

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
November 9, 2009 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, November 09, 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 Hogan.

Media: *Transylvania Times*: Mark Todd

There were approximately 12 people in the audience.

CALL TO ORDER

Chairman Jason Chappell presiding called the meeting to order at 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

There were no comments from the public.

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

The following items were approved:

FACILITIES REQUESTS

The use of Silvermont by the City of Brevard for a retirement celebration for City Clerk Glenda Sansosti on December 10, 2009 from 6:00 p.m. to 9:00 p.m. was approved. The fees were waived.

The use of the Parks and Recreation Department by Frank Pearsall for a Narrow Trak 10 Model Railroad Convention on October 8, 2010 from 1:00 p.m. to 9:30 p.m. and October 9, 2010 from 8:00 a.m. to 9:30 p.m. was approved.

DISCOVERY AND RELEASE REPORT

The Discovery and Release Report for September 2009 was approved.

PRESENTATIONS/RECOGNITIONS

RESOLUTION HONORING 4-H'S 100TH BIRTHDAY

4-H, one of the largest youth development organizations in North Carolina, will be celebrating its 100th birthday on November 10, 2009. A celebration honoring their 100th birthday will be held on November 10 at 7:00 p.m. in the Rogow Room at the Transylvania County Library. The celebration will include a review of 4-H's local history in Transylvania County which began in 1918 and recognition of past and current members.

Commissioner Bullock moved to approve Resolution 52-09 Honoring 4-H's 100th Birthday, seconded by Commissioner Phillips and unanimously approved.

(Resolution 52-09 Honoring 4-H's 100th Birthday is hereby incorporated by reference and made a part of these Minutes.)

PRESENTATION BY COMPORIUM

Frank Porter and Chuck Harrison of Comporium provided Commissioners with an overview of their business and the services they provide to residents and businesses in Transylvania County.

Comporium employs approximately 100 individuals, the overwhelming majority of which are residents of Transylvania County. Comporium, based out of Rock Hill, South Carolina, is an innovative, state of the art company that provides communications services. They are the 18th largest telephone company and the 35th largest cable company in the country. Comporium does not currently provide wireless services in Transylvania County because Verizon Wireless provides most of those services now. They do however plan to offer security and long distance services in the near future. Comporium currently provides digital cable television, high definition, DVR, internet broadband, and local telephone services. Mr. Porter commended the previous owners of Citizens Telephone Company for providing tremendous infrastructure for internet broadband services all over the County which allows for everyone in the County to have access to high speed internet.

Mr. Harrison spoke about the high speed internet services Comporium provides. Comporium provides connectivity services for businesses. He noted that pricing for businesses and citizens are dependent upon the type of internet service and the amount of bandwidth needed. They are also investigating higher speed DSL offers for businesses and residential. Comporium also plans to provide fiber to the premises at the new Davidson River Village property, the former Ecusta site. Comporium is committed to meeting and exceeding all broadband needs in the County for residents and businesses. They are dedicated to being a good business partner in the community.

Commissioners thanked Mr. Porter and Mr. Harrison for their presentation and the services they are providing to residents and businesses.

FY 2009 FINANCIAL AUDIT

Terry Andersen of Carland and Andersen, Inc. presented the audit report for FY 2009. He showed a Power Point presentation reviewing the County's finances and noted the following:

- Revenues totaled \$40.87 million, a decrease of 5.02% from FY 2007-08

- More than 89% of revenues come from Property Taxes, Sales Taxes, and Intergovernmental Revenues
- Property Tax continues to make up more than 50% of the General Fund Revenues
- Total Property Valuation for the June 30, 2009 Fiscal Year totaled \$4.14 billion, an increase of 3.59%, or \$143.4 million, compared to valuation for the prior fiscal year
- The current levy collection rate for the June 30, 2009 year is 99.48% (99.86% for property and 94.09% for vehicles)
- Revenues in the General Fund increased from 2007 to 2008, but then decreased in 2009 by \$2.16 million, or 5.02%
- Special Fund Revenues increased slightly in 2009 compared to 2008
- Capital Project Fund Revenues have remained relatively constant since the Public Safety Facility project is being funded by transfers from the General Fund along with proceeds from financing, which are not reported as revenue
- The Enterprise Fund Revenues decreased by approximately \$210,000 from the previous fiscal year
- The majority of revenues representing 72.5% of the total are from ad valorem taxes, local option sales taxes, and other taxes; another 18.2% comes from intergovernmental revenues both restricted and unrestricted; the remaining 9.3% is generated by fees, services, investment earnings, and miscellaneous revenues
- General Fund Expenditures totaled \$40.2 million, an increase of 0.75% compared to FY 2007-2008
- More than 78% of the General Fund Expenditures are represented in Public Safety, Human Services, and Education, including Debt Service
- General Fund Expenditures have gradually increased for each of the last 3 years, although the increase from 2008 to 2009 was minimal due to the special efforts of management staff and Commissioners
- Special Revenue Expenditures were slightly higher in 2009 compared to the prior 2 years
- Capital Project Fund Expenditures were higher than the previous years due to ongoing progress of the Public Safety Facility along with other projects funded through the General Capital Projects Fund
- Enterprise Fund reflects an increase in expenses compared to the prior years mostly due to the depreciation and some other upgrading expenses for landfill operations
- The largest expenditures which are typical of any county in North Carolina is in the area of Education; direct support and debt service accounts for 32.7% of the total General Fund Expenditures; Human Services Expenditures account for 22.31%; General Government accounts for 12% and Public Safety 23.8%, with the remaining 8% in Transportation, Economic and Physical Development, and Cultural and Recreational
- All departments stayed within their budgets for FY 2008-09 and staff should be commended for their efforts
- In Revenues, the General Fund finished slightly more than \$325,000 less than budgeted; significant areas being in the Local Option Sales Taxes and Intergovernmental Revenues, while ad valorem taxes and other revenues resulted in amounts in excess of budget
- In Expenditures, the total for the year was more than \$2.6 million below budget; significant areas were in General Government, particularly with savings generated in Administration, Elections, Register of Deeds, Public Buildings and Self Insurance; In Public Safety the areas most significantly under budget were the Sheriff and Jail, Emergency Medical and Emergency Communications; In Human Services significant expenditures less than budget were in Health Administration and Social Services, and in Cultural and Recreation the most significant area of budget savings was in Parks and Recreation

- The General Fund total balance as of June 30, 2009 was \$17.7 million, an increase of \$540.4 thousand compared to the balance on June 30, 2008; \$9.8 million is undesignated and unreserved and represents 24.3% of General Fund Expenditures; 8% Local Government Commission recommendation is equivalent of \$3.2 million; Transylvania County continues to exceed this benchmark which is an excellent indicator of the County's financial stability and conservative fiscal management
- Solid Waste Fund required to accrue closure and post-closure costs by GASB Statement #18: projected closure cost of \$2.5 million and post closure cost of \$1.6 million; the County has \$1.97 million for closure costs; the County actually has \$2.9 million set aside in a separate account
- Pension Trust Funds include Law Officers Separation Allowance, Retiree Health, and Section 457 Trust Fund: the net assets of all these funds total \$1.2 million (\$450.5 thousand for Law Officers Separation Allowance, \$701 thousand for Retiree Health, \$52,000 for Section 457)
- Audit Results: Unqualified Audit Opinion; No significant audit adjustments; no single audit findings or questioned costs; incorporated all prior year recommendations by GFOA into the current report presentation and expects this report to also qualify for the Certificate of Excellence from the GFOA

Mr. Andersen noted that Commissioners and staff have done an excellent job in implementing their recommendations for improvements that have been noted in their past annual audits. This year they recommended an improvement in journal entries as well as a general reminder of important internal control procedures and maintaining these procedures and duties that keep pace with changes as they occur in the County's overall financial operations. Mr. Andersen expressed his thanks to Commissioners and staff for their expertise and cooperation during the audit process.

Discussion:

Commissioner Hawkins asked if the County has future pension or health liabilities that would reflect on the books or that are necessary to be reflected on the books. Mr. Andersen responded that the actuarial analysis completed on the Law Officers Separation Allowance and the Retiree Health Fund reflects the amounts the County is required to accrue. The Manager added that the County elected to reserve the actual required amount in the Retiree Health Insurance Fund each year. The County currently has assets available greater than the liabilities. The County is over funding this account to protect itself from potential liabilities.

Commissioner Hawkins commented about the undesignated and unreserved fund balance of \$9.8 million. He said the narrative in the report indicates the unreserved balance of the fund balance is \$12.9 million. Finance Director Gay Poor said the narrative compares the unreserved fund balance to the undesignated fund balance. The \$9.8 million figure is calculated as unreserved and undesignated. Mr. Andersen said for the purposes of comparison to the Local Government Commission standards, the undesignated fund balance is the most significant. The Manager said in some of the figures staff has been providing Commissioners, staff showed, for example, more monies in the animal shelter fund than the auditors because staff included the interest earned in the total allocation. The same is true with the Silvermont Reserve. The Manager also noted that some of the funds approved for spending last year were not spent but will be spent in the coming year.

Commissioner Hawkins inquired about the budget for the Public Safety Facility. The Manager expects this project to be under budget and funds will revert to the undesignated fund balance once the project is complete.

Commissioner Hawkins said the report indicates that taxable sales fell 11% in FY 2009 and the State is predicting another 4% decrease in FY 2010. He asked if those figures are reflective of what the County is currently experiencing. Ms. Poor responded that the County has only received one month's worth of sales taxes which were 13 ½ % below the same period for last year. The Manager said sales taxes are down statewide. Commissioner Hawkins asked for regular updates on the sales tax revenues throughout the year.

Commissioner Hawkins inquired further about the fund balance. The report shows a 10 year history of the fund balance. In 2000 the balance was \$26.2 million and in 2009 the balance was \$25.2. He said in real dollars it is potentially the same but in proportion to the total budget it is less. He asked if the County had a policy indicating the percentage of the budget that is in the fund balance. The Manager said past Boards set a goal of maintaining a fund balance of 20% of the total budget. The Local Government Commission recommends 8% which only covers one month of operations. Commissioner Phillips commented that a low General Fund Balance affects the County's credit rating.

Commissioner Hogsed moved to accept the FY 2009 Financial Audit, seconded by Commissioner Phillips and unanimously approved.

APPOINTMENTS

TRANSYLVANIA COUNTY COUNCIL ON AGING

Commissioner Phillips moved to reappoint Louise Koontz as Chair, seconded by Commissioner Bullock and unanimously approved.

Commissioner Hawkins moved to reappoint Kathe Harris as Vice-Chair, seconded by Commissioner Phillips and unanimously approved.

TOURISM DEVELOPMENT AUTHORITY

Commissioner Phillips moved to reappoint Mike Hawkins, Gordon Strayhorn and Kristy Harris, seconded by Commissioner Bullock and unanimously approved.

OLD BUSINESS

ACQUISITION OF CONNESTEE FALLS

The Manager reported that the County attorneys have been working with the Carolina Mountain Land Conservancy and North Carolina Division of Parks and Recreation to draft an easement such that it would go towards the County's matching portion of the Parks and Recreation Trust Fund Grant (PARTF). The Manager said the wording of the easement had been approved prior to this meeting; however now there is some concern about the wording of the easement.

The only other order of business to finalize this deal is for the State to accept the appraised value of the two small parcels of land. With their acceptance of the appraised value, the County will be able to purchase the property without the use of any County funds and meet the objectives of the PARTF grant. The Manager noted that the County will pay the upfront costs for the purchase of the property and will be reimbursed by the State. The total cost of the project is \$651,300. Additional funds were donated by the Carolina Mountain Land Conservancy and other property

owners. The Manager recommended moving forward contingent upon approval by the State and the Carolina Land Mountain Land Conservancy; otherwise the deal is off.

County Attorney Curtis Potter said he does not anticipate any other obstacles and what is needed is for the all the agencies involved to cooperate with one another.

Commissioner Hogsed moved to authorize the purchase of the property as long as the appraisal of the two parcels equals the amount of the amended PARTF budget and the wording of the easement counts as part of the County's match. The motion was seconded by Commissioner Hawkins. Commissioners expressed their desire to also move forward with Phase II of the project when funds become available. **The motion was unanimously approved.**

NEW BUSINESS

RESOLUTION PRESERVE AMERICA COMMUNITY DESIGNATION

Rebecca Suddeth, Director of the Transylvania Heritage Museum, has requested that Transylvania County apply for designation as a *Preserve America Community*. *Preserve America* is a national initiative developed in cooperation with the Advisory Council on Historic Preservation and the US Departments of Interior, Agriculture, and other agencies. The designation is granted to eligible communities that document how they meet the following three requirements:

1. The community has recently supported a historic or cultural preservation project that has promoted and/or is promoting heritage tourism or otherwise fostering economic vitality, and is involved in a public-private partnership between government entities and at least one civic association, nonprofit, and/or business enterprise.
2. The governing body of the community has adopted a resolution indicating its commitment to the preservation of its heritage assets.
3. The community meets at least five criteria specified in three broad categories: discovering heritage through historic places, protecting historic resources, and promoting historic assets.

This designation serves as a mechanism for the museum to apply for additional grant funds.

Commissioner Bullock moved to approve Resolution 51-09 Preserve America Community Designation. The motion was seconded by Commissioner Phillips.

Commissioner Hogsed offered an amendment to the motion. He requested to change the word "White House" with the word "National" in the first paragraph. The amended motion was seconded by Commissioner Phillips and unanimously approved.

The main motion was unanimously approved.

(Resolution 51-09 Preserve America Community Designation is hereby incorporated by reference and made a part of these Minutes.)

PERMANENT UTILITY EASEMENT WITH NC DEPARTMENT OF TRANSPORTATION

The North Carolina Department of Transportation (NCDOT) has requested to purchase a permanent utility easement at the Pisgah Forest Convenience Center in conjunction with the construction of a new bridge over the Davidson River. The Manager reported that Solid Waste Director Jeff Brookshire has reviewed the easement agreement and expressed no opposition to the

approval of the easement. The NCDOT has agreed to pay \$4,150 for the permanent easement. The Manager noted that the easement will not interfere with daily operations of the convenience center.

After some clarification, **Commissioner Hawkins moved to approve the permanent utility easement with the North Carolina Department of Transportation. The motion was seconded by Commissioner Hogsed and unanimously approved.**

SECONDARY ROAD SPENDING PLAN

The North Carolina Department of Transportation (NCDOT) is now requiring each of its divisions to amend its spending plan to match the funding allocation of each county within its division. In reviewing the spending plan for Transylvania County, only \$1,599,000 in funding has not been committed to specific projects. The NCDOT recommended that amount be allocated entirely to the project on SR 1344 Cashiers Valley Road or split between Cashiers Valley Road and Wilson Road. The Manager said the remaining funds would not complete either project entirely, but would almost complete the Cashiers Valley Road project, as such was his recommendation.

After discussion, **Commissioner Hogsed moved to appropriate the \$1,599,000 to Cashiers Valley Road, seconded by Commissioner Phillips and unanimously approved.**

RECORDS RETENTION AND DISPOSITION SCHEDULE AMENDMENT SHERIFF'S OFFICE

The Local Records Unit of Government Records Branch has published an amendment to the County's Sheriff's Records Retention and Disposition regarding Sexual Offenders Records and the Sexually Violent Offenders Program. The disposition of sexual offender records was modified to retain the records until the court petition and review by the State, the length of the court order, or 30 years, whichever is greater. The records for offenders in the Sexually Violent Offenders Program shall be retained until the offender is known dead or after 90 years.

Commissioner Bullock moved to approve the amended Records Retention and Disposition Schedule for the Sheriff's Office, seconded by Commissioner Hogsed and unanimously approved.

MANAGER'S REPORT

The Manager reported the following:

- Staff continues to explore potential sites for an animal shelter and plans to bring a recommendation back to the Board within the next month. He also received information from the City regarding their zoning requirements for constructing an animal shelter within City limits.
- Work on the Public Safety Facility continues. A few more modifications are necessary on the facility before the State does the inspection. This will not interfere with training or the move to the new facility.
- Staff has been working with McGill Associates on the plans for a community park in Rosman.
- The 150th Anniversary Steering Committee meets tomorrow.
- Reminded Commissioners of the Veterans Day Service at 10:30 a.m. on Wednesday at the Gazebo.

PUBLIC COMMENT

There were no comments from the public.

COMMISSIONERS' COMMENTS

Commissioner Hogsed asked Commissioners to give staff direction on the animal shelter regarding whether it is absolutely necessary to build on property on which there is access to water and sewer. He said Commissioner Hawkins had requested that the Board send a formal letter to the Town of Rosman regarding their position on providing water and sewer and asked if any action will be taken on that issue. The Manager said he has asked for clarification about whether there has been a formal decision made by the Town of Rosman but he has yet to receive any information. Commissioner Hogsed said the Board of Aldermen made their position clear at the last meeting and he does not find it necessary to send a formal request to them; however he requested staff formally ask if the Town of Rosman would extend water and sewer to the potential site of a community park.

Commissioner Hogsed asked staff to purchase a new microphone for the public use during Board meetings.

Commissioner Hawkins said it is important to get a formal response from the Town of Rosman regarding their decision on whether or not they will deny water and sewer access to the Calvert site for an animal shelter. He believes their decision should be stated formally in the record. Commissioner Hogsed said he feels the request is a moot point because the Town of Rosman and its citizens have publicly expressed their opposition to the construction of an animal shelter at the Calvert site. Commissioner Hawkins said citizens at the recent meeting opposed the location, not the need for a new animal shelter, which could be a problem wherever the County decides to site the shelter. He again asked for an official statement /action from the Town of Rosman regarding their position on providing water and sewer services for a new animal shelter.

Commissioner Phillips said it is important to see the cost projections on the upkeep and maintenance of a septic system. He also asked staff to find out what other counties are experiencing.

Commissioner Hogsed noted that the Rosman Board of Aldermen expressed some concern about animal control issues in their Town and he asked staff to address those issues. The Manager responded that staff has been addressing those issues.

Commissioner Hawkins thanked the Manager for his work on managing the Public Safety Facility Project.

Chairman Chappell responded to an editorial in the *Transylvania Times* regarding the joint meeting with the Town of Rosman. He said the editorial misrepresented the Board of Commissioners and was biased in their position and served as a disservice to all citizens. Commissioners also responded and expressed their disappointment and cited that the editorial served as a disservice to those who were not able to attend the meeting.

Commissioner Bullock urged staff to move forward quickly with gathering information about potential locations for a new shelter so the County can move forward quickly with completing this project.

ADJOURNMENT

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

Jason R. Chappell, Chairman
Board of County Commissioners

ATTEST:

Trisha M. Hogan
Clerk to the Board