

**MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
FEBRUARY 26, 2007- REGULAR MEETING AND GENERAL ACCOUNT OF
CLOSED SESSION**

The Board of Commissioners of Transylvania County met in regular session on Monday, February 26, 2007 at 7:00 p.m. in the large courtroom of the Transylvania County Courthouse.

Commissioners present were Lynn Bullock, Chairman Jason Chappell, David Guice, Daryle Hogsed and Vice Chairman Kelvin Phillips.

Staff members present were Manager Artie Wilson, Bob Twomey, Register of Deeds Cindy Ownbey, Tax Assessor/Collector David Reid, Frank Pearsall, Board of Elections Director Judy Matthews, Tracy Fisher, Economic Development Director Mark Burrows, Personnel Director Sheila Cozart, Finance Director Gay Poor, County Attorney Jeanne Hall and Clerk to the Board Trisha McLeod.

Media: *Times News*- Jonathan Rich
Transylvania Times- Kim MacQueen

There were approximately 35 people in the audience.

CALL TO ORDER

Chairman Chappell presiding called the meeting to order at 7:00 p.m.

WELCOME

Chairman Chappell welcomed everyone to the meeting.

PRAYER

Commissioner Hogsed offered the invocation.

PLEDGE OF ALLEGIANCE

Commissioner Bullock led the Pledge of Allegiance.

PUBLIC COMMENT

James Keenan: Mr. Keenan asked about the status of energy conservation at the new Public Safety Facility, the status of the floodplain mapping, and the County's plan to save on energy costs as it relates to the renovation of County buildings. The Manager responded to each question. The Manager stated the County is on target to be LEED certified at the Public Safety Facility. The Manager stated there are two different projects

related to the floodplain. There is a floodplain mapping project currently under way and the maps for that will be ready in about a year. The County has entered into contract with Martin-McGill to complete the Floodplain Study which will begin soon. The Manager explained that some of the renovations to County buildings have been put on hold by the Commissioners, but the County is trying to make existing facilities more energy efficient by replacing windows, etc.

Fred Tinsley: Mr. Tinsley said he heard the County may put a museum in one of the County buildings and he voiced his opposition to putting such a museum in Silvermont. Chairman Chappell responded saying there were letters written to the editor announcing the subject of a museum as agenda item for discussion at this meeting. He explained that this was not on the agenda but welcomed public comment regarding this issue.

Jackie Whitmire: Mrs. Whitmire is on the Board of Directors for WCCA. She said the WCCA has spent considerable time and energy in an effort to keep Silvermont open for the senior citizens and they are very interested in continuing to use Silvermont for that purpose.

Rachel Delk: Ms. Delk is on the WCCA Board of Directors. She said she is in favor of continuing to use Silvermont for senior citizen activities.

Commissioner Guice added that there was no miscommunication to the public from the Commissioners about the subject of a museum as an agenda item for this meeting. He said someone wrote a letter to the newspaper indicating to the citizens that this matter was going to be discussed but the Commissioners had not given any indication of this. Chairman Chappell said there was a letter in the newspaper today noting the mistake.

AGENDA MODIFICATIONS

The Manager reported on the Agenda Modifications as requested. The Manager added an item for closed session per NCGS 143-318.11(a) (5)- Negotiation of a Contract.

Commissioner Guice moved to accept the Agenda as amended, seconded by Commissioner Phillips and unanimously approved.

CONSENT AGENDA

The following items were approved:

MINUTES: Minutes from the January 31, 2007 Special Called Meeting and the February 7, 2007 Secondary Roads Meeting were approved.

FACILITIES USE REQUEST: The use of the Courthouse Lawn and Gazebo by Alice Hardy and Kathie Williams of the Children's Center on April 25-26 was approved.

DISCOVERY AND RELEASE REPORT: The Discovery and Release Report for accounting period January 1, 2007 through January 31, 2007 was approved.

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

PRESENTATIONS/RECOGNITIONS

TRANSYLVANIA COUNTY RECOGNIZED BY UNITED WAY

The Manager said Transylvania County has been very active in the United Way for some time. Last year Transylvania County was the largest donor by an organization in the County. He asked Personnel Director Sheila Cozart and Tax Assessor/Collector David Reid to provide some history of the County's work with the United Way.

Mrs. Cozart said the United Way recently held its annual meeting and Transylvania County employees received the award for having the highest payroll campaign within the County. She said when she first came to work here 16 years ago the United Way Campaign was a routine process and the donations were minimal. After losing some of the major employers in the County, the United Way asked the County to do more. The Manager got the Department Heads involved. Carson Griffin volunteered to be the Campaign Coordinator and during that time there was astonishing growth in the amount of donations. Donations increased from approximately \$3300 to \$9000 during this time. David Reid has been the Coordinator for the last few years and the total campaign has grown to over \$19,300. She said the employees have really done a great job. David Reid added that Transylvania County has fantastic employees and he is proud to work with them. The Commissioners congratulated Mrs. Cozart, Mr. Reid and the employees for their amazing job in sacrificing for the needs of the community.

The Manager presented the award to Mrs. Cozart and Mr. Reid.

UPDATE ON VETERANS ADMINISTRATION- FRANK PEARSALL

Mr. Frank Pearsall addressed the Board. He explained that he has served as the Transylvania County Veteran's Service Officer since October 2006 and since that time he has been quite busy. Mr. Pearsall said since January he has dealt with over 183 people and so far for the month February he has seen over 80 people. He said there a lot of veterans in this County that need help. He provided the Commissioners with a report of some of the things he does to assist Veterans.

Chairman Chappell asked him to explain some of the programs. Mr. Pearsall said he assists Veterans in filing disability claims. He said he is beginning to see Veterans from the first Iraq war, the latest war and the Vietnam War. He stated that the Veterans' Administration presumes that those who served in Vietnam were exposed to Agent Orange. He assists Veterans in trying to get into the VA system. If a Veteran has lost his or her metals, he helps them get a second issue of their metals. Mr. Pearsall said he is an advocate for Veterans and he plans to meet with the representative from Congressman Shuler's office this week to bring to his attention some of the issues Veterans are facing.

The Commissioners thanked Mr. Pearsall for the job he does and for his service to the country.

NACCO PRESCRIPTION DRUG DISCOUNT CARD PROGRAM- SHEILA COZART

Sheila Cozart addressed the Board. She stated that in 2005 there was an article in the National Association of County Commissioners newsletter about a discount prescription program and after finding out more information she brought it forward to the Board for their consideration. She explained that there is no cost to the County to make this program available to the citizens and she has heard very positive things about the program.

In the 14 months since Transylvania County joined the program, 2217 residents that have utilized the program. 5,682 prescriptions have been filled with a savings to residents of \$48,804. Mrs. Cozart explained that there is no paperwork to complete. Participants only need to take the card with them to their Pharmacy to receive a discount on their prescriptions. The County has outsourced the discount prescription cards to medical practices in the community, as well as to the Health Department, Social Services and other locations. She wants the community to know the County still has these available to residents and agencies. Chairman Chappell added that this is a wonderful program and he is amazed at the cost savings to our citizens.

APPOINTMENTS

ECONOMIC DEVELOPMENT ADVISORY BOARD

The terms of Dan Collier, Ed Coye and Bill Ragland have expired and they are not eligible to serve another term at this time. The term of Bill Layton has expired and he is eligible and willing to serve another term.

Commissioner Phillips moved to reappoint Bill Layton, seconded by Chairman Chappell.

Commissioner Guice asked if the reappointment of Mr. Layton was appropriate since Mr. Layton is now employed by the County and working with Economic Development. The Manager said he spoke with Economic Development Director Mark Burrows about whether or not to give someone else an opportunity to serve on the EDAB since Mr. Layton was already going to be involved through his work with the Economic Development. The Manager stated that Mr. Burrows did not see a problem with Mr. Layton serving on the EDAB but that it was really the Commissioners' decision.

Commissioner Phillips withdrew his motion. Chairman Chappell called for nominations from the Board.

Commissioner Hogsed nominated Larry Van Antwerp, Sr., seconded by Commissioner Phillips.

Commissioner Guice nominated Roger Frisbee, seconded by Commissioner Hogsed.

Commissioner Phillips nominated Lynda Hysong, seconded by Chairman Chappell.

Commissioner Guice nominated Bill Towler, seconded by Commissioner Hogsed.

All nominations were unanimously approved.

Commissioner Guice nominated Tad Fogel for Chairman of the EDAB, seconded by Chairman Chappell and unanimously approved.

TRANSYLVANIA COUNTY COMMUNITY APPEARANCE INITIATIVE

The Manager stated that initially the Planning Board will have one Board member, two citizen members shall serve one year, 2 citizen members shall serve two years, two citizen members shall serve three years, and the Health Department and Solid Waste Department members shall serve continuously.

Commissioner Bullock nominated Joe E. Galloway to a three year term, seconded by Commissioner Guice and unanimously approved.

Commissioner Bullock nominated Don Surette to a three year term, seconded by Commissioner Phillips and unanimously approved.

Commissioner Phillips nominated Harold Paxton to a two year term, seconded by Chairman Chappell and unanimously approved.

Commissioner Guice nominated Jim Meyer to a two year term, seconded by Commissioner Hogsed and unanimously approved.

Commissioner Hogsed nominated Steve Smith as the representative from the Health Department, seconded by Commissioner Guice and unanimously approved.

Commissioner Hogsed nominated Jeff Brookshire as the representative from the Solid Waste Department, seconded by Commissioner Phillips and unanimously approved.

Commissioner Phillips nominated Terry Crowe with the Planning Board, seconded by Chairman Chappell and unanimously approved.

Commissioner Bullock nominated Bill Rogers to a one year term, seconded by Commissioner Phillips and unanimously approved.

Commissioner Guice nominated Jim Robards to a one year term, seconded by Commissioner Hogsed and unanimously approved.

Chairman Chappell stated the recommendation for Chairman was Terry Crowe from the Planning Board. Chairman Chappell called for nominations from the Board.

Commissioner Guice nominated Steve Smith as Chairman, seconded by Commissioner Hogsed.

Commissioner Phillips moved to nominate Terry Crowe as Chairman, seconded by Commissioner Bullock.

Terry Crowe was nominated as Chairman by a vote of 3 to 2.

Commissioner Hogsed nominated Mike Thomas as the Administrator, seconded by Commissioner Guice and unanimously approved.

PLANNING BOARD

Chairman Chappell noted that Mason Sexton's term had expired and that he has served 21 months of the unexpired term of Milton Goodman and 21 months of the unexpired term of Kelvin Phillips. He explained the Policy and Procedure for Appointments which reads, "An individual whose initial appointment was to fill an unexpired term shall be eligible to serve two full terms. This policy may be waived if the Board of Commissioners determines that the removal of a number of individuals made ineligible by this statute would be detrimental to the functioning of that board, committee, commission or council."

The Chairman noted there are several applications on file and called for nominations from the Board.

Commissioner Phillips moved to reappoint Mason Sexton, seconded by Commissioner Bullock.

Commissioner Hogsed moved to appoint Jeff Duvall, seconded by Commissioner Guice.

Commissioner Guice added that Mr. Jeff Duvall served on the Planning Board from 1988 to 1992 and also served as Commissioner for 12 years. During his time on the Planning Board, he chaired the Planning Board and Commissioner Guice felt like he had done an exceptional job and would be a good appointment to the Planning Board.

Mason Sexton was reappointed to the Planning Board by a vote of 3 to 2.

Chairman Chappell called for nominations for Chairman of the Planning Board. He noted the current Chairman is Jimmy Perkins.

Commissioner Hogsed nominated Jimmy Perkins to continue to serve as Chairman of the Planning Board, seconded by Commissioner Guice.

Commissioner Phillips nominated Mason Sexton for Chairman to the Planning Board, seconded by Chairman Chappell.

Commissioner Guice said Mr. Perkins has indicated an interest in continuing to serve as Chairman. He said when someone serves on a Board and does a good job, he would hope that the Commissioners would want to continue the person in that role. Commissioner Hogsed added that members of the Planning Board have been very commendable of Mr. Perkins and his role as Chairman and they recommended Mr. Perkins continue to serve in that capacity. Commissioner Bullock added that the Planning Board seems to be pleased with Mr. Perkins as Chairman.

Jimmy Perkins was reappointed Chairman by a vote of 3 to 2.

OLD BUSINESS

TRANSYLVANIA COUNTY TRANSPORTATION PLAN

Chairman Chappell stated that a Public Hearing was held at the February 12, 2007 Board of Commissioners meeting to allow public comment on the Transylvania County Transportation Plan. The Manager stated that the North Carolina Department of Transportation is asking the Commissioners to approve the maps that they have presented.

Commissioner Guice moved to approve the proposed Transylvania County Transportation Plan, seconded by Commissioner Phillips and unanimously approved.

PROPOSED ORDINANCE ON MASS GATHERINGS

The Manager stated Staff has been working to revise the County's Mass Gathering Ordinance. Last year a large event was held in the County and County was responsible for making sure sanitation facilities, water, emergency medical services and law enforcement services were available for the event. The out-of-pocket expense for the County was over \$20,000. The purpose of the ordinance is to protect the County and to state what all parties' responsibilities are in an event such as the one held last year. The Board of Commissioners has placed a moratorium on mass gatherings to allow time to review the revised ordinance and give the public an opportunity to comment. The Manager asked the Commissioners to authorize a Public Hearing on March 12, 2007. Commissioners will be asked to revise or approve the Mass Gathering Ordinance on March 26, 2007 to be effective April 1, 2007. The Manager noted that the proposed ordinance is available for the public to view on the County website, the library and copies are available at County Administration.

Commissioner Hogsed moved to schedule a Public Hearing on the revised Mass Gathering Ordinance for Monday, March 12, 2007 at 7:00 p.m. in the large courtroom at the courthouse, seconded by Commissioner Bullock and unanimously approved.

NEW BUSINESS

LOTTERY PROCEEDS

The Manager stated that when the FY 2006-07 budget was constructed, \$288,000 was included in the Capital Outlay Budget for the School System. The NCACC estimated Transylvania County would receive this amount in lottery proceeds.

Finance Director Gay Poor has been working to gain further information about the lottery proceeds. Mrs. Poor stated that as passed, the North Carolina State Lottery Act (Chapter 18C) does not contain non-supplant language. However, Senator Pittenger has introduced a bill to add non-supplant language saying the funds provided by the lottery proceeds can not be used in place of funds that the county would have allocated to the school system anyway. Mrs. Poor said she spoke with Rebecca Troutman at the NCACC and Ms. Troutman said before the Lottery Act was passed, there was some discussion about non-supplant funds and that the intent of the legislature was to increase educational funding overall for the schools. Ms. Troutman stressed that it was important to note the total appropriations for the school system, not just capital outlay. Mrs. Poor stated that in this year's budget, there was an increase of \$744,000 in capital outlay and current spending and the original budgeted amount from the lottery proceeds was \$288,000. Senator Pittenger suggests in his bill of taking an average of the most recent five years of capital outlay to establish a baseline for capital projects. Mrs. Poor said if you use that for formula for Transylvania County, the baseline would be approximately \$1.5 million. Removing the amount spent on special capital projects would reduce the baseline to approximately \$900,000. Mrs. Poor added that establishing a baseline for capital projects is very difficult because the amount varies depending upon the type of projects needed.

The Manager added that when Transylvania County lost a significant number of jobs, the Board of Commissioners reduced the current operating expenditures and reduced the amount set aside for projects. At that time the County had \$3.4 million in reserves for the School System. In order to meet the capital needs requested by the School System, and without raising taxes, the County had to start drawing down those reserve funds. The Manager stated that at the end of this year, the reserve will have \$0. The County's concern is how the baseline will be determined. If Senator Pittenger's bill passes, it could be an impediment to the County. Mrs. Poor added that currently there is no baseline.

Chairman Chappell asked the Manager if school systems or counties have expressed their concerns to Senator Pittenger. The Manager stated Senator Pittenger has been discussing this issue with the Board of Education. The Manager said he shared his concerns with Senator Pittenger and the Senator said he wanted to take a simple approach to establishing a baseline.

Chairman Chappell asked the members of the Board of Education present at the meeting to comment. Chris Whitmire, Board of Education member, stated that recently he attended a session with Congressman Heath Shuler. He noted there were over 70 attendants from Western North Carolina and that Transylvania County was one of the

only counties considering supplanting lottery money. Mr. Whitmire stated that the lottery underperformed and has not lived up to expectations and the school system is facing huge challenges within the next several months.

Teresa McCall, Chairman of the Board of Education, stated that State Government has proposed to decrease the amount of money available to schools from 40% to 30%. She stated that The Education Lottery is supposed to be used for education. Mrs. McCall requested that the Board of Commissioners and the Board of Education hold a joint meeting to discuss what is best for the students of Transylvania County. She noted that the Board of Education is currently looking at appropriate projects to identify for the possible use of the lottery funds.

The Manager noted that the concern at this point is not about supplanting funds, but rather how to establish a baseline for capital spending. The last budget was considerably higher than the previous year and it included the lottery funds to help meet those needs. Senator Snow needs to be aware of how this bill, if passed, could adversely affect Transylvania County.

Commissioner Guice stated that Transylvania County has funded the educational needs for years in this community and will continue to meet those needs. However, the Board of Commissioners needs to take action on this issue. Senator Pittenger has introduced a bill that could affect how the baseline is calculated.

The Manager received a consensus from the Commissioners to begin discussions with Senator Snow about the County's concern of Senator Pittenger's proposed bill.

TERMINATION OF FLOOD PROOFING PROJECT

The Manager stated that the Flood Proofing Project at Zion Baptist Church is almost complete. With the completion of this project NRCS will have been involved in completing three of the six original projects that were identified. Funding for the flood proofing projects has dwindled to the point that the funds are non-existent and the high cost of construction has forced the participants to pay a larger share which has limited those willing to participate. Based upon this, the County received a letter from Bob Twomey recommending that the Upper French Broad Flood Proofing Project be terminated by writing a letter to the State Conservationist.

Bob Twomey provided the Commissioners with some background on the project. In July 1984, the Upper French Broad River Flood Plain Management Study was commissioned by the County Commissioners and the Soil and Water District Board, under the technical direction of NRCS, to study ways to reduce flood damages in the floodplains of the French Broad River. Many alternatives to reduce flood damages to agriculture, roads, bridges, homes, businesses and other infrastructure were studied. The most promising and the most controversial were the headwater retention structures that potentially would have protected the 100 year flood plain. The Upper French Broad River Flood Proofing Project became reality in September 1997. The purpose of the project was to create a way of flood proofing structures known to be in the 100 year flood plain.

NRCS asked the County to identify six structures that would be eligible for flood proofing. Of those original six sites, two have been completely flood proofed by NRCS, a third was jointly flood proofed by the homeowner, NRCS and the Soil and Water District. Two other sites have full and complete engineering designs that will be implemented at such time that the owners are able to proceed with the flood proofing and one was terminated at the request of the landowner.

Mr. Twomey stated that for only the second time in the United States, NRCS utilized PL-566 watershed funds to build either flood walls or elevate a house above the 100 year flood plain. Historically these funds were used to build headwater dams, storage ponds, dikes, levees, etc. However, funding for watershed projects has been dwindling over the last few years and is all but non-existent. Local cost-sharing percentages that have been met by local matches from the landowners, given the current cost of construction, cost of steel and concrete, are just out of their reach. Therefore, rather than giving a false sense of hope and security to landowners that something could possibly be done to their structures, homes or businesses, the NRCS suggested terminating the project.

Commissioner Phillips moved to approve the termination of the Upper French Broad Flood Proofing Project, seconded by Commissioner Bullock and unanimously approved.

TRANSYLVANIA COUNTY MANUFACTURING INCENTIVE POLICY

Tad Fogel, Chairman of the Economic Development Advisory Board, addressed the Board. He said their plan is to be consistent with the state policy and the purpose of revising the Transylvania County Manufacturing Incentive Policy is to reflect the change in the William S. Lee Act. It has been deleted from the state plan and changed to Article 3J. The Incentive Policy grants back taxes paid as opposed to incorporating a multiplier.

Economic Development Director Mark Burrows stated that the EDAB has been working for several months on a draft Manufacturing Incentive Policy with the proposed changes that Mr. Fogel identified. The draft represents the changes that have occurred at the state level and will reflect what previous Boards of Commissioners have actually done to attract larger clients to the County.

Commissioner Guice moved to approve the revised Manufacturing Incentives Policy, seconded by Commissioner Phillips and unanimously approved.

INCENTIVE GRANT FOR SYTRONICS

Economic Development Director Mark Burrows addressed the Board. He stated that when Sytronics was considering their move to Transylvania County from the Arden area, he discussed the County's Incentive Policy with them. Sytronics made application under the policy that existed prior to the one the Board of Commissioners just voted on. They were aware that the change was coming but they were very content to move forward with the application under the old policy. Mr. Burrows said Sytronics is a viable manufacturing facility in the County. They had tremendous growth in the past year

without having to do any advertising. They manufacture high-end electronic components for medical and security devices. Sytronics employs 12 individuals and they are looking to add another person. Mr. Burrows said they are pleased to be in Transylvania County and very pleased with the support they have received. Mr. Burrows recommended the Board of Commissioners consider holding a Public Hearing for this incentive per General Statutes.

Chairman Chappell moved to authorize the holding of a Public Hearing of the grant application for Sytronics to be held on Monday, March 12, 2007, seconded by Commissioner Guice and unanimously approved.

NORTH CAROLINA MARRIAGE AMENDMENT

Chairman Chappell said this is an agenda item that he asked to be brought before the Board. He stated that in the last year, two other counties have passed resolutions requesting the voters of North Carolina be given an opportunity to ratify or reject an adoption of an amendment to the North Carolina Constitution that defines marriage as the union of one man and one woman at one time. He stated that for the last three years a bill has been submitted in the General Assembly to allow citizens the right to vote on a marriage amendment and so far the leaders in the General Assembly have refused to allow it out of the committee. Chairman Chappell read Resolution 39-07, North Carolina Marriage Amendment Resolution. (Attached as part of the minutes)

Commissioner Phillips moved to approve Resolution 39-07, seconded by Commissioner Bullock.

Chairman Chappell noted that there is a law on the books in North Carolina stating that marriage is allowed only between a man and a woman but his concern is that an activist judge may decide otherwise.

The motion was unanimously.

REQUEST TO USE AMPHITHEATER

The Manager stated the County received a request from the Transylvania Baptist Association and Mayor Jimmy Harris to use the Amphitheater on the National Day of Prayer on May 3, 2007 from 5:00 p.m. to 10:00 p.m. The library is open until 8:00 p.m. so parking for the event is a potential problem. The Manager and Mayor Harris have reached an agreement that the first three rows of parking close to Gaston Street would be available for parking for the concert prior to the library closing. The other three lanes of parking would be for the library patrons. The Manager noted there is additional parking at First Baptist Church, the Community Services Building and the Board of Elections Office.

Commissioner Bullock moved to approve the request to use the Library Amphitheater with the restraint on parking, seconded by Commissioner Hogsed and unanimously approved.

REDESIGNATION OF THE HOME CONSORTIUM

The Manager explained that the Asheville Regional Housing Consortium's designation by the Department of Housing and Urban Development (HUD) as a participating jurisdiction in the HOME program expires this year. The City of Asheville, acting as Lead Entity, has submitted a notification of intent to participate again as a consortium. Transylvania County has been a member of the consortium for a number of years. In order to continue designation as a participating jurisdiction and receive annual funding allocation, the Consortium must execute a new Joint Cooperation Agreement. The agreement must be accompanied by a legal opinion concluding that the terms and provisions of the agreement are fully authorized under state and local law and provides full legal authority to undertake or assist in undertaking housing assistance activities for the HOME program. The agreement must also contain a provision requiring each member to affirmatively further fair housing. The Manager noted Mark Burrows, Economic Development Director, serves as the Vice Chairman on the Consortium.

Commissioner Guice moved to approve Resolution 38-07 and authorize the Chairman to sign the Asheville Regional Housing Consortium Joint Cooperation Agreement, seconded by Commissioner Phillips and unanimously approved.

Resolution 38-07 attached as part of the minutes.

DISCUSSION REGARDING LOCAL SALES TAX AND LAND TRANSFER TAXES

The Manager stated that for a number of years the NCACC has been trying to assist counties in securing additional tools for revenue rather than just a property tax. This year a number of counties have introduced local legislation that would give them the authority to impose a 1% Local Option Real Estate Transfer Tax that could be used towards school capital needs or other critical infrastructure needs in their communities. In addition many counties have asked for legislation that would give them the authorization to impose an additional ½ cents Local Option Sales Tax to meet operational and capital needs. A county can not impose either one of these taxes without authority from the state.

Chairman Chappell asked if there was a sunset clause in the provision. The Manager said he was not aware of a sunset clause. He stated that some of the legislation that has been introduced was specifically identified for school construction and others were for school construction and other infrastructure needs. The Manager encouraged the Board to make their request as broad as possible such that it can be used for school construction and other capital needs.

Commissioner Phillips asked if a land transfer tax would be imposed when land is passed from parents to their children without the exchange of money. The Manager stated if there was no exchange of money, he would think that the tax would not be imposed.

Commissioner Bullock stated that there is no guarantee that counties are going to get any Medicaid relief and funding education is a problem so it would be nice to have these options for additional revenue. Commissioner Guice added that it makes sense to have this available as a tool.

Chairman Chappell concurred with the Commissioners. He stated the County is facing some very difficult decisions and it would be nice to have this available. He noted that having this option available to the County does not necessarily mean a tax increase. Commissioner Hogsed added that requesting the authority for this is a safety net for several issues whether it is for schools, mental health or Medicaid.

Commissioner Guice stated that the school systems do not know until the last minute what cuts are going to be made in their budgets by the leaders in Raleigh. He said the schools are mandated to do certain things that are not always funded and this at least gives us an opportunity to look at other revenue sources.

Commissioner Phillips asked if this issue would be put to a local referendum. Commissioners Guice and Hogsed concurred that since this could impact a lot of people, it would be the right thing to do to hear from the public.

Commissioner Phillips said he would like to have answers as to whether the land transfer tax applies to families when there is no exchange of money. Finance Director Gay Poor responded saying there are several exceptions one being when no consideration was paid or received by the transferor or the transferee.

Chairman Chappell called for public comment.

Sarah Champion: Ms. Champion said the sales tax hurts the poorest of the poor in this community. She stated that a community's revenue increases as the tax base grows and a certain amount of growth should be expected. Ms. Champion stated that she believes it is unfair to charge a land transfer tax to pay for goods and services to someone leaving the county because that person does not stand to benefit from the tax.

Pete Peters: Mr. Peters said the prior speaker was speaking as though the Board of Commissioners was going to enact these taxes today. He said the Board is seeking the authority to enact taxes that may or may not be exercised and he would worry about the effects when it was time to enact the tax. He urged the Board to request the authority.

Commissioner Hogsed moved to approve Resolution 40-07 Supporting Local-Option Real Estate Transfer Tax, seconded by Commissioner Guice. Commissioner Hogsed noted one typographical error to be changed. The motion passed 4 to 1, with Commissioner Phillips opposed.

Commissioner Guice moved to approve Resolution 41-07 Supporting Local-Option Sales Tax for Education and Other Infrastructure Needs, seconded by Commissioner Hogsed and passed 4 to 1, with Commissioner Phillips opposed.

Resolutions 40-07 and 41-07 attached as part of the minutes.

MANAGER'S REPORT

The Manager had no further information to report.

PUBLIC COMMENTS

Jimmy Whitmire: Mr. Whitmire suggested if the Board of Commissioners decided to enact the land transfer tax, to impose it upon buyers from other counties that are purchasing land, not for Transylvania County citizens.

COMMISSIONERS' COMMENTS

Commissioner Guice stated that Senator Snow recently shared that he had been contacted by a citizen of this community reference a prison and whether or not a prison could be built in the county. Commissioner Guice stated that Transylvania County has already had legislation passed that would put the County in a position to move in that direction. He asked what interest the Board may have because a prison could bring a lot of jobs to the community. He said the Commissioners should instruct the Manager whether or not to explore the option. He asked the Commissioners to give some thought to this issue.

Chairman Chappell moved to enter into closed session per General Statute 143-318.11(a) (5), Negotiation of a Contract after a 5 minute recess, seconded by Commissioner Bullock and unanimously carried.

CLOSED SESSION-GENERAL ACCOUNT

Per General Statute 143-318.11(a) (5)

The Board of Commissioners discussed available options for the use of the American Legion Hall for voting. After discussion, the Commissioners instructed the Manager to contact the Board of Elections to determine which facility they prefer to use for Brevard Precinct #1 and One-Stop Voting. The Board of Elections has two options at this time and they are the American Legion Hall or the Community Services Conference Room.

Chairman Chappell moved to return to Open Session, seconded by Commissioner Phillips and unanimously carried.

OPEN SESSION

Chairman Chappell moved to seal the minutes of the Closed Session, seconded by Commissioner Hogsed and unanimously approved.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Guice moved to adjourn, seconded by Chairman Chappell and unanimously carried.**

Jason R. Chappell, Chairman
Board of County Commissioners

ATTEST:

Trisha D. McLeod
Clerk to the Board