

**MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
MAY 26, 2026 – REGULAR MEETING**

The Board of Commissioners of Transylvania County met in a regular meeting on Tuesday, May 26, 2026, at 6:00 p.m. in the Multipurpose Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, North Carolina. Transylvania County offices were closed on Monday, May 25, 2026, for Memorial Day. The Board of Commissioners' Rules of Procedures state that if a regularly scheduled meeting date falls on a holiday, the meeting will be held on the next business day.

Commissioners present were Vice-Chair Larry Chapman, Jason Chappell, Jake Dalton, Chair Teresa McCall, and Chase McKelvey. County Manager Jaime Laughter, County Attorney Megan Silver, and Clerk to the Board Trisha Hogan were also present.

Media: Jon Rich – *Brevard Beagle*

There were approximately 10 people in attendance.

CALL TO ORDER

Chairwoman Teresa McCall presiding declared a quorum was present and called the meeting to order at 6:03 p.m.

WELCOME

Chairwoman McCall welcomed everyone to the meeting and introduced the Commissioners and staff in attendance.

PUBLIC COMMENT

The public comments reflect the opinions or viewpoints of the speakers.

Doug Powell commended everyone involved in the County's Memorial Day observance, describing the courthouse ceremony as a meaningful tribute to fallen military service members. He then shared historical remarks about the "Black Robed Regiment," referring to Revolutionary War-era pastors and ministers who supported and, in some cases, directly participated in the fight for American independence. He recounted stories of several clergy members, including Reverend Naphtali Daggett, Pastor James Caldwell, and Pastor Peter Muhlenberg, emphasizing their roles in defending civil and religious liberties and their contributions to the Revolutionary War effort.

AGENDA MODIFICATIONS

There were no agenda modifications.

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

CONSENT AGENDA

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

The Board approved the following:

APPROVAL OF MINUTES

The Board approved the minutes of the May 11, 2026, regular meeting.

DISCOVERY, RELEASE & MONTHLY SETTLEMENT REPORT - APRIL 2026

The Board approved the April 2026 Discovery, Release, and Monthly Settlement Report as submitted by the Tax Administrator per N.C.G.S. §§ 105-312 (b) and 105-381 (b). Tax dollars released for the period totaled \$3,219.60, and refunds issued amounted to \$2,974.25.

BOARD OF ELECTIONS - POLL WORKER SOFTWARE

The FY 2026 Budget included funds for new poll worker software in the Elections Department. Implementation is scheduled to begin in June, and the subscription will recur annually. The purchase agreement requires a three-year commitment. The cost difference between the budgeted amount and the actual cost is \$3,000. The Elections Department has sufficient funds in its budget to offset the cost difference for year one. The Board of Elections requested an additional \$3,000 for years two and three of the agreement and has submitted the request to Administration with its FY 2027 Budget requests. The Board approved the multi-year agreement with the request for additional funding for the poll worker software.

AERIAL FIREWORKS DISPLAY PERMIT APPLICATIONS

The Board authorized the Fire Marshal to finalize applications and issue permits for aerial fireworks displays per N.C.G.S. § 14-413. The Fire Marshal has reviewed the applications from the following entities and found them to be in order:

- Burlingame Country Club
- Camp Carolina
- Camp High Rocks
- Camp Illahee
- City of Brevard
- Camp Keystone
- Lake Toxaway Country Club
- Ridge Haven Camp and Conference Center
- Rockbrook Camp

PRESENTATIONS/RECOGNITIONS

MONTHLY CAPITAL UPDATE

The County Manager and Project Manager provided the monthly capital update, noting that Transylvania County is currently managing more than \$220 million in capital projects, with more than \$120 million in grant funding supporting those initiatives.

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

- GMP 1 has been finalized, and summer 2026 construction work remains on schedule.
 - Includes projects at Brevard Middle School, Brevard High School, Rosman Elementary School, and the Rosman High School storage tank replacement project.
 - Storage tank replacement is separate from the Construction Manager at Risk contract.
 - Testing showed that only the priority tank at Rosman High School requires replacement at this time, with work scheduled to begin June 15.
 - Coordination meetings with school staff and contractors have been completed ahead of the June 8 mobilization date.

- Remaining project scopes under GMP 2 continue moving through final design and pricing phases, with final construction drawings expected to be completed May 29 (minus the BHS CTE Wing grant-funded project, which remains in design programming), review of final design and timeline in July/August, and completion by the end of 2028.
- The Joint School Bond Project Committee will meet on May 29
 - Review remaining scope items.
 - Consider adding the Rosman High School retaining wall to GMP 2.
 - Consider expanding the school security vestibules.
 - Consider staggering the bid packages based on recommendations from the architect and the Construction Manager at Risk.
- The Exceptional Children's wing roof replacement project is nearing closeout, and the Brevard High School softball lighting project has been completed.
- Completion of Step One bond work is anticipated by the end of 2028.

Board Discussion

Chairwoman McCall asked for clarification regarding the Rosman High School storage tank replacement and retaining wall project timelines. Mr. Allison confirmed that the tank replacement project is scheduled to begin June 15 and that the retaining wall proposal will be returned to both governing boards for approval if recommended by the Joint School Bond Project Committee. The County Manager noted that the retaining wall project would likely not begin until fall.

Commissioner Chapman asked whether recent heavy rainfall had tested the newly completed roofing work. Mr. Allison stated that staff had not been informed of any issues.

Commissioner Dalton asked for confirmation that HVAC projects would proceed under GMP 2 due to supply chain and scheduling constraints. Mr. Allison confirmed that timeline.

Chairwoman McCall highlighted the progress made since approval of the interlocal agreement, including the completion of the Brevard High School old gym renovation, the softball lighting project, Exceptional Children's wing improvements, and the removal of unused underground storage tanks. She commended county and school staff, the County Manager, and the Superintendent for their collaborative efforts and noted that projects have remained within budget.

Creating Jobs and a Safe Community

- New Courthouse: Remains on schedule, with Sizemore Architects nearing completion of construction drawings and staff continuing review of security and operational components. The project is expected to be bid and move toward financing this fall.
- Library Amphitheater Cover: Project has been completed, with a ribbon-cutting ceremony scheduled for June 5 at 7:30 p.m. in conjunction with the first summer concert.

Protecting Transylvania Natural Resources

- Watershed Study: Moving forward with preparation for State submission and a required scoping meeting in Raleigh this summer.
- The Boys and Girls Club/Gallimore Road Sewer Project: Continues progressing with the City project.
- Landfill Leachate Pretreatment: Design work is underway, and staff are responding to DEQ review comments.
- Pisgah Labs Water/Wewer Extension: RFQ responses for engineering services are being evaluated
- Brevard Housing Projects: Projects involving HAC, Habitat, and Azalea developments continue moving forward.
- Brevard High School Sewer Line and Pump Station: Engineering work is underway.

- Azalea/Rhododendron Expansion: State paperwork is being completed for grant approval.
- Calvert Road Water and Sewer Project: Staff has notified the Town of Rosman that the County has allocated funding and is awaiting confirmation of remaining funds before moving forward with the memorandum of understanding.
- Landfill Cell Expansion: Work continues, with sediment ponds and liner installation completed. Completion is estimated in September.
- Streambank Restoration Projects: Soil and Water staff continue submitting projects related to Hurricane Helene impacts through the Emergency Watershed Protection program and related state funding opportunities.

PRESENTATION OF MANAGER'S FY 2027 RECOMMENDED BUDGET

The County Manager presented the FY 2027 Recommended Budget, noting that North Carolina law requires the Manager to submit a balanced budget recommendation to the Board of Commissioners by June 1.

The Manager thanked the Board of Commissioners for their extensive involvement throughout the budget development process, including participation in regular meetings, review committees, budget discussions, and individual consultations. She emphasized the complexity of county government operations and the significant effort required to develop a balanced budget that addresses community needs, statutory requirements, and long-term financial obligations.

The Manager also recognized the work of the County's budget team, including staff from Finance, Information Technology, Human Resources, Administration, and Operations, who collectively devoted substantial time to reviewing requests, analyzing data, and developing recommendations. Special recognition was given to Budget and Management Analyst Jennifer Wright for her role in refining budget processes, developing tools, assisting departments, analyzing information, and preparing the budget document.

The Manager thanked department heads and partner agencies for providing detailed budget requests and supporting information, as well as the residents of Transylvania County, whose tax dollars fund county services. She noted the important connection between public investment and the services provided to keep the community safe, healthy, and educated.

How We Budget – FY 2027 Budget Process Overview

- Statute law establishes key budget deadlines, including the submission of school budgets by May 15 and the adoption of county budgets by June 30.
- Departments participate in a detailed, line-by-line budget review process with a cross-disciplinary budget team.
- Approximately 36% of General Fund property tax revenue is allocated to outside agencies (schools, fire/rescue, nonprofits, etc.) whose spending is governed by separate boards.
- Revenue projections are based on economic trends, inflation, fuel, utility costs, and other financial indicators up to 18 months in advance, with assumptions documented and reviewed.
- Budget development is guided by Board priorities, community needs, and state-mandated service requirements, which account for approximately 92% of county operations.
- Long-term financial planning is integrated with annual budgeting, including major capital projects and debt management strategies.
- Transylvania County utilizes a data-informed approach to budgeting and decision-making.
 - The annual budget process begins with mid-year and year-end departmental reports that provide performance data, accomplishments, emerging challenges, and future opportunities.
 - Department heads present public summaries of their operations and are encouraged to provide detailed reports to the Board to support informed decision-making by analyzing service demands, trends, and operational needs.

FY 2027 Transparency & Public Engagement Enhancements

- Earlier communication with outside agencies regarding expected revenue growth and tax implications.
- Public survey conducted to gather input on service priorities and cost-control strategies.
- Expanded budget discussion throughout regular Board meetings to improve public understanding of the process.

Budget Discussions Conducted During FY 2027 Planning

- February – Revenue & Funding Overview
 - Reviewed early revenue projections and expectations for agencies receiving county funding.
 - Discussed the role of property taxes, fees, and sales tax revenues.
 - Noted that approximately 35% of General Fund property tax revenue supports agencies outside the County management structure, including schools and nonprofits.
- March – Budget Process & Mandated Services
 - Reviewed the FY 2027 budget timeline, including workshops and public hearing dates.
 - Discussed mandated versus non-mandated county services.
 - Highlighted that 92% of the FY 2025 expenditures and 90% of General Fund property tax revenue supported mandated services.
 - Examined the impact of state-level decisions on county finances.
- April – Capital Investments & Facility Needs
 - Reviewed major capital projects, including \$164 million in school improvements and the \$38 million courthouse project.
 - Examined long-term building and facility maintenance needs.
 - Noted that approximately 39% of identified building and grounds needs are associated with non-mandated services.
- May – Balancing the Budget & Long-Term Capital Planning
 - Discussed cost-saving measures currently used by the County and additional options available to the Board.
 - Reviewed long-term capital planning and debt management strategies.
 - Highlighted the County’s 10-year debt payment plan, which avoids additional tax increases for debt service on current capital projects.

Transparency & Public Engagement

- All budget presentations and supporting materials are available online in the FY 2027 Budget Folder.
- Prior budgets, quarterly financial reports, and annual audits are also publicly available.
- Commissioners and staff have devoted more than 12 hours of public meeting time to the FY 2027 budget process, in addition to committee meetings and work sessions.

Timeline

- The Board has been following the budget timeline previously published by the County Manager and is now entering the final phase of the FY 2027 budget process.
- Budget workshops are scheduled for June 2 and June 4.
- A public hearing and adoption of the FY 2027 budget are scheduled for June 22.

Fiscal Policy Goals

- Continue long-term planning for capital improvements, including scheduled replacements and maintenance needs identified in 10-year plans.
 - Maintain funding strategies for school capital improvements, the courthouse, and EMS Base projects using assigned fund balance to smooth debt payments.
- Continue multi-year budget planning in the General Fund.

- Prioritize vehicle replacement, computer replacement schedules, and long-range maintenance planning to stabilize expenses.
- Maintain investments in the county workforce through competitive compensation and benefits to support recruitment and retention.
- Promote transparency and public understanding of county government responsibilities and funding sources.
 - Educate citizens on service responsibilities and the relationship between taxes and service levels.

FY 2027 Budget Highlights

- Recommended General Fund Budget: \$82.5 million, a 1.47% increase over FY 2026 with no property tax increase.
- Continue workforce investments through compensation and benefits.
 - Minor personnel adjustments recommended.
 - Move forward with a salary study and consider implementation before the originally planned 2028 timeline.
- Continue major capital initiatives.
 - \$164 million school capital improvement plan.
 - \$38 million courthouse project.
 - Ongoing landfill expansion and infrastructure projects are supported by grants.
- Monitor uncertain inflation and fuel cost impacts.
- Address potential state and federal cost shifts totaling approximately \$2.4 million.
 - SNAP administration and benefit costs: \$1.2 million.
 - Teacher pay increases and related costs: \$1.2 million
 - If implemented, costs would be funded from fund balance in FY 2027 and could impact future tax rates.
 - The State is considering changes that could cap property taxes through a constitutional amendment. Counties are in a unique position because state law requires them to provide numerous mandated services while relying primarily on property taxes to fund those obligations. As mandates increase and local revenue flexibility decreases, counties may face growing difficulty balancing service requirements with available funding. State-level decisions will continue to play a major role in local budget planning and fiscal sustainability.
- Fund partner agencies outside county administration with a 2.7% overall increase.
 - Maintain nonprofit/community center grants and free Wi-Fi programs.
 - Rescue Squad increase: 2.8%.
 - Fully fund the Board of Education request, including a 2% operational increase and a 42% increase in annual capital funding.
 - Fully fund Blue Ridge Community College's requested 2% increase.
- Internal county services increase by approximately 1%.
- Continue Helene recovery efforts and complete the Transit Study.

Capital and Equipment Recommendations

- Replace one fleet vehicle, five Sheriff's Office vehicles, and one ambulance.
- Replace the detention center tilt skillet.
- Purchase an evidence incinerator.
- Replace chillers in major county facilities.
- Continue building maintenance projects identified in Axios assessments.
- Fund computer replacements and software needs.
- Implement a smart-key system for key-access accountability across two areas of the Public Safety Facility.

Personnel Recommendations

- No new positions recommended.
- One net position reduction.
- Six reclassifications recommended.
- Total county fund impact: approximately \$7,640.
- Of 17 personnel requests submitted:
 - 2 position reductions.
 - 4 new positions.
 - 10 reclassifications.
 - 1 request to modify standard work hours affecting 12 positions.
- Recommendations focus on employees already performing higher-level duties and organizational efficiency.
- Includes funding for the LEAD for North Carolina Fellow position previously approved in FY 2026.

The Manager noted that compensation recommendations for positions are based on objective data and market analysis. External consultants review job descriptions and the required skills for each to determine appropriate classifications for positions not already established within the pay plan, ensuring consistency and reducing potential bias. The County's compensation plan is developed by a third-party using market research and comparisons with similar organizations and regional employers. The most recent salary study was completed in 2022 and implemented in 2023, with funding included in FY 2027 to conduct the next compensation study ahead of the planned 2028 implementation.

Recommendation Detail (Green):

6 reclassifications-
positions already
performing higher level
1 Hour modifications
1 position reduction

Lead for NC Fellow- to
report directly to County
Clerk, already approved
FY 26

Personnel Requests			
Department	Type	Position(s)	Notes
DSS	Reclassification	Social Worker III-> Social Worker IAT	Acknowledges existing job duties, 4 existing positions
DSS	Reclassification	Quality Assurance Supervisor -> Social Worker Program Manager	
DSS	Reduction	Public Assistance IV	Reduction funds request
Communications	New	Technology Specialist	
Communications	New	Radio Technician	
Communications	Reduction	Systems Engineer	Reduction partially funds other requests
Sheriff	New	FT Court Security Deputy	
Sheriff	Reclassification	Narcotics Investigator-> Sgt Narcotics	Reclass 1 of 3 investigator positions in unit
Sheriff	Hour Modification	SROs to 84 hour pay periods	
IT	Reclassification	Network Administrator-> Network Engineer	
IT	Reclassification	System Administrator-> System Engineer	
Finance	Reclassification	Accountant-> Accounting Manager	Acknowledges existing job duties
Administration	Reclassification	Budget & Mgmt Analyst-> Budget and Internal Projects Director	Acknowledges existing job duties
Tax and Tag Office	New	LPA Specialist	Revenue already below service expense

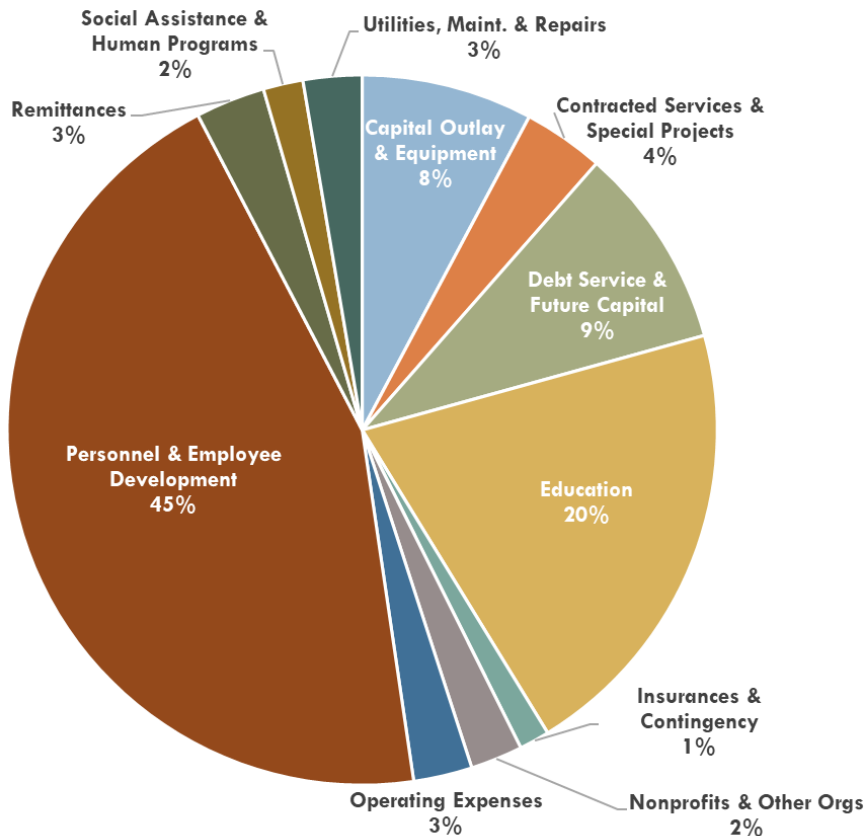
Employee Health Benefits

- Employee health benefits remain a key component of the County's overall compensation package.
 - A 2023 salary and benefits study found Transylvania County's health benefits are slightly below those offered by comparable local governments.
 - Maintaining current health benefits is a priority to remain competitive in recruiting and retaining qualified employees.
 - The personnel study emphasized that reductions in health benefits could place the County at a disadvantage compared to peer organizations and make workforce recruitment and retention more challenging.
- Continue operating a self-funded health plan and wellness clinic to control costs.

- Projected health plan cost increase: approximately 8% (below market trends).
- Continue strategies to manage rising healthcare costs while supporting recruitment and retention.
- Additional staffing needs associated with the future courthouse are not included in the FY 2027 budget.

FY 27: Expenditures by Type

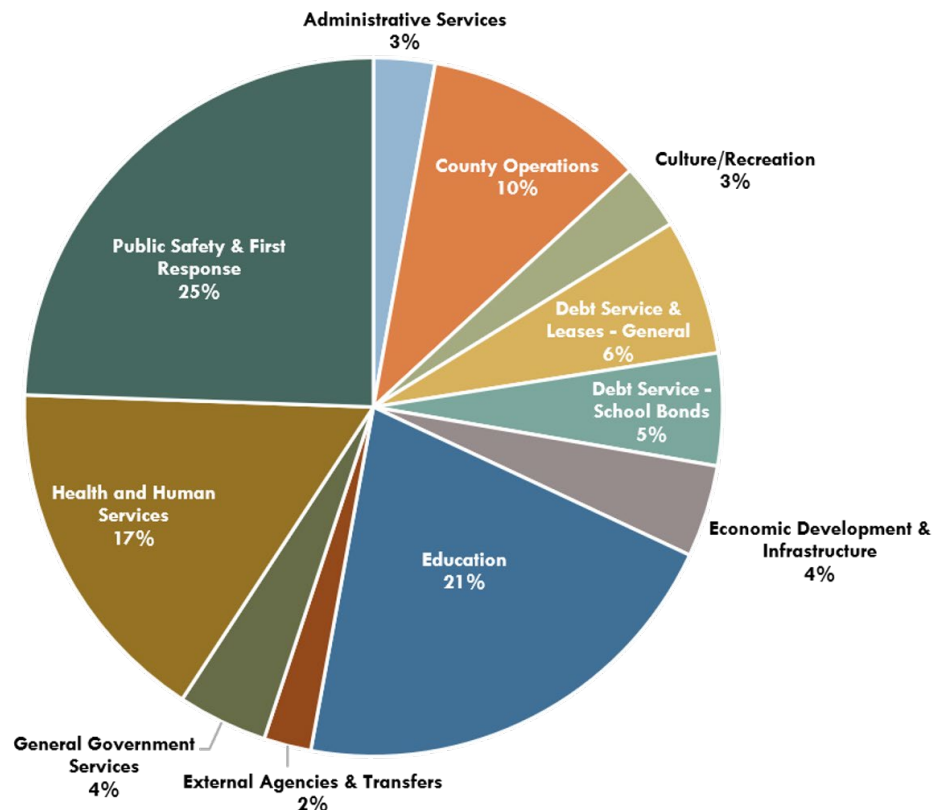
- Personnel-related costs remain the County's largest expenditure, reflecting the people-centered nature of local government services.
- Education funding is the second largest expenditure and is reflected within debt service and future capital investments.
 - Personnel accounts 60.2% of the Transylvania County Schools' current expense budget.
- Debt service costs will continue to increase as planned due to school bond payments and EMS facility financing.
 - Multi-year financial planning has allowed the County to absorb these obligations without proposing a tax increase for debt service.
- Capital outlay and maintenance expenditures continue to rise, particularly in Public Safety and Emergency Services, driven by rising equipment costs and technological needs.



FY 27: Expenditures by Function

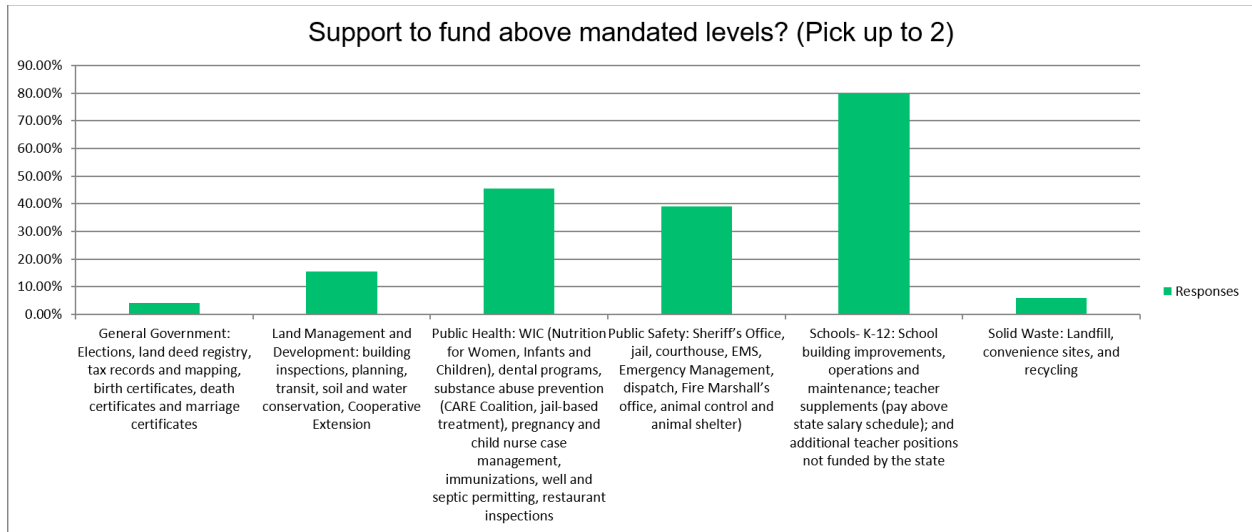
- Public Safety and First Response, including the Sheriff's Office, EMS, 9-1-1 Communications, and Emergency Management, remain major budget priorities due to workforce and equipment cost pressures.
- Health and Human Services, including Public Health and Social Services, continue to rely on a combination of local, state, and federal funding.

- General Government includes core services such as Elections, Tax Administration, and the Register of Deeds.
- County Operations encompasses Facilities Maintenance, Information Technology, Housekeeping, and Capital Project Management.
- Administrative Services includes Finance, Human Resources, and County Administration.
- Debt Service and Future Capital includes existing debt obligations as well as planned financing for major projects, including the courthouse and future school bond issuances.

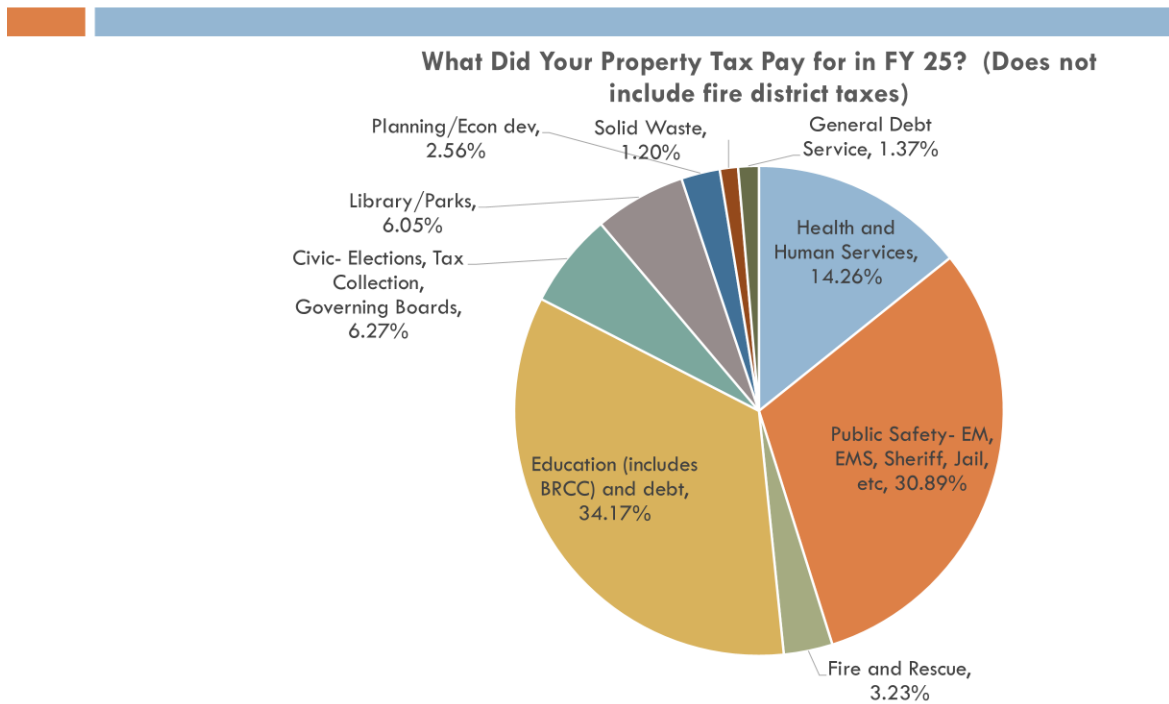


Public Priorities and Mandated Services

- Public survey results indicate strong support for funding Education, Public Health, and Public Safety above minimum mandated levels.
- These priorities align with current County budget practices and investment trends.
- Education, Public Health, and Public Safety account for 74% of the County's direct expenditures.
 - When support functions such as IT, Finance, Maintenance, and other administrative services are allocated, they account for approximately 86% of total costs.
- Analysis of FY 2025 property tax expenditures showed a similar pattern, with approximately 83% of property tax revenues supporting these three service areas.
- Future debt service obligations related to school and public safety projects are expected to increase the share of County resources devoted to these priorities.
- Survey responses and budget allocations demonstrate a consistent community and Board commitment to maintaining higher service levels in these key mandated functions.



What services are paid for by my property taxes?



County Comparisons and Service Outcomes

To provide additional context for budget priorities, the Manager reviewed data comparing Transylvania County to other counties across North Carolina. The information demonstrates how local investments in education, public health, human services, and public safety compare across the state and highlights the outcomes associated with those investments. Transylvania County continues to rank highly in several key performance areas, reflecting the community's longstanding commitment to funding services above minimum mandated levels.

School (Sample Data)

- Transylvania County continues to rank among the highest funded school systems in North Carolina, placing 8th statewide and 2nd in Western North Carolina in per-pupil funding in 2025.
 - Transylvania County: \$15,413 per student.
 - State average: \$13,068
- Local investment in teacher compensation remains strong, with the County ranking 2nd in Western North Carolina and 28th statewide in average teacher supplements before last year’s increase to match neighboring counties.
 - Transylvania County: \$6.603 average annual payment per teacher

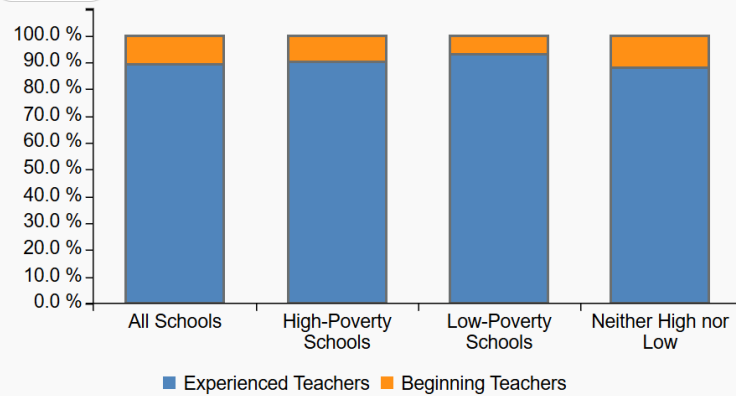
Average Number of Students by School Type

Agency	Elementary	Middle	High	6-12	K-12
Transylvania County Schools	340	326	511	54	
State of North Carolina	452	614	825	271	731

Teachers Qualifications

SUMMARY CHART TABLE

Year
2025



Public Health and Human Services (Sample Data)

- Transylvania County continues to perform well on several key health indicators, including ranking among the top counties statewide for life expectancy and showing improvements in food insecurity measures.
 - Life expectancy rate 79.10; 5th highest in the state (2022)
 - Improved from 37th to 35th (2023)
- Demand for assistance programs remains high:

- Food & Nutrition Services: 1,816 adults enrolled, reflecting 10.8% of adults in the 19-64 age range; 1% increase over last year
- More than 7,500 county residents receive Medicaid benefits, and staff continue to meet state-mandated processing timelines despite staffing challenges.
 - Since July, Adult Medicaid has evaluated 69 clients currently receiving Family Planning Medicaid to determine their eligibility for better benefits.
- Transylvania County ranks 20th in the state for emergency room visits for overdoses, per 100,000 population.

Public Safety (Sample Data)

- Public safety metrics remain strong, with reported crime declining (down 5.2%), arrests increasing modestly (up 1.7%), and the County maintaining one of the lowest incarceration rates in the region (the lowest in WNC) and the state (7th lowest).
- EMS continues to provide service levels that compare favorably with national benchmarks.
 - 4,850 calls in 2025, a decrease from the previous year
 - Average response time of 11.4 minutes (national average, including rural and urban areas, is 10.3 minutes)
 - Average transport time of 16.7 minutes (national average, including rural and urban areas, is 19 minutes)
- Communications staff handled more than 60,000 calls during the year and dispatched over 58,000 calls for service.
- The Animal Shelter maintained a 92% live release rate, exceeding the standard for no-kill designation.

Solid Waste Enterprise Fund Summary

- The FY 2027 recommended Solid Waste budget totals approximately \$4.1 million and continues to operate as a separate enterprise fund.
- Revenue growth is expected to remain limited, with most increases coming from investment earnings rather than user fees.
- The fund remains dependent on a General Fund subsidy, with \$720,000 in property tax support budgeted for FY 2027.
- Recent studies have concluded that the current funding structure is insufficient to sustain long-term landfill operations and meet future capital needs.
- Consultants recommended eliminating bag fees, implementing an availability fee combined with tipping fees, and evaluating a future transfer station model in lieu of constructing additional landfill cells.
- Staff recommends conducting a series of public hearings during FY 2027 to gather community input on future solid waste funding and disposal options.

Fire Department Budgets

- Fire district revenues are projected to grow by 2%, with no recommended increase to the fire tax rate.
- Departments that did not submit resolutions or letters requesting additional funding were limited to the standard 2% increase. Requests for larger increases were reviewed individually, and recommendations were made based on the justification provided.
- Common budget challenges identified by fire departments include workforce shortages, rising personnel costs, increasing health screening expenses, and escalating equipment costs with longer lead times.
- A 2.7% cost-of-living adjustment for personnel was included across all departments. No requests for additional staffing beyond the four firefighters previously approved per department were recommended.

- Recommended budgets include funding above personnel cost increases, with two departments receiving increases above 2% based on demonstrated need.
- The budget also continues support for rural fire department capital planning, Sylvan Valley substation planning, annual audits through a single auditor, and future staffing needs at the Balsam Grove station once construction is complete.
- Staff will continue assisting Balsam Grove with grant opportunities and project development, with indications that grant funding may be available to support the project.

Planning Risks and Trends

- Workforce recruitment and retention remain significant challenges across public service professions, increasing the cost of providing services.
- Public-sector employment trends following COVID-19 have accelerated retirements and reduced the available workforce. The Manager also reported that negative interactions with the public have contributed to early retirements and career changes.
- Recruitment challenges affect numerous professions, including teachers, first responders, nurses, social workers, environmental health staff, animal services personnel, and fire and rescue workers.
- County salary competitiveness continues to lag behind regional employers. Preliminary comparisons suggest starting salaries are approximately 25% below market for detention officers, 20% below market for EMS personnel, and 8% below market for environmental health specialists and Social Worker III positions.
- Human Resources has documented hiring difficulties across multiple departments, with salary levels cited by applicants as a reason declining positions.
- The new courthouse remains a mandated project driven by judicial space requirements and will require increased operating costs for security and technology once occupied.
- Mandated services accounted for 92% of FY 2025 expenditures. At the same time, state-level decisions continue to increase county costs while discussions continue regarding restrictions on local property tax authority.
- The County continues to experience an annual loss of approximately \$800,000 in Medicaid Hold Harmless sales tax revenues while maintaining required distributions to municipalities.
- Inflation, rising fuel costs, and increasing technology expenses continue to pressure operating budgets and capital planning. Tourism-related revenues could also be impacted by economic conditions and regional perceptions (e.g., recent negative attention on Asheville).
- The proposed new campus for Blue Ridge Community College is not included in the County's current 10-year capital plan. Financial modeling indicates the project would require an additional 4-5 cents per \$100 of property tax rate, along with future operating costs once constructed.

Cost Reduction Strategies

- The County uses a data-driven budgeting process focused on controlling costs through detailed line-item reviews, competitive purchasing practices, contract negotiations, audits, risk management, and long-term financial planning.
- Internal analytics, departmental performance reports, debt modeling, and grant pursuits support financial decision-making. More than \$120 million in grant funding has been secured for capital projects, reducing reliance on local tax dollars.
- The Manager emphasized that across-the-board budget cuts are not practical because departments are already budgeted conservatively. Future cost reductions would require changes to services or operations rather than arbitrary spending reductions.
- Public survey results indicated support for increasing user fees where appropriate and evaluating reductions in non-mandated services rather than relying solely on property tax increases.

Non-Mandated Services and Funding Consideration

- Several fee-supported services continue to require property tax subsidies, including Solid Waste, the DMV Tag Office, and Child Development programs.
- Other non-mandated services funded primarily through property taxes include Blue Ridge Community College, the Library, Parks and Recreation, Economic Development, Cooperative Extension, and external agencies.
- While these services are not legally required, they are highly valued by residents and were strongly supported in the County's public budget survey.
- County facility assessments also show that approximately 39% of projected maintenance needs over the next decade relate to facilities serving non-mandated functions, including Silvermont, parks, recreation facilities, and the Library.

Potential Future Budget Discussions

- Continue evaluating Parks and Recreation field fees and policies, as well as potential restructuring of the Solid Waste fee and parcel fees, to reduce pressure on property taxes.
- Review services that are expected to be self-supporting but continue to require tax subsidies.
- Consider service reductions or elimination of non-mandated programs if future financial conditions require additional savings.
- Evaluate long-term plans for non-mandated facilities, including Silvermont, parks, the Library, and the existing courthouse, after court functions move to the new facility.
- Develop strategies to address uncertainty around future state funding decisions, recognizing that reliance on fund balance is not sustainable in the long-term.

Practices Not Recommended to Balance the Budget

The Manager advised against:

- Reducing capital maintenance plans increases long-term costs through deferred maintenance.
- Reducing employee compensation below competitive levels can lead to staffing shortages, inefficiencies, and service risks.
- Delaying equipment investments can increase costs through equipment failures, cybersecurity risks, and reduced operational effectiveness.

Next Steps in the Budget Process

- Commissioners were asked to identify workshop discussion topics and any additional information needed before budget adoption.
- Budget workshops are scheduled to focus on building consensus and resolving outstanding issues before final budget adoption.
- The FY 2027 recommended budget does not include a property tax increase, but the Manager cautioned that significant long-term financial challenges remain due to state policy decisions, mandated services, and future capital needs.
- Public engagement opportunities will continue through budget workshops, public comment periods, the June 22 public hearing, and online access to budget documents.

Board Discussion/Direction to Staff

Commissioners discussed long-term budget pressures, particularly the impact of state mandates, employee compensation needs, and future tax implications. The Manager noted that one cent on the property tax rate generates approximately \$1.2 million in revenue.

Commissioner Chappell requested, for informational purposes, the total dollar amount of teacher supplements and the number and cost of locally funded school positions.

Commissioner Chapman thanked staff for developing a balanced budget without a tax increase but expressed concern about future financial challenges, including workforce recruitment and compensation. He also suggested communicating county concerns to state legislators regarding proposed property tax limitations.

Commissioner McKelvey requested discussion during budget workshops about the long-term risks of avoiding tax increases today while facing future challenges, such as implementing a compensation study and complying with ongoing state mandates.

The Manager clarified that the proposed budget's 1.47% increase in expenditures is funded through natural growth in the tax base rather than the use of General Fund balance. Potential risks remain tied to unresolved state decisions regarding SNAP funding and teacher compensation.

Chairwoman McCall requested additional information on outside agencies supported by county funding and on the community impacts of non-mandated services, such as the DMV Tag Office and Child Development programs. She also clarified that departments requesting budget increases above 2% were only asked to acknowledge that additional funding could require a tax increase, not to advocate for one.

Commissioner Chappell expressed frustration with the state's budget process, noting that counties and school systems are required to adopt budgets before receiving final information on state funding decisions, particularly regarding teacher pay. He emphasized the importance of continuing support for education, including teacher supplements and locally funded positions, despite uncertainty surrounding state funding.

Commissioner McKelvey requested that staff evaluate the financial impact of increasing solid waste bag fees as a potential option to reduce reliance on General Fund support and improve the long-term sustainability of the Solid Waste Enterprise Fund.

There was no further discussion. The Manager will proceed with preparing these discussion items for the budget workshop on June 2.

APPOINTMENTS

JOINT HISTORIC PRESERVATION COMMISSION

The terms of Nicole Bentley, Katherine Poe, and Billy Parrish expire at the end of May. All are eligible for reappointment; however, Mr. Parrish has requested to step down at the end of his term. Two applications are on file for the Board's consideration to fill the upcoming vacancy.

Commissioner Chapman moved to reappoint Nicole Bentley and Katherine Poe to the Joint Historic Preservation. Commissioner McKelvey seconded the motion, and it passed unanimously.

Commissioner Dalton nominated and moved to appoint Liam McKissock to fill the upcoming vacancy. The motion was seconded by Commissioner Chapman and passed unanimously.

TRANSPORTATION ADVISORY COMMITTEE

The terms of James Felty, Jimmy Whitmire, and Keith Wilmot expire at the end of May. Mr. Felty has served one term and is eligible and willing to serve another term. Mr. Wilmot has served multiple terms and is not eligible for reappointment at this time. Several applications are on file for the Board's consideration to fill the vacancy created by Mr. Wilmot.

Mr. Whitmire serves as the Town of Rosman's appointee, and Mayor Brian Shelton recommended his reappointment. Additionally, the City of Brevard recommended the appointment of Councilman Lauren Wise to fill the vacancy created by the retirement of Councilman Mack Morrow.

Commissioner Chapman moved to reappoint James Felty to the Transportation Advisory Committee, accept the Town of Rosman’s appointment of Jimmy Whitmire, and accept the City of Brevard’s appointment of Councilman Lauren Wise. Commissioner McKelvey seconded the motion, and it passed unanimously.

Commissioner Chapman nominated and moved to appoint David Carter to fill the remaining vacancy. Commissioner Dalton seconded the motion, and it passed unanimously.

NEW BUSINESS

TRANSYLVANIA COUNTY SCHOOLS CONTRACT WITH OPTIMAL TEK FOR CAMPUS SAFETY IMPROVEMENTS

Transylvania County Schools requested approval of a contract with Optimal Tek for a district-wide intercom/PA/bell system project designed to improve campus safety. The Board of Education approved the contract at its regular meeting on May 18, 2026.

Superintendent Dr. Lisa Fletcher reported that three schools currently have intercom systems that are not functioning adequately. If approved, the systems could be replaced prior to the start of the fall semester. The Optimal Tek turnkey IP solution will also integrate with the Centegix system to further enhance campus security across all schools.

The vendor was selected through a weighted evaluation process and grading matrix, with Optimal Tek receiving the highest overall score among the proposals. The project will be funded with bond proceeds under Scope 1, which includes allowances for improvements to school safety and security systems.

Commissioner Dalton moved to approve the contract between Transylvania County Schools and Optimal Tek for the district-wide intercom/PA/bell system project, utilizing bond funds in the amount of \$1,473,449.49, and authorized staff to execute the contract on behalf of the County. Commissioner McKelvey seconded the motion, and it passed unanimously.

Commissioner Chapman noted that the County’s investment reflects its commitment to school and student safety, including ongoing support for school resource officers at all schools.

FEDERAL OPPORTUNITY ZONE DESIGNATIONS

The County Manager reported that the State of North Carolina has initiated the process of identifying and submitting a list of census tracts to the U.S. Department of the Treasury for potential certification as Opportunity Zones (OZs). The North Carolina Department of Commerce is currently accepting public input and nominations for eligible tracts, with a submission deadline of June 7, 2026.

The Opportunity Zone program is a federal tax incentive created under the 2017 Tax Cuts and Jobs Act to encourage long-term private investment in economically distressed census tracts. The program is intended to promote job creation, business development, and community redevelopment.

Incentives for investors may include:

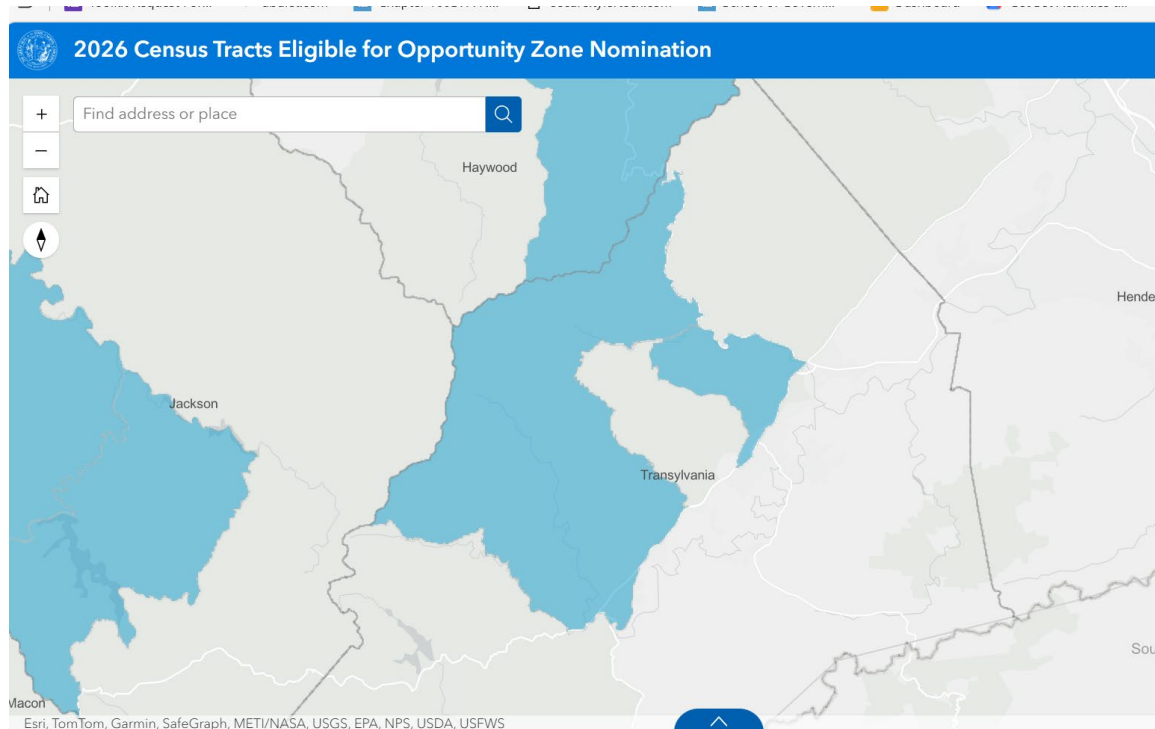
- Deferral of capital gains reinvested into an Opportunity Zone.
- Reduction of capital gains taxes if held for at least five years
- Elimination of capital gains taxes on appreciation from OZ investments held long-term.

Although the program was previously scheduled to stop accepting new investments after December 31, 2026, it was reauthorized in 2025 with updated provisions, including new tract designations on a 10-year cycle. A new designation cycle will replace the County’s prior OZ designation.

Beginning July 1, 2026, governors will have 90 days to nominate up to 25 percent of eligible low-income census tracts for the next round of designations, which will take effect January 1, 2027, and remain in place for 10 years.

The County has two potential Opportunity Zone tracts under consideration. One larger tract includes Rosman, Balsam Grove, and a portion of Lake Toxaway. The second tract includes a portion of Brevard extending toward the Pisgah Forest intersection. While smaller, the Brevard-area tract contains more properties with water and sewer infrastructure, which may make it more attractive for investment.

The Manager requested Board input on the potential nominations.



Commissioner Dalton expressed support for the process, noting that prior Opportunity Zone designations included areas within Pisgah National Forest that were not viable for development, while the current tracts include more usable areas.

Commissioner Chappell asked whether the County must select only one tract. The Manager confirmed that both tracts may be nominated.

Commissioner Chappell stated that if only one could be selected, the Brevard/Pisgah Forest-area tract may offer greater opportunity, but he would prefer to submit both if permitted.

Chairwoman McCall requested examples of qualifying projects. The Manager explained that eligible projects may include housing developments with rental units or economic development projects involving capital investment for new or expanding businesses.

Commissioner Chappell moved to nominate both tracts. Commissioner McKelvey seconded the motion, and it passed unanimously.

MANAGER'S REPORT

The County Manager provided the following updates and announcements:

- Reminder that the Board of Commissioners will hold a budget workshop on Tuesday, June 2, at 6:00 p.m. and, if needed, on Thursday, June 4, at 6:00 p.m. in the Commissioners'/Multipurpose Chambers.
- While state statute requires a public hearing on the budget, it is not the only opportunity for public input. The Board also provides two public comment periods during each regular meeting. Upcoming meetings include June 8 and June 22. State law requires only one public comment period per month.
- Following the public hearing on the FY 2027 budget on June 22, staff will recommend Board approval of the final budget prior to the July 1, 2026, statutory deadline.
- The audiovisual (AV) upgrade to the Commissioners'/Multipurpose Chambers will begin June 23, following the June 22 Board meeting. An additional week between meetings in late June and early July will allow time to complete the project prior to the July 13 meeting.
- The North Carolina Association of County Commissioners (NCACC) is accepting legislative goal proposals. Every two years, in advance of a long session of the General Assembly, NCACC coordinates a statewide process to develop legislative priorities for counties. The process is designed to gather input from commissioners, county officials, and stakeholders. Proposals may include statutory changes or funding requests and should be statewide in scope across all 100 counties. Submissions are due August 14. Staff encouraged Commissioners to begin considering potential proposals, which will be brought back for discussion and action at a future meeting. Previous submissions will be provided for reference, including a request related to a differentiated tax rate for non-resident property owners.
- The public is invited to attend the first concert of the season on June 5 at 7:30 p.m. at the newly covered Library Amphitheater. A small ribbon-cutting ceremony will be held in conjunction with the event to recognize the new amphitheater cover.
- America 250 Celebration:
 - Several events are planned throughout the year to mark the 250th anniversary of the United States.
 - The next event will be held on June 20, titled "*Okra Awakening: Washington's Primary Pursuit—Revolution Era Garden*," from 12:00 to 1:00 p.m.

The Manager also responded to questions raised by Commissioner Chapman regarding a recent fire on Brown Road. The Manager stated that local fire departments and the County Fire Marshal's Office responded to the incident. The facility involved is state-permitted, and the County does not regulate its operations. As such, staff could not comment on the cause of the fire. Multiple fire departments, including assistance from Henderson County, responded. Due to the scale of the incident and water demand, it was not feasible to fully extinguish the fire, and so it was transitioned to a controlled, contained burn.

PUBLIC COMMENT

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

Aaron Baker, Brevard City Council, provided context on the City's request for fire department staffing and funding for additional full-time firefighters. He noted that last year, the Board worked to bring fire departments up to the baseline of three full-time firefighters. He stated that the City of Brevard currently operates with three full-time firefighters and a chief, similar to other county departments, but is responsible for both the City of Brevard and the Sylvan Valley fire districts. He explained that this combined service area results in one of the busiest fire departments and reflects broader national trends related to the transition from volunteer to paid fire service staffing. He stated that while the City is supplementing coverage with part-time staff, additional full-time firefighters are needed to adequately serve both districts. He requested that the County consider partnering in funding three additional full-time firefighter positions to bring Sylvan Valley

Fire District coverage in line with other districts. He also requested that the matter be discussed during the upcoming budget workshop. As Chair of the City's Public Safety Committee, Mr. Baker also requested follow-up information regarding the recent fire incident near Brown Road and Highway 64, noting concerns about emergency response impacts and infrastructure strain. He referenced the broader issue of debris and fire risk following Hurricane Helene and indicated that the incident had significant impacts on the city's water supply infrastructure. He encouraged continued coordination and information sharing regarding the incident.

COMMISSIONERS' COMMENTS

Commissioner Chapman requested that the City of Brevard provide additional data regarding call volumes within the Sylvan Valley Fire District to assist in future discussions.

Commissioner Chapman thanked the County Manager and staff for the proposed budget and for recommending no tax increase. He stated that prior Board decisions, including earlier tax adjustments and planning for future capital needs and teacher supplements, positioned the County more favorably for the current budget cycle. He further noted that had the County not proceeded with the recent property revaluation, the County would be facing significantly different financial conditions. He observed that some surrounding counties are now dealing with larger valuation shifts due to delayed revaluation cycles. He stated that Transylvania County's decision to proceed as scheduled has resulted in greater fiscal stability and avoided more significant disruption.

Commissioner Chapman also noted that his term on the NCACC Board of Directors will conclude in August. He stated that NCACC will contact counties in District 16 to gauge interest in future representation.

ADJOURNMENT

There being no further business to come before the Board, **Chairwoman McCall moved to adjourn the meeting at 8:10 p.m., seconded by Commissioner Dalton, and the motion was unanimously approved.**

Teresa K. McCall, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board