

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
November 17, 2014 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, November 17, 2014 at 7:00 p.m. in Commissioners Chambers at the County Administration Building. The meeting was rescheduled from its original date of November 10, 2014.

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

Media: *The Transylvania Times* – Jeremiah Reed

There were approximately 50 people in the audience.

CALL TO ORDER

Chairman Mike Hawkins presiding called the meeting to order at 7:03 p.m.

WELCOME

Chairman Hawkins welcomed everyone to the meeting in the new location. He thanked the members of the audience for participating in their County government. He introduced the members of the Board of Commissioners and staff. This is the first meeting in the new Commissioners' Chambers. Chairman Hawkins also noted this will be Commissioner Hogsed's last meeting as a member of the Board.

PUBLIC HEARING

FY 15-16 SECTION 5311 TRANSPORTATION GRANT

The County Transportation Department is requesting permission to apply for Section 5311 Transportation Grant funds. A public hearing is required to receive local input regarding the FY 15-16 Section 5311 Transportation Grant. The public hearing notice was properly advertised by staff. This is an annual request. The Section 5311 Transportation Grant provides \$176,986 in funding for local transportation efforts. Of these funds, 80% is provided by the federal government and 5% is provided by the State. The remaining 15% comes in the form of a local match which is \$26,549.

Support Services Director Keith McCoy described in more detail the services provided with these funds. This grant normally covers administrative and capital costs. The federal government has capped the administrative dollars that can be requested. There are no capital requests this year.

As required, Mr. McCoy informed the public there are Title VI Public Involvement forms available should they wish to participate.

Chairman Hawkins declared the public hearing open at 7:09 p.m. There were no comments from the public. **Chairman Hawkins declared the public hearing closed at 7:10 p.m.**

Staff requested that Commissioners approve the application package to receive funding for this program during this same meeting.

PUBLIC COMMENT

Gerry Hunsicker: Mr. Hunsicker thanked those involved with the “Whose Water Is It Anyway” conference. However, he feels like he did not get answers to his questions. He said there is still the risk of citizens losing rights to their own property and being levied hefty fines because of rules put forth by the NC Department of Environment and Natural Resources. The Environmental Protection Agency is planning to pass additional water rules that are more severe than the State. Mr. Hunsicker believes the citizens of this community do a good job of protecting water. He said additional rules passed along by local governments only stifle the economy and that is evident by the City’s UDO.

Jackie Hovey: Ms. Hovey said she attends Board of Elections meetings on a regular basis. She commended them for the great job they did during this last election and how hard they worked to make sure everyone voted that wanted to. The work they do year-round makes the actual election process seem effortless. Ms. Hovey hopes Commissioners will give consideration to their growing need for adequate facilities.

AGENDA MODIFICATIONS

There were no agenda modifications.

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

CONSENT AGENDA

Commissioner Chappell moved to approve the Consent Agenda as submitted, seconded by Commissioner Chapman. Commissioner Lemel commended the Tax Office for the amazing job they continue to do. She also expressed concern about the changes to the Parks and Recreation Commission bylaws. She is concerned about committees having to bring forth changes in meeting dates and times to Commissioners for approval. She preferred that the bylaws state they would hold a regular meeting as published. **Commissioner Chappell amended his motion to revise the Amendment to the Parks and Recreation Bylaws to state they will meet at a date and time as published. The amended motion was seconded by Commissioner Chapman and unanimously approved.** Staff will post the regular meeting schedule as required for the open meetings laws. **The main motion was unanimously approved.**

The following items were approved:

MINUTES

The minutes of the July 14, 2014 regular meeting were approved.

DISCOVERY, RELEASE & MONTHLY SETTLEMENT REPORT

The Discovery, Release and Monthly Settlement Report for the period October 17, 2014 through October 31, 2014 was unanimously approved. Total tax dollars released was \$819.37. Refunds totaled \$290.83.

CANCEL 2ND COUNTY COMMISSION MEETING IN NOVEMBER

Commissioners rescheduled their first meeting in November from the 10th to the 17th. The next meeting is scheduled for the 24th but there is no pressing business for Commissioners to address. Therefore, Commissioners and staff recommended cancelling the second County Commission meeting on November 24. The request was approved. Commissioners instructed the Clerk to advertise and post notice.

TAX ADMINISTRATION OFFICE CLOSING FOR RETIREMENT RECEPTION

The Tax Administration Office would like to close from 3:00 p.m. to 5:00 p.m. on Thursday, December 11 so that staff can attend a retirement reception for Tax Administrator David Reid. Commissioners approved the request and instructed staff to post proper notice for the public.

AMENDMENT TO PARKS AND RECREATION COMMISSION BYLAWS

Commissioners approved the bylaws of the newly formed Parks and Recreation Commission on May 27. Since then, members decided to change the time of the meeting to better reflect their personal schedules from 5:30 p.m. to 6:30 p.m. The Parks and Recreation Commission recommended amending the bylaws to indicate the new meeting time. Commissioners revised the request for the bylaws to state that meetings will occur as published. This is to avoid having to come back before the Board each time there is a change in the meeting date or time.

PRESENTATIONS/RECOGNITIONS

2014 WEST DISTRICT FRIEND OF EXTENSION AWARD

County Extension Director (Interim) Eric Caldwell presented Commissioners with the 2014 West District Friend of Extension Award. The award was officially presented during the NC Association of County Commissioners Annual Conference in August. The purpose of the award is to recognize local governments for their outstanding partnership with the NC Cooperative Extension Service. Transylvania County was chosen because it models a culture of collaboration and inclusiveness with Cooperative Extension staff and programs. Examples can be seen in the County's commitment of financial and other resources dedicated to help further Cooperative Extension's programs resulting in the creation of innovative Extension Agent positions. Furthermore, the close working relationship and involvement between County and Extension staffs add value to programs and creates impacts that benefit the citizens of Transylvania County. Commissioners each accepted their award and thanked County Extension Director Eric Caldwell.

Mr. Caldwell introduced the Cooperative Extension staff. When this was presented in August he was the County Extension Director but he now serves as the Western District Director. Commissioner Chappell expressed his appreciation for the partnership the County has with Cooperative Extension. It is an integral part of County government and Commissioners are appreciative of the work they do. Commissioner Chapman accepted the award on behalf of Commissioners at the Annual Conference. He noted this is a distinguished award and one not received by all counties. He said it is because of the work of the local department here that the County is being recognized with this award. Commissioner Lemel concurred with Commissioner Chappell's comments. This award is a testament to the work done by the staff in this department. It is great tribute to Mr. Caldwell's leadership and his accomplishments. She made note of the importance of the Extension's services to the citizens of this community. Commissioner Hogsed thanked Mr. Caldwell and his staff for their service to the County and citizens.

NEW BUSINESS

APPROVAL OF A RESOLUTION TO AUTHORIZE THE NEW COUNTY MANAGER TO SIGN REQUIRED DCA REPORTS AND DOCUMENTS AND TO BECOME THE COUNTY'S SECTION 504 OFFICER FOR ITS CURRENT (2011) SCATTERED SITE HOUSING GRANT

Since the previous Manager retired from the County in early October, the Division of Community Assistance would not allow the new County Manager to sign the required reports and documents on behalf of the County's 2011 Scattered Site Housing grant without the Board's approval of a new resolution. The County also must designate the new County Manager as its Section 504 officer for this project.

As a requirement of receiving Community Development Block Grant funds from the N.C. Department of Commerce's Division of Community Assistance in June of 2012, the County must formally designate other signatories to sign the required reports and documents or all of the required reports and documents must be signed by the Chief Elected Official, which would always be the Chairman of the Board of Commissioners. The County adopted a previous resolution of this nature on October 8, 2012, but since this time, Artie Wilson, the former County Manager has retired from the County. It is necessary to adopt another resolution to authorize the new County Manager, Jaime Laughter, to sign documents on behalf of the County's Scattered Site Housing Project.

Commissioner Lemel moved to adopt Resolution 38-2014 to authorize the new County Manager to sign the required DCA reports and documents in addition to the necessary signatures that are required by the Chairman and to approve the new Section 504 Plan on behalf of this project, and additionally to change "Planning and Economic Development" to "Planning and Community Development" in the title of the resolution. The motion was seconded by Commissioner Hogsed and unanimously approved.

(Resolution 38-2014 Authorizing the County Manager and the Director of Planning and Community Development to Sign Required CI Reports and Documents, November 2014-October 2015 is hereby incorporated by reference and made a part of these minutes.)

FY 15-16 SECTION 5311 TRANSPORTATION GRANT

A public hearing was held at the beginning of the meeting. There were no comments made by the public. Staff asked Commissioners to approve the Section 5311 Transportation Grant application package.

Commissioner Lemel moved to approve the FY 15-16 Section 5311 Transportation Grant application package. The motion was seconded by Commissioner Chapman. Commissioner Chapman asked if there was a mechanism for requesting additional funds from the Federal or State governments. Mr. McCoy noted this grant does not fully cover administrative costs, but the amount requested is the maximum amount allowed. His department uses these funds in the most efficient manner possible. Commissioner Chappell thanked Mr. McCoy and his staff for being efficient in the use of these funds and for finding ways to make sure services are being provided. **The motion was unanimously approved.**

RENOVATION OF OLD DETENTION FACILITY

Previous space needs studies have included conversion of the old detention center into a single space to be used for Board of Elections and the County Employee Wellness Clinic. Renovation and up fit plans of the space have included community room space that would cover needs for One Stop Voting while providing space for training and other community room type uses during times outside of an active election. The estimated expense for the project in total is \$1.5 million, with estimated actual construction cost to be \$1.16 million, broken down as follows:

- | | |
|-------------------------------|-------------|
| ▪ Estimated Construction Cost | \$1,160,000 |
| ▪ Architectural Services | \$ 100,000 |
| ▪ Furniture and Fixtures | \$ 130,000 |
| ▪ Contingency | \$ 110,000 |

Total Estimated Cost *\$1,500,000*

The old detention center has a very solid construction due to the purpose of the building when it was built so the structural components appear to be in good shape; however, there are issues with the structure that could jeopardize future use without renovation. Currently, there are growing needs for roof replacement, HVAC replacement and insulation needs that total approximately half of the total estimated physical

construction expense. This would be required to keep the building operational for any potential future use. The two pictures included in the Commissioners' agenda packet depict some of the impacts of moisture from the roofing system within the building.

Architect Rich Worley also estimates that there is a savings of \$35-\$40 per square foot to renovate instead of demolish and start new. New construction also raises potential issues on the site to comply with the City of Brevard's Unified Development Ordinance (UDO) that may restrict the square footage potential of a structure on the site.

The Manager recommended Commissioners approve proceeding the construction documents and to go out for bids on the project to get accurate estimates of the project cost. The architectural fees should not exceed \$79,500 and the funds should come from Unassigned Fund Balance. Mr. Worley was in attendance to answer questions from Commissioners.

Commissioner Lemel moved to authorize Architect Rich Worley to proceed with the construction documents and go out to bid for the project, with the architectural fees for the construction documents not to exceed \$79,500 and the funds to come from Unassigned Fund Balance. The motion was seconded by Commissioner Chapman. Commissioner Chapman asked about the timeline for this project assuming Commissioners approve moving forward. He wondered if the County can meet the voting location requirements in order to be ready for the next election. Mr. Worley said the next steps in the project would be to provide design development drawings for final approval and proceed with bid documents. If all goes well, the documents can be available by the end of February. The project would then be bid and construction would commence. He believes the construction will take nine to ten months. Elections Director Karen Brinson stressed to Commissioners that her office is under a tight deadline at this point. The 2016 election calendar includes a new primary, called a presidential primary, in addition to the regular primary. It is based on the date in which South Carolina sets its date for the presidential primary. The date at this point has not been set, but it will occur in late February or early March. There is a 100-day notice required prior to every election that is held for military and overseas citizens which outlines the locations of the election office to allow them to submit their request for absentee ballots. With those timelines in mind, the Elections staff would need to be in a position to move and set up operations by September in order to conduct a municipal election and in December for the presidential primary in 2016. Commissioner Chappell asked Ms. Brinson if the Elections department is trying to make their operations fit into this location or if it will truly meet their needs. Ms. Brinson believes this location is a win-win. The cell area in the old jail can be used for storage of voting equipment because it is not usable for anything else. The remainder of the space is usable for the public and for the current office as it presently operates, provides room for growth, meets technology needs and offers space for a large multipurpose room not only for elections purposes but for use by the public as well. The new space is designed to bring elections activities under one roof and allows for much improved efficiency. She said the department will make this space work for them; however, they continue to look for alternate One Stop Voting sites to meet the demand. Commissioner Chapman inquired about the impacts of the UDO on this project. Mr. Worley said there could always be issues in an existing building; however, the structure of the building appears to be in good shape. There will be some UDO requirements that need to be met; however, they are minimal compared to building a new structure. This results in some savings. Chairman Hawkins liked the concept of providing a large meeting space. Ms. Brinson agreed and said her department envisions using that space for One Stop Voting, transferring the Brevard 1 precinct to that space, election night check-in, etc. There are groups in frequent need of meeting space, so she also envisions being able to partition the room to provide community meeting space. Commissioner Chapman believes cost will be the driving factor for him on this project. **The motion carried by a vote of 4 to 1, with Commissioner Hogsed voting against.**

Commissioner Hogsed said he believes the best way to spend \$1.5 million would be to demolish the building and construct a new multistory building at the same location. He would prefer not to spend this amount of money on an old building.

LEACHATE DISPOSAL PAYMENT REQUEST

The County has previously had an unwritten trade agreement with the City of Brevard to dispose sludge at the landfill in exchange for leachate disposal at the wastewater treatment plant. Staff has researched for an agreement in writing and has been unable to find one although a memo dated 1995 states there is no written agreement. Proximity of the County landfill to the Town of Rosman's wastewater treatment plant presented an opportunity to explore a disposal method that would save the County by reducing travel miles and personnel time. Town of Rosman officials were unsure about the impact of the leachate on their system so an informal agreement was reached to dispose some test loads to see if there were any negative impacts to the plant.

Seven test loads were taken over three days including on August 21, August 22 and September 3. At that time there appeared to be no negative impacts. Disposal loads continued from September 11 on a regular basis totaling 36 loads in September and 34 loads in October according to County records. No fees or other compensation were formally negotiated for this time period.

In October, County officials, County staff and Town of Rosman officials met to discuss a potential agreement for leachate disposal. Following the meeting, the Town of Rosman made a proposal for leachate disposal at \$.025 per gallon along with other terms including installation of at least one aerator within the first 12 months of the agreement and the ability for the Town to suspend disposal of leachate at their facility at any time. A second meeting of County and Town representatives took place to discuss when an agreement may be able to be reached. The County would have to pursue a new revenue stream in order to pay for disposal. While this could be in the form of a negotiated agreement with the City of Brevard for sludge disposal, it would not be fair to all parties to make this change mid-budget year. Depending on how negotiations go with the County and each respective party, there is potential to realize some savings to the County budget if new agreements were in place. Therefore, staff submitted a proposal for the Board's consideration that would cease leachate disposal at the Rosman plant temporarily while new agreements are negotiated between the County and Rosman and the County and Brevard with an effective date of July 1, 2015 with all parties' budgets. Leachate disposal was resumed with the City of Brevard under the existing agreement.

The Town of Rosman invoiced the County for leachate disposal conducted during the fall at the rate of \$.025 per gallon as they have proposed in the draft agreement. The invoice amount is \$5,775. Funds would need to come from Unassigned Fund Balance since money has not been budgeted for this expense and no active written agreement exists between the County and the Town.

Staff recommended that Commissioners consider whether they wish staff to pay the invoice as presented and direct staff on how to proceed with negotiating leachate agreement with the Town of Rosman and/or City of Brevard.

Commissioner Hogsed moved to pay the invoice as submitted from the Town of Rosman and instructed staff to negotiate a long term agreement for leachate disposal for FY 2016. The motion was seconded by Commissioner Lemel. Commissioner Chapman believes an agreement with the Town of Rosman is a long term solution for reducing costs in this department. He also believes it makes sense to pursue an agreement among all three local governments in the coming budget year. Solid Waste Director Jeff Brookshire reported that this issue started because over the years the department would unload its leachate at the City's Public Works Facility. There were some issues with the facility so the County started hauling leachate to the station on Neely Road. This added more time and mileage.

Requests to take leachate to the Town of Rosman have been denied over the years. In August the previous County Manager arranged for the department to take some test loads to the Town's facility and there were no negative impacts to their system. One of the complications with this is that the City takes the County's leachate in exchange for the County taking the City's sludge. He believes whatever agreement is reached should be a benefit to all entities. Commissioner Lemel agreed this is a complex issue and believes the County needs to be the responsible overarching government entity and consider the needs of both municipalities. Commissioner Chappell stated the draft agreement with Rosman allows the Town to back out of the agreement if they determine there is a negative impact to their system. He cautioned that the County needs to ensure backup plans are in place should this ever occur. Chairman Hawkins thanked staff for their work on this because it is a complicated matter and it needs to be fair to all citizens. **The motion was unanimously approved.**

REQUEST FOR FUNDS FROM RESERVE ACCOUNT FOR LITTLE RIVER FIRE DEPARTMENT

Operations Manager David McNeill reported that Little River Fire Department has nearly completed the construction of its substation on Highway 64. During the design, the engineer and contractor did not believe that a retaining wall would be necessary. It has been determined since then that a retaining wall will be needed. The fire department received bids on the construction of the retaining wall at a cost of \$65,000. The department is requesting \$23,000 from the Little River Fire Department Reserve to help pay for the construction of the retaining wall. The department plans to fund the balance of the construction cost from savings and funds budgeted for savings. The Little River Fire Department had \$23,281.29 available in reserve as of June 30, 2014. No departmental reserve was applied to the FY 2015 budget.

Commissioner Lemel moved to approve Little River Fire Department's request for disbursement of reserve funds for the retaining wall construction. The motion was seconded by Commissioner Hogsed. After brief comments, the motion was approved unanimously.

SYLVAN VALLEY 2 FIRE-EMS SUBSTATION

During the FY 2015 budget process, Brevard Fire Department requested the addition of a substation near Williamson Creek on Wilson Road to eliminate Class 10 insurance areas in Glen Cannon and Williamson Creek and to provide more effective fire protection to the area. County staff recommended that the substation include a joint location with EMS somewhere near Hwy 276 and Wilson Road. Staff was instructed to work with Brevard Fire to assess the need for and to develop a plan for adding a substation. In addition, County staff was asked to review the emergency services program and prepare a report outlining the current level of service and identify future needs and strategies to ensure quality fire, rescue and EMS services moving forward. Staff has been diligently working on these items.

The ability to eliminate Class 10 (un-protected) insurance areas in the Williamson Creek and Glen Cannon area will require the addition of a substation. County Staff has conducted the preliminary mileage calculations to identify geographical areas that can house a substation and meet the six mile limitation for an insurance rating. This recommendation has taken into consideration the ambulance placement study conducted in 2009 and planning for future collocation with Brevard Fire and Transylvania County EMS.

During the process, staff became aware that a business located on Greenville Highway near Wilson Road was looking to sell and relocate to another location within the County. Staff has had preliminary discussions with the owner. At this point, staff is recommending that we contract with local Architect Rich Worley to evaluate the facility, determine if it meets the building code requirements and/or identify work that will be necessary for it to house a fire/EMS substation and compare the cost to acquiring property and new construction of a substation. The existing facility may provide a more economical opportunity to meet the fire/EMS substation need but a proper evaluation is warranted.

The study will also give the Board of Commissioners and City of Brevard a good budget number for consideration as next year's budget process nears. The County Emergency Services Staff and Brevard Fire Department agree that a substation in the area is needed to provide quality and consistent services. Once the study is completed, County staff can work with the City of Brevard to develop a total project cost including land, construction, equipment and ongoing operational cost associated with the proposed substation for consideration by the Board of Commissioners and City Council.

Staff recommended Commissioners fund the proposed study by Architect Rich Worley from the Sylvan Valley 2 Fire Tax Reserve. Mr. Worley's proposal is an hourly contract not to exceed \$4,250. The Sylvan Valley 2 Reserve had \$30,123 in it as of June 30, 2014.

Commissioner Lemel moved to approve the \$4,250 expense from the Sylvan Valley 2 Fire Tax Reserve Fund to fund the study regarding a substation in Sylvan Valley 2. The motion was seconded by Commissioner Chappell. Commissioner Chapman noted the County has worked very closely with Mr. Worley, but wondered why the County does not utilize the services of other architects as purely a fairness issue. With that said, he commended Mr. Worley on all he has done for the County over the years. Commissioner Lemel asked if the attractiveness of this opportunity is because there is an existing building in an ideal location. Mr. McNeill confirmed and noted that the City is pleased with the location if the construction type is not too expensive for the changes that would need to be made. Commissioner Chapman inquired about a timeline. Mr. McNeill said the owner is looking to relocate to another building in the County because the owner needs more space. Chairman Hawkins said the goal is to have information during the budget process and Commissioners should not be making any purchase decisions before then. Mr. McNeill said his goal would be to go through the study process and determine if the structure would work for them. If it is determined that it will work and the owner wants to move fairly quickly, Mr. McNeill would bring back a recommendation to Commissioners at that time. Otherwise his intent is to bring forth a recommendation during the budget. Commissioner Lemel asked which location was a better location for EMS. Mr. McNeill said both locations are viable locations, but the existing business is a better location as a substation for EMS because of the access it provides to the Connetsee Falls and Cedar Mountain area. He noted the study will include an analysis to determine if the site can meet long term needs, including room for expansion. **The motion was unanimously approved.**

Commissioner Chappell asked Mr. McNeill to provide a listing of the areas in the County identified as Class 10. He believes this will be helpful in their long term planning. Mr. McNeill noted that he intends to prepare a report for Commissioners that will include this information and it will be presented during the budget workshops.

CONSULTANT FOR DSS DIRECTOR SEARCH

Social Services Director Stoney Blevins announced on October 30, 2014 that he would be resigning from his position effective December 1, 2014. The Social Services Board is responsible for appointing a replacement for this position and is interested in utilizing a professional search firm to assist in the recruitment. The cost would be between \$18,500 and \$21,000 depending on the number of candidates and the overall advertising costs.

It is the recommendation of the Social Services Board to select Developmental Associates for the professional search services for the position of Social Services Director. Developmental Associates has experience with government entities in Western North Carolina and has proven successful in the previous service they provided in the search for the County Manager. Staff also recommended approval of a budget amendment from the General Fund Balance in the amount of \$21,000 to cover the costs for services with Developmental Associates.

Commissioner Lemel moved to approve a budget request for up to \$21,000 for Developmental Associates. The motion was seconded by Commissioner Hogsed. Social Services Board Chair Sheila Mooney realized the great job this firm did in recruiting Manager Laughter and the Social Services Board wants to do the very best they can to recruit the most qualified Director. Former Director Carson Griffin will serve as the interim Director. The Social Services Board intends to meet with Developmental Associates this week to begin the search process. After brief comments from Commissioners, **the motion was unanimously approved.**

ACTUAL FINANCIAL INFORMATION THROUGH FIRST QUARTER OF FY 15

At the end of the first quarter, the Finance Director gives an overview of financial activity for the period. Finance Director Gay Poor reported the following:

General Fund

First quarter revenues in the General Fund are 21.6% of budget. This level is normal for this point in the year since the majority of the ad valorem taxes are collected in December and November, no sales taxes are distributed to the County until October, and most of the State and Federal funds tend to run one month behind. During the first three months of last fiscal year, 20.3% of budgeted revenues had been received. Ad valorem taxes, which provide 58% of total budgeted revenues, account for most of the improvement, reaching 29.6% of budget versus 28% last year. Several factors contribute to this increase, including mailing the tax bills out earlier which results in earlier payments, a large payment from a business that usually pays later in the year, and the receipt of additional motor vehicle tax payments. These factors combined with the increase in the tax rate generated \$580,424 more in FY 15 than for the same period last year. At 37.8% of budget, real property excise taxes are not only exceeding budget expectations but also FY 14's receipts, which were 24.7% for the first quarter, resulting in almost \$50,000 more income for FY 15. Building and inspections permits and fees have not shown the same level of growth yet, at only 20% of budget and slightly below last year's level in both percent of budget and dollars. So far, other revenue sources are tracking a little above last year's and have generated \$423,769 more compared to FY 14's figures.

General Fund expenditures are 21.1% of budget, versus 21.7% for first quarter FY 14. To date, only 22.6% of budgeted personnel costs, which account for 41% of budgeted expenditures, have been used. This is equal to the percent spent in the same period a year ago, though because of salary, wage, and retirement rate increases, the dollar amount spent is up \$116,650. Expenditures for capital outlay and debt service are not spread evenly throughout the year and, consequently, are under both budget and FY 14's level. Expenditures for education, on the other hand, are distributed in equal monthly allotments so the dollar increase of \$195,005 reflects the increase in annual appropriations. Other expenditures incurred through the first quarter of FY 15 are at 19.8% of budget and \$2,061,838, very similar to the 21% and \$2,066,169 reported for the same time frame in FY 14.

Self-Insurance Fund

While significantly more in both percent of budget used and dollars spent compared to the prior year, health insurance claims are close to projections for this period. The percent of budget used, 18.2%, represents just over two months' worth of anticipated claims, which is reasonable considering the lag in processing claims. FY 14's claims costs were exceptionally low; current year experience indicates a return to the more normal level used as the basis for the FY 15 budget.

Solid Waste Fund

For the first quarter Solid Waste operating revenues are higher than last year's, 18.8% of budget versus 17.1%, due mainly to an increase in scale sales from 22.3% of budget in FY 14 to 30.2% of budget this year. In dollar terms, scale sales are up by \$58,822, with approximately \$46,000 is attributable to the \$2 increase in tipping fees and the remainder attributable to an increase in volume. In addition, the Solid

Waste fund reported in Other Revenues the receipt of \$37,633 in insurance proceeds for the totaled leachate truck. Driven by the purchase of a replacement compactor, most of the funds appropriated in FY 15 for capital have been spent. However, only 16.2% of the operating budget, nearly the same as last year, has been used during the first quarter. Overall, Solid Waste expenses are 35.7% of the total budget.

There are no major concerns at this time about revenue shortfalls or unanticipated expenditures. The overall budget picture indicates an improving economy.

Ms. Poor next review the fund balance. She reported an increase of fund balance in the amount of just over \$1.5 million. However, most of the additional funds went into several different categories of designated fund balance. Therefore only \$316,000 went into available fund balance. At the end of the year, unavailable fund balance totaled \$12.6 million and available fund balance totaled \$10.9 million.

Chairman Hawkins reiterated Ms. Poor's statement that with last year's budget staff anticipated drawing down fund balance to balance the budget. Not only did that not occur, the undesignated fund balance was actually increased by just over \$300,000. Ms. Poor added that the overage was attributed to significant gains in property taxes, insurance claims were considerably less, sales taxes were better, and Medicaid Hold Harmless payments were higher. There were many positives that contributed to the surplus.

Commissioner Hogsed moved to accept the report, seconded by Commissioner Lemel and unanimously approved.

SMOKY MOUNTAIN CENTER FISCAL MONITORING REPORT

Per NC General Statute 122C-117 (c), the quarterly Fiscal Monitoring Reports for the Local Management Entity's must be presented to the Board of Commissioners in person and read into the minutes of the meeting at which it is presented at least twice a year. Smoky Mountain Center has yet to receive Maintenance of Effort funds for the first quarter of FY 15. It was noted that Smoky Mountain Center's interest income has been less than expected for the first quarter of FY 15.

Finance Director Gay Poor reported that Smoky Mountain Center took in \$92.7 million in revenues. All of their funding sources were up. Expenditures were less than the budgeted level by approximately 6% in spite of federal funds, provider payments and county provider payments being over budget. They gained slightly more than \$8 million for the first quarter.

In terms of expenditures, several counties have already paid Smoky Mountain Center their full year allocation of Maintenance of Effort Funds; therefore, expenditures have been paid to providers in excess of what was budgeted for the first quarter.

Chairman Hawkins asked Ms. Poor for a detailed report on why the County's contribution has increased since the merger. He thought there would have been some efficiencies realized. Commissioner Chappell added that it is very important that counties maintain a certain level to prepare for those worst case scenarios like counties have seen in the past.

Commissioner Hogsed moved to receive the Smoky Mountain Center Fiscal Monitoring Report for the first quarter of FY 15, seconded by Commissioner Lemel and unanimously approved.

MANAGER'S REPORT

The Manager reported on the following highlights and updates for the month of November:

- The move into the new Administration Building is complete. Staff is working to coordinate an open house and ribbon cutting for the building on December 4, 2014.

- The Manager was a panelist presenter at the “Whose Water is It Anyway Conference” at Brevard College on November 15. The Conference went well and there was a lot of positive feedback. Discussions on this topic will be ongoing.
- The Courthouse Expansion Study with Moseley Architects and the up fit of the Tax Administration and Register of Deeds Building are both underway.
- Chairman Hawkins and the Manager met with Tawny McCoy, Chair of the Board of Education, and Jeff McDaris, Superintendent. This meeting highlighted the need for some coordinated public information sharing about school funding. This is being coordinated between Market Connections and School System marketing staff.
- The Manager is working with the Transylvania Partnership for Economic Development to get feedback on the peer county economic indicators to bring forward recommendations to the Board along with an incentive policy recommendation at the December meeting or a meeting in January, depending on the information gathered.
- Construction drawings and a Request for Proposal are almost complete to be let out for bid for the Rosman Park as part of the PARTF project there.
- The joint City-County Parks and Recreation Strategic Plan is almost ready to go out for Requests for Proposals. Work on the Plan is expected to be complete by the end of the fiscal year.
- The Planning Board and staff are working to begin the Comprehensive Plan rollout including branding of the project, a website and plan of action.
- Staff is working to be sure that the County is prepared for applications to begin coming in for beer and wine sales in the County following the voter’s approval of those two ballot items. The State ABC board approves those applications, but the local jurisdiction must review portions of the application prior to State submittal. There will be an item on the December agenda for Commissioners to appoint their local review officer.
- Ebola preparedness among County agencies and departments continues and it is important to make it clear that no cases have been reported in the County or the State of North Carolina.
- The LIHEAP program focuses in the month of December on the elderly. This program provides heating assistance to low income households by paying the provider of the fuel source directly. Anyone interested in the program or who knows of someone who may be eligible and in need should contact the County Department of Social Services. Sometimes these funds are underutilized when used for elderly programs.
- The County participated in the Transylvania County Vision Class government day. Library Director Anna Yount coordinated on behalf of the County and did an excellent job making the day run smoothly. The feedback from the class on the department head presentations was outstanding.
- The Veteran’s Day celebration was excellent and all those who worked hard on planning the day should be commended especially Commissioner Hogsed and the Clerk to the Board. The Manager said it is an honor to serve a County that values those who have fought for our freedom.

Commissioner Chapman thanked the Manager for participating as a panelist in the “Whose Water Is It Anyway” conference.

PUBLIC COMMENT

Arthur Raynolds: Mr. Raynolds commented on the possible new substation. He said it will help with mutual aid with Connestee Falls and Rosman and other surrounding areas.

COMMISSIONERS' COMMENTS

Commissioner Lemel reported on her County Commissioner duties over the last few weeks. She has had informal discussions with several members of the Board of Directors for the Transylvania Partnership for Economic Development. She serves as chair of the Dupont State Recreational Forest Advisory Board and there are many opportunities for them right now. She continues working on citizen advisory committees and intends to make a recommendation in the near future with regards to the application, policies and procedures, handbook and training. Commissioner Lemel has been a participant in the Hunger Coalition for over a year now which looks at hunger in the community and where food is lacking. There has been some good progress made in bringing together agencies to identify needs and how food is distributed. She was selected to work on the NC Association of County Commissioners Legislative Goals Committee and she is headed to Raleigh tomorrow to review the legislative issues submitted by counties.

Commissioner Chapman attended the Transylvania County Heritage Museum reception recently where the County was recognized at the diamond level for their support of the museum. He invited citizens to visit the museum because they do a great job of maintaining the history of the County. Their next project is recognizing the history of camps. Commissioner Chapman thanked Commissioner Lemel for serving on the Legislative Goals Committee. He reported that Chairman Hawkins has been appointed to a very important board dealing with economic development.

Commissioner Chappell thanked Commissioner Hogsed on behalf of citizens for his service as County Commissioner over the last eight years.

Chairman Hawkins congratulated Kelvin Phillips who will be sworn in to serve on the Board of Commissioners on December 1. He said he has lunch with Commissioner Hogsed on a regular basis and he hopes that will continue. Chairman Hawkins commented that the conference on water was a good conference and it began the process of looking at a very complicated issue. He was encouraged by the attendance and he thanked everyone who was involved and participated. Chairman Hawkins announced he was appointed to a board called the Economic Development Partnership of North Carolina. Economic development at the State level was removed from the Department of Commerce and assigned to a separate independent organization directed by a 17-member board of directors. He has been vocal in his stance that Western North Carolina is not being represented on State boards. The first meeting is Friday of this week in Raleigh.

Commissioner Hogsed commented on the wonderful Veterans Day ceremony and thanked all those who participated and made the event a success. He thanked citizens for allowing him the honor of serving as a Commissioner and he hopes he represented the citizens well. Commissioner Hogsed thanked the other members of the Board for respecting his wishes not to be formally recognized because he did not take this role on for the accolades, but appreciated everyone's kind words. The audience offered their applause in appreciation of his service.

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.**

ATTEST:

Mike Hawkins, Chair
Transylvania County Board of Commissioners

Trisha M. Hogan
Clerk to the Board

11/17/2014