

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
June 23, 2014 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, June 23, 2014 at 7:00 p.m. in the large courtroom of the Transylvania County Courthouse.

Commissioners present were Vice-Chairman Larry Chapman, Jason Chappell, Chairman Mike Hawkins, Daryle Hogsed, and Page Lemel. Also present were County Manager Artie Wilson, County Attorney Tony Dalton, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Jeremiah Reed

There were approximately 75 people in the audience.

CALL TO ORDER

Chairman Mike Hawkins presiding called the meeting to order at 7:02 p.m.

WELCOME

Chairman Hawkins welcomed everyone to the meeting and thanked the members of the audience for participating in their County government. He introduced the members of the Board of Commissioners and staff.

PUBLIC HEARING

FY 2015 BUDGET

The Board of Commissioners met on four evenings to discuss the FY 2015 Proposed Budget for Transylvania County. At the conclusion of those meetings, it was the consensus of the Board to propose a General Fund Budget totaling \$46,788,842, which includes an ad valorem tax rate increase of 1.3 cents. This makes the ad valorem tax rate for Transylvania County \$0.4499 per \$100 valuation. The proposed budget also includes a drawdown of Fund Balance by \$1,994,346.

The Manager provided greater detail about the budget via Power Point Presentation. The budget presented to Commissioners on May 27, 2014 included revenues of \$44,026,543 and expenditures of \$46,941,140, leaving a deficit of \$2,914,597. Some slight changes to the budget decreased revenues by \$15,000 and expenditures by \$34,925, therefore reducing the deficit to \$2,894,672 as of June 9, 2014.

At the budget workshop on June 9, Commissioners voted to remove the requests for new positions in the EMS and Communications departments, as well as funding for the Evergreen study. They also added \$150,000 for improvements to Silvermont and \$300,000 for partnering opportunities with the City of Brevard and Town of Rosman. These actions increased the budget deficit by \$159,719 to \$3,054,391.

Commissioners met again on June 11, 2014 and made additional changes to the proposed budget for FY 2015. There was an increase in expenditures by \$18,764 due to a correction in insurance for the EMS positions. Commissioners also removed the previously approved funding for economic development opportunities with the City of Brevard and Town of Rosman in the amount of \$300,000. These actions reduced expenditures by \$281,236. A majority of Commissioners also proposed a 1.3 cents increase in the ad valorem tax rate for the purpose of funding the increase in the Board of Education's request for

Transylvania County Schools. This reduces the budget deficit to \$1,994,346 which will be funded with fund balance appropriation.

The Manager also presented the Home and Community Care Block Grant (HCCBG) funding proposal and the fire tax rates for each district. There was a slight change in the HCCBG funding in the amount of \$4,144 on the expenditures and revenues side. The funding for the HCCBG is broken down as follows:

Funding	\$306,549
<u>Uses</u>	
WCCA – Congregate meals, Home-delivered meals, I & A	\$104,184
Mission Hospital – In Home Aide	\$ 99,048
KOALA – Adult day care	\$ 65,137
Senior Companion	\$ 17,075
Transportation – Medical & general	\$ 15,339
Pisgah Legal	\$ 5,766

As of June 12, 2014, the proposed FY 2015 Operational Budget is \$46,788,842.

The Manager reviewed the estimated Fund Balance totals expected as of June 30, 2015 as follows:

Total Fund Balance	\$20,787,000
Obligated Fund Balance	\$11,645,000
Available Fund Balance	\$ 9,142,000

Available Fund Balance as a % of expenditures is 19.6%. The Local Government Commission recommends an Available Fund Balance of 8%, so the County is well above that suggested amount.

The Manager reviewed in greater detail the items included in the Budget Ordinance for the General Fund, Other Funds, and Inter-Fund Transfers. These together provide a total budget for Transylvania County for FY 2015 in the amount of \$52,660,549. (The proposed FY 2015 Budget Ordinance is attached as part of these minutes.)

Chairman Hawkins declared the public hearing open at 7:14 p.m.

Ken Goble: Mr. Goble spoke out against a tax increase, especially being there is not enough industry in the County to help shoulder the tax burden. He does not believe the employee compensation plan is equitable and suggested an across the board salary increase instead. Lastly, Mr. Goble believes there is enough money in the County budget to give the schools what they need without a tax increase.

Dick Thompson: Mr. Thompson spoke about the economic development portion of the budget. He is in favor of the economic development efforts, but he is concerned about the County properly establishing the financial controls over revenues and expenses and ensuring that they are reported regularly for the benefit of the public. Mr. Thompson believes this is important in order for the new economic development organization to be accepted by the community

Larry Wilson: Mr. Wilson said he has no problem with the budget proposal except it does not create any new jobs. He stated at a previous County Commission meeting that since 2009 there have been 108 potential business leads but still no new jobs. Mr. Wilson noted that the Product Development Task Force's recommendation was to offer existing buildings to potential businesses, of which the County has none. He stated that Transylvania County must become competitive with the region in order to survive. No jobs and additional taxes will cause people to leave this community. Mr. Wilson suggested Commissioners include in the budget funds to create an industrial business site.

John Dillon: Mr. Dillon urged Commissioners not to burden citizens with another tax increase because many people cannot afford the basic necessities of life. He disagreed with Commissioners taking millions of taxpayer dollars to fund projects when people have to make such hard choices in their daily lives.

Judith West: Ms. West said she was more optimistic about where the Board was going with its budget so she was surprised to see the final proposed budget with so much coming out of fund balance for ongoing expenses. She believes Commissioners are acting out of fear and hunkering down. She encouraged Commissioners to think about long term investments, rather than the short term. Ms. West understands taxes can be tough for people, but she urged Commissioners to have a vision and make an investment in the County.

Peter Chaveas: Mr. Chaveas thanked all those who contributed to the budget process. He expressed concern about Commissioners not making investments in the community, investments that might actually help the less advantaged citizens of this County. The County's low tax rate is not making Transylvania County a hub for job growth. Mr. Chaveas urged Commissioners to show leadership and stop delaying the future.

Lee McMinn: Mr. McMinn thanked all those who contributed to the budget process. He agreed that recurring expenses should be paid for with current revenues, not from savings. Mr. McMinn urged Commissioners to enact an appropriate tax rate increase to cover expenses.

Coty Ferguson: Mr. Ferguson commented that the economy in Transylvania County has changed substantially over the last 20 years; however, the County Commissioners continue to finance government the same way. He believes Commissioners should come up with alternative ways of financing government and should pass along more of the tax burden to tourists and part time residents by adopting a tax on services and increasing the occupancy tax. Mr. Ferguson believes the County has cut enough from the budget and needs to focus on raising revenues.

Carroll Parker: Mr. Parker encouraged Commissioners to have a common vision for the future of the County. He also encouraged Commissioners to widen their vision from economic development and jobs to include addressing income inequality. Because people are not making enough money they cannot afford housing and other things. This applies to all, including County employees and teachers.

There were no further comments. **Chairman Hawkins declared the public hearing closed at 7:39 p.m.**

PUBLIC COMMENT

Kevin Glenn: Mr. Glenn reported that the Planning Board is still debating a draft high impact land use ordinance nearly a year after Commissioners directed them to do so. He reminded Commissioners that People for Clean Mountains submitted a model ordinance for their consideration last June and it meets all the requirements indicated as needed by the School of Government and the courts. Although it is not perfect, it serves the function of protecting the community from high impact polluting industries and lawsuits on those industries. Mr. Glenn urged Commissioners to put this ordinance in place prior to the

expiration of the moratorium on the biomass facility. He resubmitted the draft ordinance to Commissioners and noted that he made minor changes that will cover the area of fracking.

Karla Marr: Ms. Marr said she understands no one likes to pay higher taxes; however, she thanked Chairman Hawkins and Commissioner Lemel for their vision. She wants to see progress and things getting done. She noted that the Goldsmith report on economic development came out 16 months ago, but she has yet to see a solid plan for economic development in this County. Ms. Marr said she is tired of the rhetoric and wants to see action by Commissioners.

AGENDA MODIFICATIONS

There were no agenda modifications.

Commissioner Hogsed moved to approve the agenda, seconded by Commissioner Lemel and unanimously approved.

CONSENT AGENDA

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

The following item was approved:

DISCOVERY AND RELEASE REPORT

The Discovery and Release Reports for May 2014 and June 1-23, 2014 were approved. In May, the total tax dollars released was \$638.31 and there were no refunds. For June 1-23, 2014, the total tax dollars released was \$496.84 and the refunds totaled \$1,472.02.

PRESENTATIONS/RECOGNITIONS

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Transylvania County for its comprehensive annual financial report for the fiscal year ending June 30, 2013. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Manager believes the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and therefore the Finance Office is submitting it to the GFOA to determine its eligibility for another certificate.

Commissioners recognized Gay Poor, Finance Director and the Finance Staff for being awarded the Certificate of Achievement for Excellence in Financial Reporting.

VETERAN SERVICE REPORT 2013

Each year Mr. Frank Pearsall, Veterans Service Officer, presents an annual report showing the amount of benefits received by veterans in Transylvania County. He reported that in 2013 Veterans Affairs expended \$16,576,000 in compensation, pension and medical benefits in Transylvania County, a 23% increase over 2012. Mr. Pearsall noted that while other VA hospitals have received negative reviews, the VA hospital in Asheville has an 89% approval rating. He reported that the North Carolina veteran population stands at

771,654, of which 3,400 are in Transylvania County. The State has a female veteran population of 68,380. Commissioners commended Mr. Pearsall for the services he provides to veterans in Transylvania County.

DESIGNATING JULY AS PARKS AND RECREATION MONTH

Since 1985, America has celebrated July as the nation's official Parks and Recreation Month. Created by the National Recreation and Park Association (NRPA), Parks and Recreation Month specifically highlights the vital role local parks and recreation, such as Transylvania County, play in conservation, health and wellness, and social equity efforts in communities all across the country. This year, Transylvania County Parks and Recreation and NRPA want everyone to go OUTside, get INspired, change their OUTlook and get INVolved in the community. Transylvania County encourages and invites all people in the County to celebrate Parks and Recreation Month during July by getting OUTside and INTO their local parks.

Commissioner Lemel moved to approve Proclamation 21-2014 Designating July as Parks and Recreation Month, seconded by Commissioner Hogsed and unanimously approved.

(Proclamation 21-2014 Designating July as Parks and Recreation Month is hereby incorporated by reference and made a part of these minutes.)

APPOINTMENTS

LIBRARY BOARD OF TRUSTEES

The terms of Betsy Jordan and Nicola Melby expire at the end of July. Betsy Jordan is eligible to serve another term and wishes to be reappointed. Nicola Melby does not wish to be reappointed. There is one application on file from Marshall McCallie.

Commissioner Lemel moved to reappoint Betsy Jordan to another term on the Library Board of Trustees, seconded by Commissioner Chappell and unanimously approved.

Commissioner Lemel moved to appoint Marshall McCallie to replace Nicola Melby, with his term ending July 2017, to the Library Board of Trustees. The motion was seconded by Commissioner Chappell and unanimously approved.

SOCIAL SERVICES BOARD

The terms of Jane Williams and Paul Edwards expire at the end of June. Ms. Williams does not wish to be reappointed. Mr. Edwards is appointed by the State. Social Services Director Stoney Blevins has requested the appointment of a County Commissioner for the purposes of keeping the Board of Commissioners aware of the issues the department encounters on a monthly basis. There is one application on file and the applicant currently serves on the Board of Health.

Chairman Hawkins moved to table the appointment until the first meeting in July. The motion was seconded by Commissioner Chapman and unanimously approved.

TRANSPORTATION ADVISORY COMMITTEE

The terms of Craig Burghardt, Mac Morrow and Jimmy Whitmire expired at the end of May. Mr. Burghardt and Mr. Whitmire are both eligible and willing to serve another term. Mr. Morrow has served three full terms, but desires to have his term limits waived and reappointed to another term if the Board so chooses. There are two additional applications on file. It is also the responsibility of the Board to appoint the chairman annually.

Commissioner Chapman moved to reappoint Craig Burghardt, to reappoint Jimmy Whitmire as Rosman's representative, to waive the term limits and reappoint Mac Morrow, and to reappoint

Dana Hawkins as chair. The motion was seconded by Commissioner Lemel. Commissioner Lemel stated that she supports the motion to waive the term limits and reappoint Mac Morrow because this committee needs representation from the City of Brevard. **The motion passed by a vote of 4 to 1, with Commissioner Hogsed voting against.**

JOINT HISTORIC PRESERVATION COMMISSION

The terms of Steve Arnaudin and Jeffrey Mills expired at the end of May. Both are eligible for reappointment; however, Mr. Arnaudin does not wish to be reappointed. There is one eligible application on file. It is also the responsibility of the Board to appoint the chairman annually.

Commissioner Chappell moved to reappoint Jeffrey Mills, to appoint Lauren Wise to replace Steve Arnaudin, and to reappoint Rosie Craig as chair. The motion was seconded by Commissioner Hogsed and unanimously approved.

WORKFORCE DEVELOPMENT BOARD

Bill Ragland's term expired at the end of May. It is the recommendation of Mr. Phil Monk with the Mountain Area Workforce Development Board to reappoint Mr. Ragland to another term because of his leadership on the local board and his membership on the State Workforce Committee is important to the region. There is one other application on file; however in speaking with him recently, he asked that his application not be considered for future appointments because of his military status and the possibility that he may be deployed soon.

Commissioner Chappell moved to waive the term limits and reappoint Bill Ragland to another term, seconded by Commissioner Lemel and unanimously approved.

OLD BUSINESS

BIDS FOR COMMUNITY PARK NEAR ROSMAN

In 2012 Transylvania County applied for a North Carolina Parks and Recreation Trust Fund (PARTF) matching grant for the Community Park near Rosman. The County was notified in 2013 that it had received \$181,350 in matching grant funds. This phase of the project included restrooms/concession/utilities, walking trail, playground, picnic shelter, sidewalk, basketball court, lighting for the large baseball field, signage and horseshoe and volleyball courts. Staff went out to bid on the project and received four bids on the restrooms/concessions, utilities, basketball court, walking trail, and picnic shelter. One of the bids was deemed nonresponsive. The lowest responsive responsible bid was \$498,156, which did not include the lights, playground, and getting utilities to the restroom/concession building. The total projected cost of all the items listed in the PARTF grant is \$852,239.

Given that the County only has funds totaling \$362,700 allocated toward this project, staff has revisited the items listed in the grant and prioritized them based on perceived community usage. Staff also communicated with LuAnn Bryan with the State Parks and Recreation Division about modifying the grant application to stay within the funding level already approved and received a positive response. The amenities that would be provided in this next phase include a playground, a natural walking path, a picnic shelter, basketball court and a restroom facility. Staff contacted the president of the Little League organization about the lights and he stated there is not a need for them at this point.

Based on this information, staff recommends the rejection of all bids and for staff to submit a letter requesting modification of the PARTF grant to include a playground, natural walking path, picnic shelter, basketball court, restroom facility with utilities, and signage. The matching portion of the PARTF grant is included in the FY 2015 Budget. If Commissioners approve the recommendation, the State would then grant the County a formal approval. The process should take approximately a month.

The Manager noted that some of the items excluded from this phase are expensive, such as lights, which will cost approximately \$225,000. He believes the next phase should include river access and a track. Other items should be considered as part of an overall parks and recreation master plan in the future.

Commissioner Lemel moved to reject all bids, authorize staff to request modifications to the PARTF grant to stay within the approved funds and rebid the modified project. The motion was seconded by Commissioner Hogsed and unanimously approved.

NEW BUSINESS

BREVARD BYPASS/SYLVAN VALLEY PARKWAY

In 2007, the North Carolina Department of Transportation (NCDOT), Transylvania County and the City of Brevard developed a Comprehensive Transportation Plan for the County. The plan proposed a bypass around Brevard that would connect NC 280 north of Wal-Mart, US 64 east of the Pisgah Fish Camp, US 276 south of Brevard at Wilson Bridge, and US 64 southwest of Sav-Mor grocery store. Four alternative alignments of the bypass were presented. NCDOT has requested comments from Brevard City Council and the Board of Commissioners on which alternative is preferred. On May 6, 2014, City and County staff and members of various appointed boards met to discuss the project and made recommendations. On May 19, 2014 Brevard City Council adopted Resolution 2014-10 endorsing Alternative Alignment 3A with listed modifications and exceptions. On May 29, 2014 the Transylvania County Transportation Advisory Committee met and endorsed Alternative Alignment 3A but did not endorse the options as approved by Brevard City Council. They preferred for Commissioners to decide upon those.

City Planning Director Josh Freeman explained the version of Alternative 3A as endorsed by Brevard City Council. Alternative 3A essentially follows Wilson Road with some modifications, such as the realignment of the intersection at Old Highway 64 and Wilson Road at the Pisgah Forest Post Office. There are a number of other modifications that are recommended in the resolution that Brevard City Council put forward. The underlying reason for City Council's position was that the transportation demand model that was the basis for the 2007 comprehensive transportation plan was developed in a time that is very different from now. The big deviation is the southern and western piece and is not supported at the present time because it is too disruptive to too many homes and properties.

Commissioner Lemel inquired about a time frame for this project. Mr. Freeman said this will result in a decision once it is determined if it even warrants funding at all. He noted that this has been a policy discussion in this County since the 1960's. The Manager pointed out that if the project is removed from the comprehensive transportation plan, the bypass option will be taken off the table. If taken off the table, it would have to be brought back up for consideration in the much distance future. Otherwise, if it remains on the list, NCDOT will begin the process of planning for this project. Mr. Freeman concurred with the Manager's assessment and noted that the City would ask that the southwestern portion be reevaluated when they do their next update of the comprehensive transportation plan in 2016.

Commissioner Lemel clarified that what Commissioners are being asked to do at this meeting is approve a resolution in concurrence with the City of Brevard and the Transportation Advisory Committee. The Manager confirmed. Again, he noted that the Transportation Advisory Committee agreed with the City on the Alternative Alignment 3A, but the Transportation Advisory Committee did not take a stand about the different elements that the City included in their resolution. Commissioners are not required to offer comments on the alternatives.

Commissioner Lemel believes it is important for County Commissioners to affirm the position of the Transportation Advisory Committee, as well as support the City of Brevard, so **Commissioner Lemel moved to approve Resolution 22-2014 A Resolution Offering Comment upon Alternative Alignments**

to the Brevard Bypass/Sylvan Valley Parkway as presented. The motion was seconded by Commissioner Hogsed. Commissioner Hogsed serves on the RPO and TAC and he said a common voice is important with these transportation projects. Commissioner Chapman stated it is important to understand where future transportation projects may take place so that the County and others do not interfere with its progress, such as building a fire station in the pathway of a new road for example. **The motion was unanimously approved.**

(Resolution 22-2014 A Resolution Offering Comment upon Alternative Alignments to the Brevard Bypass/Sylvan Valley Parkway is hereby incorporated by reference and made a part of these minutes.)

BUDGET AMENDMENTS

Based on Section 34 of the FY 2014 Budget Ordinance, certain budget amendments must be submitted to the Board of Commissioners for approval. Below is a summary of amendments that have been requested that require Board approval because they increase or decrease the total General Fund budget and are derived from funding sources not previously approved by the Board or reflect reductions in projected funding sources.

- #116. To appropriate \$919 from unassigned General Fund balance to the Health Department to provide matching funds for State program.
- #139. To appropriate \$8,700 from unassigned General Fund balance to cover higher than originally anticipated costs for autopsies, Title III nutrition, and legal services.
- #144. To appropriate \$34,525 from General Fund balance assigned for Accrued Vacation for vacation paid out in lieu of time taken (\$23,295) and vacation paid out upon resignation and retirement (\$11,230).
- #145. To record receipt of \$9,553 in insurance proceeds and appropriate \$2,986 to Maintenance to replace stolen items and \$6,567 to repair Sheriff's Office vehicle damaged during ice storm.
- #148. To record receipt of \$13,652 in additional revenues anticipated for the Register of Deeds office and related expenditures of \$7,663 and resulting net reduction of \$5,989 in fund balance appropriation. (Net impact to General Fund budget equals \$7,663.)
- #150. To appropriate \$1,770 from unassigned General Fund balance to Law Enforcement Officers Separation Allowance for LEO retirement payments.
- #151. To recognize receipt of (1) donation of \$25,000 from Allen trust restricted for use by EMS and Animal Services in FY 2015 and (2) refund of \$30,000 of interest on delinquent motor vehicle tax bills remitted to State FY 2006 through FY 2013 for development of Tax and Tag Together system and to reduce fund balance appropriation accordingly. (There is no net impact to General Fund since the increase in revenues is offset by a decrease in fund balance appropriated.)
- #152. To recognize receipt of \$2,075 from the Community Development Block Grant Fund for reimbursement of eligible CDBG expenditures reported in the General Fund and to reduce fund balance appropriation.
- #153. To appropriate \$547 from unassigned General Fund balance to the Community Development Block Grant Fund to cover expenditures that exceeded available grant funds.
- #154. To record adjustments in funding for Social Services programs, including increases in Crisis Intervention (\$6,239), LIEAP (\$524), Smart Start (\$9,287), and St. Philips grants (\$3,400) and decreases in

State/Federal Subsidies for child care (\$89,948) and LINKS (\$4,412), for a net General Fund decrease of \$74,910. (In addition, the budget for Program Staff/Administrative support is proposed to increase by \$300,000, which would in turn reduce fund balance appropriation, netting to a \$0 impact.)

#156. To recognize receipt of an estimated \$450 by EMS for the sale of Epi-pen kits to emergency response agencies.

#157. To recognize receipt of \$2,500 donation from Duke Energy to Parks and Recreation for the Community Park.

If approved, these amendments will decrease the General Fund budget by \$10,358, bringing it to a total of \$46,296,296.

Commissioner Hogsed moved to approve the requested budget amendments, seconded by Commissioner Lemel and unanimously approved.

In addition, at the end of each quarter, the Finance Director provides a recap of the budget amendments that have been approved year-to-date and their impact on the fiscal year General Fund budget. In the fourth quarter, amendments totaled \$467,715, bringing the total changes for the year to \$1,797,061.

TRANSYLVANIA COUNTY BUDGET ORDINANCE FY 2015

The Board of Commissioners held a public hearing at the beginning of the meeting on the proposed budget for FY 2015. The proposed General Fund Budget is \$46,788,842. The proposed budget includes an ad valorem tax rate increase of 1.3 cents bringing the ad valorem tax rate for Transylvania County to \$.4499 per \$100 valuation. Included also is a drawdown of Fund Balance by \$1,994,346. Included in the Commissioners' agenda packets is a detailed Budget Ordinance.

Commissioner Chappell moved to approve the Transylvania County Budget Ordinance for Fiscal Year 2014-2015. The motion was seconded by Commissioner Lemel.

Commissioner Chapman reminded everyone that Commissioners increased the tax rate significantly last year while the fund balance continued to grow. While some of the fund balance is being used toward recurring expenses, he believes Commissioners will be forced to make hard decisions on how to spend taxpayers' money. Commissioner Chapman was not supportive of raising the tax rate because he does not believe it will help to improve the economy. For the most part, he believes the proposal is a good budget because it takes significant steps to ensure County employees' salaries become more in line with the market place and funds economic development, but he will not support a tax increase. Commissioner Chapman urged citizens to become more engaged in their local government and especially in the budget process.

Commissioner Chappell said there are items in the budget he disagrees with which he voiced during the budget workshops. However, the reason he is supporting the tax increase is to fund the School System which he believes is an investment in economic development. This budget also draws down fund balance. Commissioner Chappell does not believe the School System will receive a windfall of money so the tax increase is needed to support their request and fund education. Commissioner Chappell said he must vote his conscience so he stands by the overall budget and his vote in support of it.

Commissioner Lemel does not believe the budget does enough to meet the needs of the community. She intends to vote in support of the budget because otherwise the County would not be taking steps to move forward. She noted there are defined projects on the horizon. The County needs more parks and recreation programs in the community. The County is in the process of restoring Silvermont, a piece of the County's history. The School System also has needs and there could potentially be additional shortfalls depending

on the State budget. The County needs to provide fair and competitive wages for employees. Commissioner Lemel stated that even with the tax rate increase last year; the County still maintained the 8th lowest tax rate in the State. A tax rate this low does not allow for the County to develop product, mainly infrastructure, which is needed to help bring jobs to the community. Commissioner Lemel said she would love to place more of the burden on tourists but counties are limited statutorily and are only allowed to levy taxes as allowed by the State Legislature. She believes that by drawing down fund balance for recurring costs Commissioners are delaying hard decisions that will become more and more difficult to make each year. Commissioner Lemel urged citizens to become more involved with their local government.

Commissioner Hogsed thanked staff and Commissioners for their time and effort on the budget process and dedication to the public. He also thanked citizens for attending the budget sessions and for participating in the public hearing this evening. Commissioners Hogsed believes this is a good budget and shows vision; however, he opposes the budget for fundamental reasons. He said the fund balance, being taxpayer dollars, should be used instead of asking citizens for more tax dollars in the form of a tax increase. Commissioner Hogsed also believes, while there is some recovery, that Transylvania County's economy has not recovered fully enough to ask more tax dollars from citizens. He is concerned about young families struggling to make ends meet and older families on fixed incomes. Commissioner Hogsed said he understands there are many citizens that can shoulder the increase in the tax rate, but for those who cannot the fund balance should be used to balance the budget.

Chairman Hawkins agreed with all Commissioners on some points of their arguments for and against the budget. He said this County cannot expect others to invest here if this Board is not willing to invest in the County. He noted there have been items identified that require an investment and he is disappointed that this Board will not discuss revenue alternatives and creative ways to enable or facilitate growth in Transylvania County. Chairman Hawkins does not believe there are many counties allowing their fund balance level to get near the 8% level recommended by the Local Government Commission because it is too risky. He believes a fund balance level of 15% is a reasonable level. While he understands this is not a perfect budget, it is a start, and the tax increase will enable the County not to draw down as much of the fund balance. The tax increase will cover the Board of Education's request. Chairman Hawkins said moving forward his response to the public regarding the tax increase is that the Board of Education raised the tax rate by 1.3 cents, not the Board of Commissioners. Generally the County has funded the School System through cuts in general government and the County cannot continue to do that anymore. Chairman Hawkins thanked Commissioners for their work on the budget and called for a vote on the motion.

The motion passed by a vote of 3 to 2, with Commissioners Chapman and Hogsed voting against.

(The FY 2015 Budget Ordinance is attached as part of these minutes.)

PUBLIC COMMENT

Don Surette: Mr. Surette said all the items being considered in the budget are valid. However, he believes the warning bell has been rung for Transylvania County and Commissioners need to pay attention. The population is decreasing. He does not know the reason, but he suspects people are leaving this County to look for employment.

Norm Bossert: Mr. Bossert thanked the Manager for his work as County Manager for so many years.

COMMISSIONERS' COMMENTS

Commissioner Chapman reported that he attended the NC Association of County Commissioners (NCACC) Board of Directors meeting this week. He encouraged Commissioners to attend the annual

conference in Asheville in August. At the Board of Directors meeting there was some discussion about the Supreme Court's ruling about prayer in public meetings. He reviewed the ruling for the benefit of the public to ensure them that this Board of Commissioners is not violating any laws. He will provide Commissioners with additional information he received at the meeting.

Commissioner Hogsed coaches a tee-ball team and one of the players has been diagnosed with a brain tumor. He asked for prayer from the public and asked them to help this young boy's family in any way they can.

ADJOURNMENT

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

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board