteers may be unavailable due to work.
 - Stable funding for staffing strengthens volunteerism by ensuring departments operate consistently and reliably.
 - The County began funding one paid position per district in FY 2014. Since then, departments have continued adding staffing at varying levels.
 - Recommended a standard staffing model of four paid positions per department for FY 2026.
- The proposal eliminates General Fund supplements and replaces them with revenue from the new districtwide fire tax.
 - Had the single district been in place in 2024, the fire tax rate would have been \$0.08 per \$100 valuation.
 - For FY 2026, the revenue-neutral fire service tax rate is estimated at \$0.055.

Fire Department Budgets

- If the single fire service tax district is approved, the recommended tax rate is \$0.07 per \$100 of property valuation.
- This rate would fully fund fire and rescue services for all districts outside the City of Brevard, representing a 5.9% increase over FY 2025.
- The total recommended fire department budget for FY 2026 across all departments is \$7,214,626.
- Most departments will see an increase in funding to support additional staffing and essential equipment.
- If the Board chooses not to approve the single district:
 - Fire contracts would be funded through the County's General Fund instead.
 - This would require adjusting the County's overall property tax rate to accommodate the shift in funding source.
- Feedback from the Budget Subcommittee (with participation from Commissioners Dalton and McCall) highlighted:
 - Increasing difficulty maintaining volunteer staffing, especially during daytime hours due to a lack of flexible-shift employers.
 - Rising costs for required medical screenings and equipment such as protective gear and communication radios.
- Key Budget Committee Recommendations
 - Fund a minimum of four full-time firefighters per department:
 - Three for 24-hour shifts and one dedicated to day shifts.
 - Salaries and benefits are standardized across departments.
 - Note: The Balsam Grove Fire Department will delay staffing ramp-up while focusing on equipment needs.
 - Provide capital funding to ensure all departments can maintain and replace protective gear, radios, and other essential equipment.
- The Fire Marshal's Office will meet with each department to review the recommended FY 2026 budgets and begin discussions on long-term capital planning due to the growing costs of equipment and service expectations.
- Ongoing pressures from equipment costs and staffing demands will continue to affect fire and rescue operations.

Solid Waste Enterprise Fund Summary

- Total Budget: \$3,905,000 (a 5.6% decrease from FY 2025)
 - The decrease is primarily due to no new heavy equipment purchases planned for FY 2026.
- Revenue Sources:

- Fee-based revenues are showing moderate growth, including scale sales and sticker sales.
 - Investment interest is contributing additional revenue.
 - The General Fund supplement continues to balance the Solid Waste budget.
- The current blend of user fees and General Fund support is expected to sustain operations for the next few years. However, no additional funds are currently allocated for long-term expansion or capital reserves.
- Regulatory compliance continues to drive up operational costs.
- A new landfill cell is under construction and will extend capacity through 2030.
 - Original estimate (March 2024): \$6.56 million (Labella Associates)
 - Final budget: \$9.91 million
 - Funding includes a \$7 million state grant and \$2.48 million appropriation from the General Fund.
 - The project adds approximately five years of landfill capacity.
- Transylvania County has engaged Smith and Gardiner Engineering for two key studies:
 1. Solid Waste Disposal Options Study – To explore long-term strategies for managing solid waste.
 2. Solid Waste Rate Study – To assess whether current user fees appropriately reflect the actual cost of services.

County Budget Recommendation Summary

- Balanced General Fund Budget: \$81,342,524
- Proposed Property Tax Rate: \$0.4105 per \$100 valuation
 - Designed to remain stable over the next four years, assuming current financial trends continue.
- Public Safety
 - Maintains all existing service levels.
 - Replaces one Narcotics position previously funded by the City of Brevard to sustain drug enforcement capacity.
- Education (K–12)
 - 7% operational funding increase for Transylvania County Schools.
 - Funding allows for matching the Henderson County teacher supplement.
- Fire Services
 - Recommends funding four full-time firefighter positions per department.
 - Fire funding is proposed from a new single fire service tax district at a \$0.07 tax rate.
 - Rescue Squad and NC Forestry Service remain in the General Fund due to countywide support roles.
 - Rescue Squad staffing is aligned with fire department funding levels per position.
- Capital & Debt Planning
 - Continues capital planning efforts launched in FY 2016.
 - Debt service and capital projects funded for EMS base, school bond projects, and new courthouse.
 - Funded through \$1 million annually from dedicated sales tax and capital transfer levels maintained at FY 2025 amounts.
 - Note: The budget does not include operational costs for the new courthouse.
 - No discretionary capital funds are available for economic development initiatives or parks and recreation improvements.

Future Considerations Impacting Budget

- Continued increases in costs for first responder equipment. The County has submitted requests for federal grant support to help offset these expenses.

- Ongoing challenges in recruiting and retaining personnel across County departments, schools, and fire/rescue agencies.
- Staff will continue to review third-party contracts and external funding sources to ensure cost-effectiveness and sustainability.
- Growing reliance on paid staff in the fire departments due to the declining availability of volunteers, particularly for daytime coverage.
- The long-term economic impact of Hurricane Helene remains uncertain and may affect future budget planning.
- Operational funding for the new courthouse will need to be addressed in upcoming budgets.
- The community continues to express interest in projects related to infrastructure, parks, economic development, and community college investments.
- The budget was prepared without assumptions regarding potential changes in state or federal funding.
 - Some services tied to these funds may require reevaluation, including possible local funding increases or service reductions.
- Solid Waste Outlook
 - The construction budget for the new landfill cell increased significantly; work is underway.
 - Operational costs are rising, and long-term financial planning is needed for future maintenance and expansion.
 - Studies underway (Disposal Options and Rate Study) by Smith and Gardiner Engineering to help guide future decisions.

Next Steps

- Copies of the FY 2026 Recommended Budget will be available to the public via the Clerk to the Board, Transylvania County Library, and online; planned for release by 10:00 a.m. tomorrow.
- Budget Workshop: June 2 at 6:00 p.m. (Backup Date: June 5)
 - Commissioners should submit any items they wish to discuss to the County Manager by Friday prior to the workshop.
 - Workshops will include facilitated discussion, background materials, and opportunities for consensus.
- Public Hearing and Adoption: June 23 at 6:00 p.m.

The Manager concluded the formal presentation. Chairman Chappell invited comments and questions from the Board.

During budget discussions, Commissioner Dalton asked how much the quarter-cent sales tax that failed at the ballot would have helped offset the property tax rate. The County Manager replied that it would have offset the rate by at least one cent.

Commissioner McCall emphasized the significance of that impact and encouraged the Board to consider placing the referendum on the ballot for the next general election. In the meantime, she recommended educating the public on how the sales tax can help reduce pressure on property taxes.

Commissioner Chapman asked whether the County would still maintain a healthy fund balance if funds were pulled from the General Fund. The Manager confirmed that the County would, noting that she recommended not using fund balance for capital payments, which would provide flexibility to fund small capital projects as they arise. She stressed the importance of maintaining a healthy unassigned fund balance, especially given the use of some funds for the response and recovery from Hurricane Helene. Without a strong fund balance, the County could face challenges securing favorable rates or even approval from the Local Government Commission (LGC) for future financing related to the second school bond sale or courthouse construction.

Commissioner Dalton inquired about the required percentage of fund balance relative to the total budget. The Manager explained that while the absolute minimum is 8%, bond agencies expect counties to maintain levels similar to peer counties. Transylvania County met that benchmark during its last bond sale. The County strategically chose not to allocate all capital money to capital funds, instead placing some in unassigned fund balance to ensure financial stability in the aftermath of Helene and to maintain the markers that bond agencies evaluate.

Turning to the proposed 4.1% tax increase, Commissioner McCall asked how this compared to previous years. She noted that departments were held to a 2% increase last year and wondered if the overall budget increase was similar. The Manager responded that the County aligns expenditure with projected revenue. While the total budget declined slightly last year, County expenses grew under 3%, matching natural property tax base growth. Since FY 2019, the only notable increases followed the school bond vote and the last revaluation. Those increases also included supplementing fire department funding from the General Fund, and similar changes in Solid Waste to avoid raising user fees.

Commissioner McCall estimated that budget growth averaged around 2–3% annually, based on actual revenue, to which the Manager agreed, excluding extraordinary circumstances.

Commissioner McCall also commented on the state of fire services, noting that she and Commissioner Dalton have served on the Budget Subcommittee. She emphasized the disparity between departments, with some having surplus equipment and others lacking basic personal protective gear. Commissioner McCall supported the move to a single fire district, saying it would level the playing field by ensuring all departments are adequately funded and staffed, which would enhance morale and community protection.

Commissioner Dalton added that the lead time for ordering specialized fire trucks can be 36 to 48 months, requiring upfront allocation and financing to lock in prices. By the time the vehicles are delivered and outfitted, costs can far exceed original quotes. He also explained how staffing challenges, including a decline in volunteers and the need to meet certification requirements, impact insurance ratings and response capability. The total increase for fire and EMS in this year's budget was \$2.5 million. While some departments are managing well, many face significant unmet needs.

Commissioner Chapman mentioned the uncertainty surrounding the State budget and asked if there were other areas for advocacy beyond courthouse construction assistance. He and Commissioner Dalton planned to meet with legislators in Raleigh soon. The Manager suggested advocating for increased education funding, particularly for small districts, which have not seen adjustments in years. She also noted the County's lack of success with lottery-based capital grants for schools, despite clear needs. Additional advocacy areas included Health and Human Services funding, which could face federal cuts, and proposed EMS certification changes that would raise operational costs. Other critical issues involved the rising cost of equipment and the potential for a differentiated tax rate to account for seasonal residents who avoid paying North Carolina income tax, unlike full-time residents.

Commissioner Dalton noted that he and other Commissioners recently met with Senator Budd's staff and advocated PILT (Payment in Lieu of Taxes) funds and ambulance grants. He said the response from the Senator's staff was supportive.

Commissioner McKelvey observed that the County had not increased property taxes for operational expenses in 10 years. The Manager confirmed this, stating that any increases were tied to capital improvements or shifts in how fire departments were funded. Commissioner McKelvey pointed out that the County's budget has grown 63% over the past decade and asked whether that growth was supported through fund balance withdrawals. The Manager explained that last year the County modified outdated capital plans to balance the budget without raising taxes. Although this reduced what was planned for capital that year, it did not alter the

overall capital plan. Of the 63% budget growth, about one-third was due to capital for school bonds, the courthouse, EMS, and other infrastructure. The rest came from natural growth, averaging 2% annually, and increased sales tax revenues.

Commissioner Dalton asked whether that growth included ARPA and other grant funds. The Manager confirmed that it did in some years, including the current one, noting that this can complicate comparisons with other counties.

Commissioner McKelvey expressed concern that continuing to avoid tax increases might lead to financial instability. The Manager explained that while the County avoided an operational tax increase, each year's budget is approached individually and compared with long-term capital planning. For instance, after the school bond vote, the County anticipated making its first bond payment in two years, but delays stretched that to six years, giving the County time to fund additional education capital in the interim. The Manager emphasized that the County's ability to go 10 years without an operational tax increase is rare. This has been possible by carefully reviewing the budget, operating efficiently, and investing in employees to avoid the need for additional staffing.

Commissioner McKelvey reiterated his support for the sales tax referendum, noting that it would generate revenue from tourists and relieve pressure on property owners. He supported putting the measure back on the ballot in two years. He also asked how staff arrived at the proposed 7% supplement for teachers instead of 9.5%. The Manager clarified that 7% refers to an operational increase, not the teacher supplement itself. Transylvania County Schools currently offers an 8.5% supplement, and the 7% increase in funding would allow TCS to match Henderson County's 9% rate. This would keep Transylvania in the top three counties in WNC for teacher supplements. Additionally, the increase would help cover a \$294,000 funding request related to the State's proposed 5% cost-of-living adjustment, although the actual amount remains uncertain. She noted that the County does not control base pay.

Chairman Chappell reflected that no Commissioner is ever 100% supportive of a budget, and that is intentional. The process involves input from all five Commissioners, the County Manager's recommendation, and many other factors. He said the proposed budget is realistic and aligned with the goal of improving citizens' lives. From investments in fire departments and information technology to education and emergency communications, every component directly benefits residents. The County's long-standing resistance to operational tax increases reflects its commitment to minimizing the burden on taxpayers. He added that public safety is not optional, referencing support for the new narcotics investigator and the loss of a partnership with the City that required the County to step up for the protection of its residents.

Commissioner Dalton revisited the fire tax issue, stating that no fire district currently raises enough revenue to fund its own operations. Last year, Rosman's rate would have needed to be 32 cents to fully fund its budget. While the Board previously approved a countywide fire tax rate of 5.5 cents, the proposed increase to 7 cents still falls short of what is needed. In the past, a neutral rate would have been 8.5 cents, but the Board had attempted to hold the line. However, current demands and emergencies highlight the need for change.

Commissioner McCall concluded by thanking the County Manager and her team for the extensive work on this budget. She recalled that in prior years, the Manager had recommended a small tax increase, but the Board opted to wait until more accurate financial data became available. With this proposal, Commissioner McCall believes the Manager delivered the smallest possible increase while still meeting the County's needs. She emphasized that no one on the Board takes the decision to raise taxes lightly and that this proposal represents the minimum required to fund essential services across departments.

Chairman Chappell then announced a budget workshop on Monday, June 2 at 6:00 p.m., with a second workshop scheduled for Thursday, June 5 at 6:00 p.m., if needed. The Board will hold a public hearing on June 23, followed by a vote on the budget that same night.

Chairman Chappell called for a brief recess. The Board reconvened at 8:15 p.m.

APPOINTMENTS

NURSING AND ADULT CARE HOME ADVISORY COMMITTEE

The Board considered appointments to the Nursing and Adult Care Home Advisory Committee. The terms of Jeanette Burrell and Heather Stewart are set to expire in June, and both individuals are eligible and willing to continue serving. Regional Ombudsman Donna Case expressed her support and recommended their reappointment.

Following a motion by Commissioner Chapman, seconded by Commissioner Dalton, the Board unanimously approved the reappointment of Jeanette Burrell and Heather Stewart to the Committee.

OLD BUSINESS

APPROVAL OF CONTRACT FOR BREVARD ELEMENTARY SCHOOL PLAYGROUND PROJECT

The Board reviewed a contract for the Brevard Elementary School (BES) playground project. Transylvania County Schools (TCS) solicited bids for the project, but all responses came in over budget. TCS recommended awarding the contract to Blue Ridge Playgrounds for \$361,000 and requested additional funding from the County to cover the difference. The Board approved the request on May 12, 2025, with the stipulation that future funding requests must indicate that all other potential sources have been considered. The Transylvania County Board of Education approved the contract on May 19, 2025.

Commissioner McCall moved to approve the contract with Blue Ridge Playgrounds for the BES playground project, seconded by Commissioner Dalton, and the motion was unanimously approved.

NEW BUSINESS

TRANSYLVANIA COUNTY SCHOOLS REQUEST FOR ADDITIONAL FUNDS FOR OVERCOMMITMENT OF HVAC PROJECTS

In late FY 2024, concerns emerged regarding whether Transylvania County Schools had entered into HVAC project contracts that exceeded the available funding. Upon review, it was confirmed that the signed contracts, spanning from 2022 to 2024 across various school sites, surpassed both the approved project budgets and the federal ESSER funds previously appropriated by the Board of Education, resulting in an overcommitment totaling \$912,121.

To address this, the Board of Commissioners initially approved \$412,121 in additional County funds and authorized the Board of Education to transfer the remaining balance from its current expense fund to capital funds, under statutory requirements. Subsequently, an additional HVAC piping project contract at Pisgah Forest Elementary, which was partially funded by lottery proceeds, was identified. To cover the cost of that project, the Commissioners approved an additional \$100,000.

Rather than reallocate internal funds to resolve the remaining shortfall, the Board of Education opted to address it through an interlocal agreement negotiated in the fall of 2024 by the Superintendent and County Manager. The agreement, finalized in February 2025, included a provision for the County to allocate the remaining \$500,000, which the Commissioners approved.

Since that time, Transylvania County Schools has experienced staff turnover in the Finance Department and continues to work through financial processes and outstanding projects. The new Finance Director, Michelle Mullinax, recently identified further financial commitments tied to these HVAC projects that were previously unaccounted for. As a result, an additional \$242,415 is now needed to fully fund the projects. This amount is expected to cover all remaining obligations from prior years. At its meeting on May 19, 2025, the Board of Education voted to formally request that the Board of Commissioners allocate these additional funds to fully resolve the outstanding HVAC project commitments.

Commissioner Chapman requested further explanation regarding the nature of the HVAC project overcommitments. The Manager explained that state law requires the local governing body to approve project funds, while the procurement and contract signings are typically managed by the school system. Transylvania County has since modified its process so both Boards approve contracts during budgeting, but these issues predate that change. What school staff discovered was that contracts for various components of HVAC projects had been signed exceeding the funding commitments made by either the Board of Commissioners or the Board of Education's federal ESSER funds. Although some contracts have been paid and work is underway or completed, additional funds are necessary to meet the contractual obligations.

Commissioner McKelvey sought confirmation that the total overcommitment now stands at \$1.154 million. The Manager confirmed this figure, which includes the originally identified \$912,121, the \$100,000 appropriation for the lottery-funded Pisgah Forest Elementary HVAC piping project last fall, and an additional \$242,415 recently identified. The Board of Education, after a thorough review by its staff, considers this to be the final funding request related to these projects.

Commissioner McCall noted that at the prior meeting, the Board of Commissioners had requested any future school funding requests to include assurances that internal funding options had been explored before seeking County funds. She observed that such assurances were absent in this request and expressed surprise that after the \$912,121 plus \$100,000 appropriations, this was now another request. She also referenced a prior report of approximately \$800,000 added to the School System's fund balance last year after the County funded over \$1 million. Given this, she preferred to wait to see what funds are available in the current school fund balance before approving additional appropriations, expressing reluctance to approve further funds without confirmation that the schools have exhausted their own resources.

Commissioner Dalton commended Finance Director Michelle Mullinax for her diligent work in reviewing the School System's financial records, recognizing the complexity and effort involved. Chairman Chappell echoed those sentiments.

Commissioner McKelvey apologized for his earlier remarks, clarifying that the previous funding was part of joint negotiations between the Boards and that past issues should not be revisited. He indicated he would consider only the current request, acknowledging that while it remains a substantial amount over three years, Commissioner McCall's concerns about fund balances are valid, so it makes sense to review those before committing additional funds. He stressed the need to start fresh and clear any financial discrepancies.

Commissioner McCall agreed with the praise for Ms. Mullinax's efforts but questioned whether all overcommitments have now been uncovered, as the review is ongoing. She again reiterated the Board's prior directive that future funding requests should include confirmation that the Board of Education has identified available internal funds. Given this request lacked such documentation, she recommended tabling the matter until the Board has full information on the school fund balance and no further charges are anticipated. She emphasized the importance of ensuring the County is not the first resort for school funding shortfalls.

Commissioner Chapman noted that these requested funds would come from the Education Capital Fund, if approved, thereby reducing resources available for future capital projects.

Chairman Chappell shared concerns about fiscal responsibility and transparency. While acknowledging mistakes happen, he emphasized the Board's obligation to manage taxpayer dollars prudently and to hold all officials accountable. He agreed with Commissioner McCall that backup documentation must accompany future funding requests and supported tabling the request pending more information.

Commissioner Chapman asked if the vendors had already been paid or were awaiting this Board's decision. The Manager explained that some payments have been made, while others, expected over the summer, are still pending. If the Board decides to table the request, she will obtain the FY 2024 School System audit to show fund balances in both capital and current expense funds and will request additional details from them.

The Manager also noted that the revised joint approval process for Education Capital Fund projects and contracts will help prevent such overcommitments in the future by ensuring both Boards confirm project funding before contract execution.

Commissioner McKelvey asked whether the Finance Director plans to continue reviewing past projects for additional overcommitments or if this request covers the entirety of outstanding HVAC issues. The Manager said she would seek clarification from the School System. She indicated ongoing efforts to work through legacy reimbursement projects, some intertwined with HVAC, with good cooperation from the school leadership and County finance staff.

Commissioner McCall moved to table the funding request until the school fund balance can be reviewed to determine if internal funds exist to cover the overcommitments and until the Board is confident there are no further undisclosed obligations. Commissioner McKelvey seconded the motion. Commissioner Chapman inquired about the timeline for receiving this information. The Manager assured the Board she would bring the information back as soon as possible. **The motion to table was unanimously approved.**

TRANSYLVANIA COUNTY SCHOOLS REQUEST TO DRAW DOWN LOTTERY FUNDS FOR CENTEGIX CRISIS ALERT AND VISITOR MANAGEMENT SYSTEM

Following a recent school shooting in Georgia, the Transylvania County School System evaluated new safety tools and identified the Centegix Crisis Alert and Visitor Management System (Soul Source System) as a potential game changer for enhancing school security. Two presentations on the system were held, one attended by the Sheriff. During her April 28 budget presentation to the Board of Commissioners, School Superintendent Dr. Lisa Fletcher requested that the Board consider using lottery proceeds or capital funding to purchase the system. School safety was also prioritized in the collaborative Step 1 projects (school bond) between the County and the School System.

The proposed system offers multiple security improvements, including CrisisAlert badges for staff to instantly activate emergency alerts; a visitor management system capable of scanning IDs and conducting background checks (replacing the current Google sheet sign-in with no verification); a wireless alert infrastructure across all school facilities; and tools to support rapid, organized reunification during emergencies.

The total cost is \$432,690, with an option to extend payments over five years, including maintenance and upgrades. The School System plans to evaluate future renewal options at the end of the term.

On May 19, the Board of Education approved submitting a lottery fund application for this purchase. Both governing boards must approve the application. If approved, the funds would flow through the County, and the County and School System would enter into a joint contract for the project. If lottery funds are not approved, alternative funding sources such as bond funds set aside for safety upgrades or other budget options could be explored.

Chairman Chappell sought confirmation that this purchase qualifies for lottery funds, expressing concern over the subscription-based component making it ineligible. The Manager acknowledged this uncertainty but felt confident enough to proceed with the application, noting that contract approval would be contingent upon confirmed funding.

Commissioner McCall asked whether the system was part of the Axios safety and security review and whether the purchase was for a specific school or systemwide. The Manager confirmed it was systemwide, with allocation decisions based on the School System's discretion per the safety assessment recommendations. Some security vestibule projects are separate and managed through bond construction scopes. While the School System controls the use of safety funds, the Board of Commissioners must approve contracts to allocate funds from the appropriate sources.

Commissioner McCall also inquired if another request would be expected if lottery funds were not approved. The Manager agreed, noting bond funds or other capital funds within the Education Capital Fund would be considered. She acknowledged that subscription-based equipment purchases blur the line between operational and capital expenditures, making clear eligibility uncertain until a lottery application is submitted.

Commissioner Chapman asked about the current lottery fund balance. The Manager explained the balance is lower than it appears due to a pending drawdown for the Pisgah Forest Elementary piping project but noted that \$200,000 would be released from a prior application moved to cash funding. Commissioner Dalton added the Board of Education reported the balance at about \$700,000.

Commissioner McKelvey expressed support for the system and agreed with Chairman Chappell's recommendation to include a contingency in the motion regarding lottery funding approval. He understood another funding request would follow if lottery funds were unavailable and indicated support for funding from other sources as needed.

Chairman Chappell also supported the security system, citing firsthand experience with its effectiveness.

Commissioner Dalton asked whether the system could be installed before the school year begins. The Manager did not have an answer at the time.

Chairman Chappell noted differing interpretations of the lottery fund eligibility. The Manager agreed, adding that partial funding through lottery funds is possible and that applying carries no downside.

Commissioner McCall moved to approve submitting a lottery fund application for \$432,690 to purchase the Centegix Crisis Alert and Visitor Management System, contingent on lottery fund approval. She further stipulated that if lottery funds are not approved, the request would return to the Board of Commissioners for consideration. Commissioner Dalton seconded the motion, and it was unanimously approved.

REQUEST TO HIRE A PART-TIME PASSPORT ACCEPTANCE AGENT FOR THE REMAINDER OF FY 2025

The Passport Acceptance Facility, opened in October 2021, operates three days a week with one permanent part-time agent and a Register of Deeds deputy as backup, fulfilling the requirement to have two certified passport agents. Due to increased demand, the facility expanded to four days per week, with both agents filling appointments by January 2025. In February, a temporary increase to four days per week led to the highest revenue month to date.

Nearby counties (Haywood and Jackson) discontinued passport services in late 2024 and early 2025 due to staffing shortages, leading to increased local demand. Additionally, the May 2025 Real ID implementation has driven more residents to seek passports, further increasing service volume.

The part-time agent, however, prefers to work no more than three days weekly, causing staff shortages in the Register of Deeds Office as the backup passport agent covers additional duties. To address this, Register of Deeds Beth Landreth requested hiring an additional part-time passport agent to work two days per week for June 2025, allowing the backup agent to return fully to Register duties while maintaining coverage.

The Passport Facility has generated \$30,000 more revenue than budgeted this year, enabling coverage of this position without impacting the budget. This position is also included in the Manager's FY 2026 budget but is being requested early due to urgent demand.

Commissioners McCall and McKelvey expressed support, noting increasing demand and the prudence of starting part-time before potentially expanding hours. Chairman Chappell praised the service as a positive community benefit, echoed by Commissioner Chapman's observation of out-of-county usage.

Commissioner Chapman moved to approve hiring a part-time Passport Acceptance Agent for two days per week in June 2025. Commissioner Dalton seconded the motion, and it was unanimously approved.

INTERLOCAL AGREEMENT WITH THE CITY OF BREVARD TO PROVIDE TEMPORARY LAW ENFORCEMENT COVERAGE

The City of Brevard Police Department is experiencing high officer vacancy rates resulting in significant overtime for current staff. The City requested supplemental law enforcement support from the Transylvania County Sheriff's Office to alleviate staffing challenges. Both the Sheriff's Office and County Administration agree this support benefits public safety.

Agreement Terms:

- Two Sheriff's Office officers will cover shifts from 12 p.m. to 6 a.m. daily within City limits.
- Sheriff's Office maintains the chain of command; all investigations remain under Sheriff's authority.
- No enforcement of City-specific ordinances (e.g., Animal Control) by Sheriff's deputies.
- City officers will cover holidays to avoid extra costs.
- State Highway Patrol will respond to vehicle wrecks during these hours.
- Contract duration: six months with a three-month extension option; 30 days' notice required for termination.
- City of Brevard covers all costs; Sheriff's Office staff will work these shifts as overtime.

Supplemental contracts for law enforcement are allowed under statute and can take a variety of forms in terms of agreements. The terms negotiated fall within the practical application of the statutes. The Office of the Sheriff is granted unique and separate authorities under statute, distinct from those of county government and municipal police operations. County governments, governed by Boards of Commissioners, are charged with funding and policy responsibilities related to fiscal management and support services. The supplemental contract will require an amendment to the Sheriff's Office budget to recognize the associated revenue and expenditure and will task the Finance Department with billing against the contract. County Administration and Finance prepared a monthly fee to simplify this process based on FY 2026 budget expenditures (implementing in five weeks) and available data including personnel costs, typical fuel and vehicle costs, and other factors to justify the actual cost to offset.

The weekly cost of the contract totals \$7,527. This includes personnel costs for two officers daily in overtime status at \$5,880, including benefits. A weekly fee for the use of two vehicles and fuel is calculated at \$963. Additionally, a weekly fee of \$684 covers 10% overhead for equipment utilization, insurance, and other

support services, which is standard for contracting. To validate this methodology, a comparative analysis of the City's budgeted expenditures based on its FY 2025 budget was conducted. This analysis reflected support for the fee, showing that personnel costs for the police department, budgeted across 28 staff, reflect a weekly cost of \$5,435 per person at the baseline without overtime. When calculated as overtime, the estimated weekly City budget cost for personnel would be \$8,153. Although this is not a detailed comparison of identical data points, it appears to validate the weekly cost calculated for the Sheriff's Office.

The vehicle figure was calculated based on the capital expense of a standard patrol vehicle with equipment on a five-year replacement schedule, prorated to an hourly rate. Fuel costs were averaged for a patrol vehicle and similarly broken down hourly. To offset additional costs such as supplies, equipment, and case expenses, a 10% overhead was applied, so the expense primarily reflects the direct costs of personnel and vehicle time. Even using this average hourly rate, the Sheriff's Office assumes a budget risk depending on who picks up the hours. If higher-rate employees cover more hours, personnel costs could exceed the budget due to the averaging method. Additionally, personnel assigned to supplemental shifts do not all have body cameras. Therefore, a one-time upfront fee of \$6,000 to add two body cameras at the Sheriff's Office will be charged.

Municipal police departments and chiefs do not have the statutory authority to contract as Sheriffs do in North Carolina. For this reason, the agreement is with the governing board and requires approval and signature by either the elected mayor or chief executive (city manager) to officiate the agreement. The City Council voted to approve the contract and fee on May 19, 2025.

The Manager recommended that the Board of Commissioners approve the interlocal agreement with the City of Brevard for the Sheriff's Office to provide temporary law enforcement coverage and authorize the County Manager to execute the agreement to enable the financial actions necessary to support the contract, including billing.

Commissioner McCall confirmed that the 10% overhead included in the contract covers anticipated costs such as vehicle maintenance. The County Manager affirmed this. Additionally, all cases picked up during the contracted service time will remain with the Sheriff's Office, meaning that casework like investigations would be managed internally. While a large influx of new cases is not expected, there could be some impact.

Commissioner McCall asked if any additional administrative overhead beyond the 10% was included. The Manager clarified that no further overhead is anticipated, noting that the current command structure will remain, with a lieutenant and sergeant on each shift to supervise the increased number of officers from five to seven. Although there will be a slight increase in demand, it should remain manageable within normal operations. The Manager also noted there would be some additional impact on the core Sheriff's Office administration due to the added responsibilities.

Commissioner Chapman asked about the enforcement of City ordinances such as Animal Control during the contract period, questioning who would respond if animal issues arose mid-shift. The Manager responded that the County had not been informed of the City's plans to manage such matters. She explained that municipalities may opt to have their own enforcement of local ordinances, and since the City has chosen to provide their own, those services remain the responsibility of the City Police Department. The County's Animal Control officers are not part of the Sheriff's Office and therefore the Sheriff's deputies would not respond to animal control calls. However, if a safety issue arises, deputies may respond but with limited authority to act.

Commissioner McCall asked if the City has projected how long it might take to adequately staff its Police Department and how long the Sheriff's Office would be needed as a backup. The Manager said the original agreement was for six months with a six-month renewal option, but the City requested reducing the renewal to three months, intending to be staffed by then. However, from a professional standpoint, the Manager was

unsure if this timeline was realistic, especially given the time required for Basic Law Enforcement Training (BLET). She noted the City would need to recruit certified officers to meet staffing needs.

Commissioner McKelvey agreed that a total of nine months (six months plus a three-month option) might be insufficient and suggested pushing for additional three-month extensions to allow more flexibility. When asked about contract implementation, the Manager confirmed the Sheriff's Office is already staffing shifts and moving forward. She emphasized the positive working relationship between the Sheriff, the Board, and the Manager's office, highlighting their collaborative approach. The shorter contract terms allow for regular evaluation to prevent staff burnout. A recent survey of Sheriff's Office staff indicated confidence in voluntary overtime staffing for this contract without forcing staff, which is important for maintaining morale.

Chairman Chappell expressed appreciation for the thoroughness of the arrangement and, in a personal capacity, criticized parties blaming their entire tax increase on the Sheriff's contract, calling it disingenuous. He commended the Sheriff's willingness to serve and the Manager's efforts to draft a comprehensive agreement. He stressed the importance of maintaining the Sheriff's Office command structure, which was reflected in the contract's terms, and felt the financial figures were appropriate.

Commissioner Dalton raised concerns about potential liability exposure under the agreement. The Manager explained that workers' compensation and insurance coverage would fall under existing County policies, a position confirmed by NCACC Risk Management. Keeping the command structure within the Sheriff's Office simplifies liability management and clarifies responsibility. While the County would be the primary target in any legal action due to its size, the arrangement is designed to proactively reduce risk.

Commissioner Dalton asked whether the County could seek subrogation against the City to recoup losses if liability issues arise. The Manager said this is unlikely since the Sheriff's deputies remain under County command and control, limiting the City's ability to direct their actions. The risk is mitigated through safety protocols and professional judgment within the Sheriff's Office.

Commissioner Dalton noted the Sheriff's Office does not manage traffic accident investigations but controls traffic flow until the State Highway Patrol arrives. He indicated that the City appears confused about this procedure.

Commissioner Dalton also commented on reports that the City is down to approximately 10 officers, consistent with what the Manager had heard. Given this, there appears to be at least \$50,000 per week in lapsed salary funds in the City's budget. The Manager confirmed that these lapsed salaries could fund the contract and recommended to the City Manager that any lapsed salary funds at the fiscal year end be allocated to the contract's funding in the City's fund balance to manage the budgetary impact.

Commissioner Dalton noted that BLET training takes at least six months and that currently there is no officer in the pipeline, which means the contract will likely need to be extended if the Sheriff is comfortable continuing. The Manager agreed, emphasizing the importance of monitoring the impact on existing staff. She added that the Sheriff's Office negotiated coverage with the State Highway Patrol for accidents during the contract hours, though that arrangement could change. The agreement explicitly states that the Sheriff's deputies will not investigate accidents due to lack of training and equipment, which is consistent with state structure.

Commissioner Dalton, speaking from a risk management perspective, warned of significant risks that the public may not fully understand. The Manager agreed, noting risk management was a major topic of discussion with the Sheriff throughout negotiations.

Commissioner McCall thanked the Sheriff and Manager for their work on the agreement but echoed concerns from Chairman Chappell and Commissioner Dalton about the use of lapsed salary funds and the potential tax impact. She worried about officer burnout from overtime and questioned the long-term sustainability of staffing these shifts without mental and physical tolls on deputies.

Commissioner Dalton concurred, noting fatigue could impair decision-making.

After discussion, **Commissioner Dalton moved to approve the interlocal agreement with the City of Brevard for the Sheriff's Office to provide temporary law enforcement coverage, and to authorize the County Manager to execute the agreement and all related financial actions. Commissioner McKelvey seconded the motion, which passed unanimously.**

MANAGER'S REPORT

The Manager reported that the quarantine at the Animal Shelter has been extended until June 5 due to cases of canine distemper and influenza among dogs brought into the shelter. Although the shelter vaccinates these diseases, immunity takes a couple of weeks to develop. An epidemiologist and veterinarian recommended the extension. Shelter staff continue to monitor symptoms and conduct testing within the shelter population. This quarantine affects only canines; therefore, no canine intakes or adoptions can occur during this period, including surrenders. However, cats can still be brought in and adopted. Staff are actively working to reunite any strays with their owners or find alternative solutions to prevent further exposure of animals to these illnesses.

PUBLIC COMMENT

The comments reflect the speakers' opinions or points of view.

David Morrow: Mr. Morrow thanked the County for its participation and support of the recent Memorial Day Ceremony, noting contributions from the City of Brevard and the Heart of Brevard. He also acknowledged the involvement of one of the County Commissioners and the Veterans History Museum. He expressed appreciation to the Board for their support of veterans in the County.

COMMISSIONERS' COMMENTS

Commissioner Chapman commended the Tax Office for its professionalism and effective handling of the appeal process, sharing that he has received favorable feedback from the public. He noted he will attend an NCDOT District 14 meeting in Sylva on Thursday to review public comments regarding the proposed roundabout in Cedar Mountain and will update the Board accordingly. He also praised the City of Brevard for closing streets during the Memorial Day service, which helped with traffic and noise, contributing to good community participation.

Commissioner McCall addressed earlier discussions about the revaluation process, emphasizing that all property owners received notices with appraisal information and appeal instructions in February. She expressed frustration that some residents, and even another local government entity, appear unaware of the appeal process despite it being publicly available for months. She stressed that the County follows a state-mandated appraisal process uniformly across all areas and does not selectively appraise properties. She was particularly concerned about comments suggesting appraisal inaccuracies are limited to specific areas, clarifying that properties throughout the County are subject to similar valuation challenges.

Commissioner Dalton discussed the revaluation, referring to recent comments in the public that only 67 commercial transactions occurred compared to over 2,000 residential, reflecting the County's predominantly residential tax base. The criticism came from someone who opposed the County's \$30 million investment in

commercial development aimed at alleviating tax burdens on homeowners. He shared his personal experience of substantial increases in the value of his properties and acknowledged the rapid increase in land values in areas like Balsam Grove due to growing demand. He stressed the importance of investing in community services such as the local fire department to address these changes.

Commissioner McKelvey reflected on his tenure since his appointment on July 8th and highlighted the recent hiring of Beecher Allison as the project manager for the school bond projects. He described the hire as a significant achievement for the County. Having worked with Mr. Allison professionally and personally, Commissioner McKelvey expressed strong confidence in his abilities and integrity. The Board expressed their agreement and support.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Chappell moved to adjourn the meeting at 9:23 p.m., seconded by Commissioner Dalton and unanimously approved.**

Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board