

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
May 24, 2010 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, May 24, 2010 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: *Hendersonville Times News* – Leigh Kelley
Transylvania Times – Mark Todd
WSQL Radio – Wanda Lu Paxton

There were approximately 10 people in the audience.

CALL TO ORDER

Chairman Jason Chappell presiding called the meeting to order at 7:05 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

The Manager reported on the Agenda modifications. Under New Business, he requested to add Item VIII-C Resolution Opposing United States Senate Bill 3194 and House of Representatives Bill 413 “The Public Safety Employer-Employee Cooperation Act of 2009” and Item VIII-D Blue Ridge Parkway’s 75th Anniversary and move the FY 2010-2011 Proposed Budget to Item VIII-E and the Manager’s Report to Item VIII-F.

Commissioner Bullock moved to approve the revised Agenda, seconded by Commissioner Hogsed 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:

MINUTES

The minutes of the May 10, 2010 regular meeting were approved.

FACILITIES USE REQUESTS

The use of the Courthouse gazebo by WSQL Radio for live broadcasts on Saturdays from June 5, 2010 through August 7, 2010 from 6:00 p.m. to 10:00 p.m. was approved.

The use of Silvermont by Edward Jones for a client appreciation dinner on June 7, 2010 from 5:00 p.m. to 8:00 p.m. was approved.

DISCOVERY AND RELEASE REPORT

The Discovery and Release Report for April 2010 was approved.

PRESENTATIONS/RECOGNITIONS

IN RECOGNITION OF JOHN TAYLOR

John and Susie Taylor were recently honored by AdvantageWest as the recipient of the Lone Eagle Entrepreneur of Excellence Award for making economic development contributions to Brevard and in the region. Commissioners recognized the Taylors and presented them with a resolution.

Commissioner Bullock moved to approve Resolution 18-10 In Recognition of John Taylor, seconded by Commissioner Phillips and unanimously approved.

(Resolution 18-10 In Recognition of John Taylor is hereby incorporated by reference and made a part of these minutes.)

APPOINTMENTS

JOINT HISTORIC PRESERVATION COMMISSION

Commissioner Hogsed moved to reappoint Rose Craig to an additional term, appoint Terri Trimble (to replace Connie Kay Hughes) and appoint Robert Raspanti (to replace James Whitt), seconded by Commissioner Bullock and unanimously approved.

Commissioner Phillips moved to reappoint Pat Childress as Chair for 2010, seconded by Commissioner Hogsed and unanimously approved.

NEW BUSINESS

NC JUVENILE CRIME PREVENTION COUNCIL CERTIFICATION

Susan Miller, facilitator for the Juvenile Crime Prevention Council (JCPC), submitted the necessary paperwork to the Board of Commissioners for their approval in order for JCPC to obtain certification and obtain federal funds. There is no financial impact to the County.

Commissioner Hogsed moved to approve the Juvenile Crime Prevention Council Certification and authorize the Chairman to sign the necessary paperwork, seconded by Commissioner Hawkins and unanimously approved.

WESTERN HIGHLANDS NETWORK FISCAL MONITORING REPORT

The Manager presented the Third Quarter Western Highlands Network Fiscal Monitoring Report and noted that since the report, the County has submitted its share of Maintenance of Effort Funds to Western Highlands in the amount of \$99,261.

Commissioner Bullock moved to accept the Third Quarter Western Highlands Network Fiscal Monitoring Report, seconded by Commissioner Hawkins and unanimously approved.

RESOLUTION OPPOSING UNITED STATES SENATE BILL 3194 AND HOUSE OF REPRESENTATIVES BILL 413 “THE PUBLIC SAFETY EMPLOYER-EMPLOYEE COOPERATION ACT OF 2009”

The United States Senate and House of Representatives have submitted bills (S 3194 and HR 413) which would grant every police officer, firefighter and emergency management technician at the state or local level the right to form and join a labor union. These bills, if passed, would preempt North Carolina laws. If approved, collective bargaining agreements would drive personnel costs much higher at a time when counties are already facing demand for higher service levels and lower taxes. The Manager presented the Board with a resolution opposing both the Senate and House bills which will be sent to the County’s representatives in Washington, D. C., if approved. It was noted that Henderson County recently approved a similar resolution.

Chairman Chappell moved to approve Resolution 19-10 Opposing United States Senate Bill 3194 and House of Representatives Bill 413 “The Public Safety Employer-Employee Cooperation Act of 2009”, seconded by Commissioner Hogsed and unanimously approved.

(Resolution 19-10 Opposing United States Senate Bill 3194 and House of Representatives Bill 413 “The Public Safety Employer-Employee Cooperation Act of 2009” is hereby incorporated by reference and made a part of these minutes.)

BLUE RIDGE PARKWAY’S 75TH ANNIVERSARY

From September 10-12, 2010 the National Parks Service will celebrate the Blue Ridge Parkway’s 75th Anniversary at the Cumberland Knob Recreation Area, MP 217, where construction of the Parkway began on September 11, 1935. The celebration will include a formal ceremony featuring local, State, and federal officials, regional music and crafts, antique car and travel trailer exhibits, interpretative and environmental programs, etc. The National Parks Service has invited Transylvania County to identify an Honor Representative and an elected official to attend the festival and participate in the Roll Call. Transylvania County will also be asked to approve a commemorative resolution or proclamation highlighting the County’s history as it relates to the 75th Anniversary of the Blue Ridge Parkway and submit a quilt square depicting aspects of Transylvania County. It will be acceptable to use the County’s 150th Anniversary logo for the quilt square. The estimated financial impact is approximately \$600 to cover the cost of accommodations and meals. The Manager noted that the Blue Ridge Parkway Management Team is meeting on Wednesday, June 16, 2010 to discuss plans for the event.

The Manager suggested working with the 150th Anniversary Steering Committee and the Tourism Development Authority to help effectively use this opportunity to promote Transylvania County.

Chairman Chappell moved to authorize the County’s intent to participate, seconded by Commissioner Hogsed and unanimously approved.

FY 2010-2011 PROPOSED BUDGET

The Manager presented the proposed FY 2010-2011 Budget and announced the workshop schedule.

Revenues for FY 2010-2011 are estimated at \$39.6 million and expenditures are estimated at \$40.5 million. This equates to a \$900,000 deficit. As of June 30, 2010, the designated Fund Balance is expected to be \$9.3 million and the undesignated Fund Balance is expected to be \$7.4 million. The undesignated Fund Balance will equal 18.2% of expenditures.

For FY 2011, the Manager anticipates a slow fragile economic growth according to all financial indicators. The tax base is influenced by many factors and is expected to be down slightly from the current year. Also, sales taxes are expected to be 12.9% below the prior year. The Manager noted that sales taxes are considerably below what was budgeted for the current year. Sales taxes

are expected to be down because of the continued slow economy, the change in the distribution rate, and because the City plans to enact a tax increase giving them a larger percentage of the County's distribution.

Increased expenditures have been budgeted for FY 2011 in the following areas: Education (6.6% increase plus the debt service on the CTE Building), utility costs, retirement contributions (required by the State), equipment maintenance contracts for the Public Safety Facility, and capital items. These items increase the deficit for FY 2011 to \$2.7 million. The Manager noted that Commissioners still have the option of drawing down the undesignated Fund Balance to balance the budget bringing the total undesignated Fund Balance to \$4.3 million, or 10.6% of expenditures.

The Manager discussed the components of the revenues and expenditures. Revenues are largely comprised of ad valorem taxes (62%) and sales taxes (12.3%). The largest expenditure items are Education (32.9%), Public Safety (23.2%), and Human Services (21.2%). The Manager noted that personnel costs make up 41.9% of expenditures.

The Manager provided information indicating the growth and decline of the building industry and the unemployment rate in the County. Both of these factors helped determine the expected potential financial outlook for the next few years. The Manager also provided the following information about the FY 2010 budget and projections for future years' budgets:

- Expects tax base to increase \$40 million per year
- Expects sales taxes to increase incrementally over the next couple of years
- Recommends drawing down funds from the health insurance reserve fund to lessen the impact of increased costs of health insurance
- Departmental expenditures budgeted the same as the current year
- No recommended wage increase for employees for the third consecutive year
- Stimulus funds used by the Board of Education to save teachers' jobs will be depleted after FY 2011
- Health insurance costs are expected to increase by 9% on an annual basis
- Future years' projections include a 5% annual increase for Education
- If revenues remain low, the deficit will continue to increase significantly
- Commissioners can still balance the budget for FY 2011 by drawing down the undesignated Fund Balance and remain in good financial condition
- The FY 2011 budget is a major concern
- To balance the budget with further reductions would require a 7.2% across the board reduction, including Education; difficult to do in some departments; would result in a dramatic reduction in services
- The Budget Message provides several options for balancing the budget, including a 4.62 cents tax increase

In response to a question from Commissioner Hawkins, the Manager said the revenue projections are based on a 99% collection rate. He stated that the Tax Administrator believes the County can achieve this collection rate. Furthermore, the proposed budget does not include funds for a community park, space needs, the animal shelter (additional funds), etc.

MANAGER'S REPORT

The Manager reported the following:

- Reminded Commissioners of the upcoming employee blood draws
- Staff plans to meet with Brevard Rescue this week to further discuss their proposal about property
- Reminded Commissioners of the Memorial Day Service at 10:00 a.m. on Saturday at the Courthouse Gazebo and on Sunday at 9:00 a.m. at Gillespie Circle

- Reminded Commissioners of the Budget Workshop schedule and announced that dinner would be provided each evening at 5:30 p.m.

PUBLIC COMMENT

Mike West: Mr. West inquired about the budget and asked questions relating to inflationary costs, the unemployment rate, fuel costs, and the tax collection rate. The Manager responded as follows:

- Departments have been instructed to keep their budgets flat meaning they include no inflationary increases
- The unemployment rate is based on data from the Employment Security Commission
- The County has included a slight increase for fuel costs
- During the budget sessions, Commissioners will have to consider whether a tax increase is reasonable to pass along to citizens during the current economic situation
- The tax rate is doable and has already been achieved by the Tax Collection Department

Don Surrrette: Mr. Surrrette applauded the Board for passing the resolution against the Senate and House Bills regarding collective bargaining agreements. He also encouraged the Board to continue “tightening their belts” as far as the County budget is concerned. Mr. Surrrette also noted that Representative Guice is working on a bill to undo the bill to reclassify Boylston Creek as trout waters.

COMMISSIONERS’ COMMENTS

Commissioner Bullock commented on the distribution of lottery funds and noted that the North Carolina Association of County Commissioners has been successful in their attempts to urge the State to change the distribution formula for counties to per pupil rather than based on counties’ tax rates.

Commissioner Hogsed noted that the Board has many difficult decisions to make during the upcoming budget session and asked for support and patience from the public.

ADJOURNMENT

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

Jason R. Chappell, Chairman
Board of County Commissioners

ATTEST:

Trisha M. Hogan
Clerk to the Board