

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
May 26, 2009 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Tuesday, May 26, 2009 at 7:00 p.m. in the large courtroom of the Transylvania County Courthouse.

Commissioners present were Lynn Bullock, Chairman Jason Chappell, Mike Hawkins, Daryle Hogsed, and Vice-Chairman Kelvin Phillips. Also present were County Manager Artie Wilson, County Attorney Curtis Potter, and Clerk to the Board Trisha McLeod.

Media: *Hendersonville Times News*: Leigh Kelley
Transylvania Times: Mark Todd

There were approximately 60 people in the audience.

CALL TO ORDER

Chairman Jason Chappell presiding called the meeting to order 7:03 p.m.

WELCOME

Chairman Chappell welcomed everyone to the meeting and thanked the members of the audience for participating in their County government.

PUBLIC COMMENT

Kathy Bub: Ms. Bub, is the Director of Friends for Life, an animal rescue organization in Lake Toxaway. She said the County's animal shelter is in poor condition and offered her support for a new animal shelter. Ms. Bub urged Commissioners to include funding in the budget for the project and move forward with building a new animal shelter.

Judith West: Ms. West said although the County is facing an economic hardship, the County is charged with providing services to its citizens. She asked the Board to keep an open mind when considering next year's budget. She also asked the Board to calculate the consequences of cutting services and pay attention to the people whose voices they can not hear, such as children and the poor and those with mental health and substance abuse issues. Furthermore, Ms. West asked the Board to be fair and effectively communicate and help people understand the meaning of the revenue neutral rate and the reason for property revaluations. Finally, she asked the Board not to cut taxes because they are the County's only substantial source of revenue and raise taxes if they must.

Ann Holshouser: Ms. Holshouser, a veterinarian in Brevard, spoke in favor of a new animal shelter citing concerns over the size of the current shelter and asked the Board to fund the project. She said she is afraid the new animal shelter will not be built in spite of the County's financial investment in the project. Ms. Holshouser reported that nonprofit animal groups are also affected by the economy with decreased donations and an increase in the homeless pet population. She urged the Board to make the animal shelter project a top priority.

Vickie Walker: Ms. Walker is the on the Board of Directors of a local non-profit animal group. She said for too many years the County has delayed the building of a much needed animal shelter.

She expressed her support for a new animal shelter and asked the Board to leave the funding in place for the project and seek alternative methods for ensuring the shelter is funded.

AGENDA MODIFICATIONS

There were no Agenda modifications.

Commissioner Hogsed moved to approve the Agenda as submitted, seconded by Commissioner Bullock and unanimously approved.

CONSENT AGENDA

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

The following items were approved:

MINUTES

The Minutes of the May 11, 2009 Regular Meeting and sealed Closed Session were approved.

FACILITIES USE REQUESTS

The use of the Courthouse gazebo by the March of Dimes on August 20, 2009 from 9:00 a.m. to 3:00 p.m. for a fundraising event was approved.

DISCOVERY AND RELEASE REPORT

The April 2009 Discovery and Release Report was approved.

PRESENTATIONS/RECOGNITIONS

PRESENTATION OF OUTSTANDING COUNTY PROGRAM AWARD BY THE NORTH CAROLINA ASSOCIATION OF COUNTY COMMISSIONERS (NCACC)

The North Carolina Association of County Commissioners selected Transylvania County as a recipient of the Outstanding County Program Award for the School Site Influenza Vaccination Initiative, better known as the FluMist Campaign. Health Director Steve Smith submitted the application for the award on behalf of the Health Department.

David Nicholson, NCACC Outreach Associate for Western North Carolina, presented the award to Mr. Smith and Chairman Chappell. He said the Outstanding County Program is a prestigious program and noted only seven county programs were recognized out of more than thirty applicants.

RESOLUTION 29-09 IN RECOGNITION OF DEBORAH W. MACKEY

Effective June 1, 2009 Deborah W. Mackey will retire from Transylvania County where she has been an employee of the Transylvania County Department of Public Health since 1978. Health Director Steve Smith congratulated Ms. Mackey on her retirement and thanked her for being such an asset to the Health Department.

Commissioner Hogsed moved to approve Resolution 29-09 In Recognition of Deborah W. Mackey, seconded by Commissioner Bullock and unanimously approved.

Commissioners presented her with a resolution recognizing her many years of service to Transylvania County. Ms. Mackey thanked the Board and Mr. Smith saying what a privilege it has been to work for Transylvania County and the Health Department and serve the citizens of Transylvania County.

(Resolution 29-09 In Recognition of Deborah W. Mackey is hereby incorporated by reference and made a part of these Minutes.)

APPOINTMENTS

JOINT HISTORIC PRESERVATION COMMISSION

Commissioner Hogsed moved to reappoint Edith Darity, Henning Meyn and Betty Sherrill and to appoint Roger Riggers, seconded by Commissioner Hawkins and unanimously approved.

Commissioner Phillips moved to reappoint Pat Childress as Chair for 2009, seconded by Commissioner Hogsed and unanimously approved.

WORKFORCE DEVELOPMENT BOARD

Commissioner Bullock moved to waive the term limits and reappoint Jeff McDaris. The motion was seconded by Commissioner Phillips and unanimously approved.

OLD BUSINESS

CORRIDOR STUDY

The Manager reported that during the recent joint meeting with the City of Brevard regarding the Corridor Study the study area boundaries came into question. The map the City referred to did not reflect the study area that was approved in a motion by the Corridor Study Committee. The motion, which was unanimously approved by the Corridor Study Committee, defined the study area as all frontage properties one parcel deep along Highways 64 and 280 beginning at the Walmart intersection. The City made an offer to the County which entailed removing the area flanked by City limits from the study area. The Board did not consider the offer during the meeting because they felt the offer was made in haste and rather preferred to discuss it further before making a decision.

Commissioner Hogsed reported that since the joint meeting the City has voted to move forward with their original ETJ plans which he said is outside the realm of what was agreed to with the Corridor Study Committee.

Chairman Chappell asked the Board to give instruction to the Planning Board on how to proceed. He suggested the Planning Board move forward as already instructed and bring back recommendations on zoning and land use issues doing so in consultation with the residents of Pisgah Forest and the Corridor Study Committee.

Commissioner Bullock agreed with Chairman Chappell that the Planning Board should continue its work. He said he is not opposed to compromising with the City on the study area, but he is not willing to compromise on this matter without input from the Corridor Study Committee.

Commissioner Hogsed reviewed the City's map and pointed out the areas he understood, as Co-Chair of the Corridor Study Committee, to be in the study area and the areas in which the City is moving forward with extending its ETJ. He said the study area was discussed frequently during

Corridor Study Committee meetings and not once during those discussions was the Committee informed that the area flanked by City limits was not under consideration for the study area.

Commissioner Phillips said there is a misconception that the County and the citizens in Pisgah Forest are not willing to compromise on this matter. He disagreed, saying the Board has compromised on behalf of the citizens in Pisgah Forest since the City announced its ETJ expansion and since those citizens expressed their opposition to it. Commissioner Phillips agreed that the Planning Board needs to communicate with the Corridor Study Committee during this process.

Commissioner Hogsed agreed with Commissioner Phillips that the Board has compromised saying a majority of Commissioners would never had considered zoning in any part of the County but they compromised their beliefs to help the citizens in Pisgah Forest who did not want to be taken into the ETJ. He noted that an offer has been made to the City on this matter but the City has yet to respond.

Commissioner Hawkins stressed the importance of keeping the lines of communication open with the City and agreed the Planning Board should continue its work and move forward with the study of the corridor and bring recommendations back to the Board in late summer or early fall. He said he is willing to accept the City's offer to remove the flanked area from the study area because regardless of which entity zoned the area, the zoning would have to be approved and accepted by the City. Commissioner Hawkins also expressed concern over accomplishing the task by the deadline if the Board goes back to the Corridor Study Committee with every concern or change.

Commissioner Hawkins made a motion to direct the Planning Board to continue its work specifically on geographic range and recommended controls in the Corridor area, bringing a recommendation to the Board of Commissioners in late summer or early fall.

Furthermore, he moved to send a letter to the City of Brevard explaining the County's intentions. The motion was seconded by Commissioner Hogsed. Chairman Chappell requested that the Corridor Study Committee remain involved in the process. Commissioner Hogsed noted that the Planning Board continues to engage the residents from Pisgah Forest who served on the Corridor Study Committee. Commissioner Hawkins noted the Planning Board's work should continue in the original study area determined by the Corridor Study Committee. **The motion was unanimously approved.**

NEW BUSINESS

REVISION TO TRAVEL POLICY

Personnel Committee Chair Anna Yount reported that the Transylvania County Personnel Board has recommended the following changes to the County's Travel Policy:

1. Set a gratuity maximum of 20%
2. Set a maximum cost for breakfast, lunch and dinner (\$10, \$15, \$20 respectively) and with a daily maximum of \$30
3. Allow for reimbursement of breakfast only if the employee departs before 7:00 a.m. and dinner only if the employee returns after 7:00 p.m.
4. Clarify that the reimbursement rate for transportation by private vehicle when it is at the request or preference of an employee will be for gasoline only

Ms. Yount noted that the original request for the changes came from the Health Director and these changes are commonly found in other counties' travel policies. She also noted that the

Manager has the authority to waive the meal allowance restrictions if necessary. The Personnel Committee voted unanimously to bring the changes before the Board. The Manager added that department heads agreed to the changes before they were brought before the Personnel Committee.

Human Resources Director Sheila Cozart surveyed other counties regarding their travel policy and reported that the changes are more in line with other counties.

Commissioner Bullock questioned the \$30 daily maximum for meals, noting the allowance for each meal totals \$45. Ms. Cozart responded that in most instances where an employee must travel overnight some accommodations are included in the hotel charge, such as continental breakfasts. Commissioner Phillips suggested increasing the daily maximum as a way of being respectful to employees.

The Manager said it is important for everyone to be frugal, noting that most travel is not overnight. He pointed out the daily maximum has always been \$30 yet there were no guidelines included in the policy for each meal.

Commissioner Hawkins moved to approve the revision to the Travel Policy as presented, seconded by Chairman Chappell and unanimously approved. Commissioner Hawkins said this policy was not designed to be a reimbursement program and employees are going to spend money on meals anyway. Chairman Chappell pointed out that this policy is in line with the State policy and noted there is an appeals process. **Commissioner Hogsed requested to amend the motion to increase the daily maximum to \$40. There was no opposition to the amendment and the motion was seconded by Commissioner Phillips and unanimously approved. The main motion to approve the revision to the Travel Policy was also unanimously approved.**

CHANGE ORDERS FOR THE PUBLIC SAFETY FACILITY

The Manager submitted the following change orders for the Board's approval:

1. #57 – Raise front entry soffit approximately 18 inches, \$3,322
2. #58 – Addition of six door controllers at the maintenance facility that were excluded from the plans, \$633

The Manager noted staff is discussing Change Order #57 with Moseley Architects and requesting that they be responsible for the cost of raising the front entry.

The Manager also requested permission to apply for a variance from the City on the sidewalk going from Morris Road to the Public Safety Facility. If permission is granted, staff will instruct the contractor to fill in the area currently dug out for the sidewalk on Morris Road, which will result in a credit, and re-grade the area to prevent erosion problems. The Manager pointed out if the variance is denied, the County would request to construct the sidewalk at a later date when the City installs its sidewalks. He noted there is a \$500 application fee and there is no guarantee the County will be awarded the variance. The Manager will meet with the City's Planning Department on June 9 before the variance application request goes before the Brevard Board of Adjustment in July.

In response to questions from Commissioners, the Manager stated if the variance is awarded, the County will not have to construct a sidewalk. While the current design of the sidewalk is the most cost efficient, it presents several safety hazards. Staff will await the City's decision on the variance before instructing the engineer to redesign the sidewalk. He pointed out the engineer

would redesign the sidewalk at no additional cost. The additional costs would be incurred with the added length of the sidewalks and safety features such as handrails.

Chairman Chappell moved to approve Change Orders #57 and #58, authorize the Manager to proceed with a variance request for the sidewalk going to the Public Safety Facility, and authorize the contractor to fill in and re-grade the current proposed sidewalk route. The motion was seconded by Commissioner Hawkins and unanimously approved.

FY 2010 BUDGET

The Manager presented the FY 2009-2010 recommended Budget to the Board and announced that Budget Workshops begin on Thursday. He highlighted the FY 2009-2010 Budget Message as follows:

Overview

- The latest report from the North Carolina Fiscal Research Division suggests it will be 2013-14 before revenues equal the 2008-09 level.
- In Transylvania County over the last ten months new housing permits dropped, the unemployment rate increased, sales taxes are lower, and fees relating to the building and real estate industry are down.
- Staff reduced spending by \$1.1 million this year to offset the estimated revenue losses as a result of the recession.
- The State budget shortfall and cuts significantly affect Transylvania County.

Budget Process

- Staff was directed to keep operational expenses flat with the current year's reduced budget level.
- Staff and Education reduced expenditures by an additional \$1.3 million.

FY 2009-2010 Budget

- Proposed Expenditures Budget for the General Fund is \$39.2 million, \$4.0 million (9.3%) less than the FY 2009 amended budget.
- The proposed budget does not include any addition or reduction in personnel from the current authorized level.
- The proposed budget does not include any type of pay increase for County employees for the next fiscal year.
- Health insurance costs are projected to increase approximately 10% but will be absorbed by the favorable results experienced this fiscal year.
- The total funding request from the Board of Education was down 3% from last year. Current spending for the schools is requested to increase \$500,000 while Capital spending for the schools has been reduced by \$800,000.
- Delayed purchase of four vehicles for the Sheriff's Department and an ambulance.
- The proposed Revenue Budget for the General Fund is \$38.8 million, \$4.5 million below last year's amended budget.
- This proposed Revenue Budget assumes a revenue neutral tax rate of \$.3949 per \$100 value.
- Sales taxes excluding the loss due to the Medicaid Relief Swap are projected to be flat for next year but 7% below FY 2008.

- Interest income will be down due to the drawdown of funds for the construction of the new Public Safety Facility and lower interest rates.
- ADM funds used to help with school debt will now be diverted to the State to help reduce the State deficit.
- The difference between the proposed Revenue and Expenditure Budget is a \$400,000 deficit with the difference to be made up through withdrawals from Fund Balance.

Revenue Assumptions

- The Tax Administrator is estimating the tax base as of January 1, 2009 under the new assessed values at \$5.82 billion, a 38% increase. The revenue neutral tax rate for FY 2010 is \$.3949 per \$100 value. The collection rate for ad valorem taxes is budgeted at 98.27% equal to the estimated collection percentage this year. (The Manager suggested revisiting the revenue neutral rate after the revaluation appeals are finalized.)
- Significant drop in sales tax due to the implementation of the last Phase of the Medicaid Relief Swap. Interest income will be considerably less than FY 2009 due to a combination of a lower cash balance available to invest and lower interest rates.
- Fee increases budgeted for next year in Environmental Health and Public Health to help cover rising costs.
- Loss of \$300,000 in revenue from Lake Toxaway POA's decision to no longer contract with the County for Law Enforcement services. There is a corresponding reduction in expenditures.
- The only ARRA funds included in the budget are in the Transportation area and amount to approximately \$20,000.

Expenditures Assumptions

- A \$1.1 million reduction in software and hardware for the upgrade for the Sheriff's and Communications departments which occurred in FY 2009.
- A \$300,000 reduction in expenses associated with the elimination of the Lake Toxaway patrol.
- A \$900,000 reduction in Medicaid expenditures as the State now will assume all Medicaid costs.
- The Board of Education's total request reflects a \$300,000 decrease from last year. However, Current Spending is requested to increase \$500,000 or 6.3% over last year to help offset the loss of funding for 7.5 teachers and to help subsidize the child nutrition program. The School's capital request is \$1 million, an \$800,000 reduction.
- Funding for Blue Ridge Community College is budgeted equal to last year as a result of roof repairs committed to last year that must be completed.
- Operational Spending for the new Public Safety Facility accounts for an approximately \$800,000 increase in costs over FY 2009 plus additional debt service of \$100,000.
- Other departmental spending was reduced by \$1 million.
- Does not include funds for a County wide election this November, a second primary in FY 2010, or the maintenance cost of hardware and software for the voting machines that in the past have been covered by the State Board of Elections.
- The budget assumes that the favorable experience in health care this current fiscal year will offset the projected increases. Staff is proposing to fund next year's expenses associated with the next revaluation out of monies in the Revaluation Fund thus reducing the amount needed from the General fund.

- The budget contains no wage increase for County employees in FY 2010 which is the second year without an increase.
- Included \$200,000 in Contingency Funds due to the uncertainty of how the State Budget reductions will impact the County.
- Funding for Outside Agencies was reduced by 10%.
- An \$800,000 reduction in capital spending for the County, delaying the purchase of new vehicles for the Sheriff's Department and an ambulance.
- Other reductions include a substantial reduction in the number of new computers slated to be purchased this year, no monies for the development of a community park in Rosman, no plans to move forward with the animal shelter or renovation of the old Sheriff's Building, and reduction in services at the Library and Recreation Department.

Fund Balance

- Estimate a total Fund Balance of \$16.5 million at the end of FY 2009, of which \$7.8 million is designated and \$8.7 million is undesignated.
- This undesignated fund balance equates to 20.6% of expenditures.
- The projected total Fund Balance for the end of FY 2010, assuming the deficit is bridged by taking money from the Fund Balance, is \$15.9 million, a reduction of \$600,000.
- The Undesignated Fund Balance is estimated to be \$7.1 million, or 18.1 % of expenditures.

Summary

- The Budget as presented is doable but any further reductions in expenditures will require a significant impact to personnel and services.
- Suggest immediate discussion with the school system regarding prioritization of current resources and how this ranks with future needs.
- The County can continue to reduce Fund Balance over the next couple of years but soon the Commissioners are going to be faced with having to increase ad valorem taxes if the needs of the community are going to be met.

Commissioner Hogsed asked the Manager to clarify for the public the misconception that there are no monies for the animal shelter project. The Manager explained there are funds in a reserve account designated for the animal shelter; however the Manager did not recommend moving forward with the project until the budget is finalized. The Board has not made a decision on the project.

MANAGER'S REPORT

N/A

PUBLIC COMMENT

Sarah Mathis: Ms. Mathis thanked the Board for standing up for the residents of Pisgah Forest, adding the residents were unaware of the City's offer to alter the study area. She expressed frustration about the possibility of being taken into the ETJ without having a voice on City Council.

Ella Hunt: Ms. Hunt spoke in favor of the animal shelter in hopes of reducing the number of animals that are euthanized. She shared that her dog had died the day before and she hopes all animals to get to live long lives like her dog.

Ken Norman: Mr. Norman, Chair of the Pisgah Forest Committee against the ETJ and a member of the Corridor Study Committee, thanked Commissioners for supporting the County taxpayers in Pisgah Forest. He posed a legal question, asking if minutes of official meetings and action taken in those meeting are legally binding documents. County Attorney Curtis Potter responded, and after some discussion, asked Mr. Norman to direct his question to the County Manager in writing.

Mr. Norman also asked if there were any provisions for helping those citizens who are having trouble meeting their obligations to pay their taxes. The Manager said the County has always worked with its citizens as long as they are willing set up a payment plan.

Nan Wells: Ms. Wells spoke in favor of an animal shelter, saying the current shelter is a bad sight in this beautiful County.

Nita Hunt: Ms. Hunt spoke in favor of the animal shelter. She commented it was announced in the Transylvania Times over one year ago that the plans for the new animal shelter were nearly complete, and now a year later the County still has not moved forward. Ms. Hunt asked Commissioners to keep the project in the budget. She submitted a list of people who support the animal shelter to Commissioners.

Linda Brooks: Ms. Brooks thanked Commissioners for leaving the monies for the animal shelter in the budget and for being careful with the County budget, but she urged the Board to move forward with the project. She said in bad economic times, the homeless pet population increases and volunteer groups can only help so much. She said the County should be focusing on offering animals good homes.

COMMISSIONERS' COMMENTS

Commissioner Hogsed thanked the members of the audience for participating in their County government. He thanked Ms. West for comments, guidance and wisdom. Commissioner Hogsed explained there have been no plans to divert the monies reserved for the animal shelter. The Town of Rosman has expressed concern about the proposed location of the animal shelter at the old Calvert Landfill. He said the County wishes to resolve this issue before moving forward, after which it can go out to bid on the project.

In response to a question from Commissioner Hogsed regarding the revenue neutral rate, the Manager said staff will have to recalculate the revenue neutral tax rate if the revaluation appeals change the tax base significantly. Commissioner Hogsed asked for information comparing Transylvania County's tax rate to other counties.

Commissioner Hogsed also thanked Mr. Norman for his comments and his commitment to supporting the Board and the residents of Pisgah Forest throughout this process.

Chairman Chappell moved to enter into Closed Session per NCGS 143-318.11 (a) (3) to consult with an attorney in reference to the lawsuit Transylvania County versus Michael Baxley and Charlotte Baxley after a 10 minute recess. The motion was seconded by Commissioner Bullock and unanimously carried.

CLOSED SESSION

Pursuant to NCGS 143-318.11 (a) (3), to consult with an attorney in reference to the lawsuit Transylvania County versus Michael Baxley and Charlotte Baxley, closed session was entered into at 9:30 p.m. Present were Chairman Chappell, Commissioners Bullock, Hawkins, Hogsed and Phillips, County Attorney Curtis Potter, County Manager Artie Wilson, and Clerk to the Board Trisha McLeod.

The Attorney updated Commissioners on the status of the lawsuit. Commissioners instructed staff on how to proceed.

Chairman Chappell moved to leave Closed Session, seconded by Commissioner Hogsed and unanimously carried.

OPEN SESSION

Chairman Chappell moved to seal the minutes of the Closed Session until such time that unsealing the minutes would not frustrate the purpose of the Closed Session, seconded by Commissioner Bullock and unanimously approved.

ADJOURNMENT

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

Jason R. Chappell, Chairman
Board of County Commissioners

ATTEST:

Trisha D. McLeod
Clerk to the Board