MINUTES TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS April 13, 2015 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, April 13, 2015 at 7:00 p.m. in Commissioners Chambers at the County Administration Building.

Commissioners present were Vice-Chairman Larry Chapman, Jason Chappell, Chairman Mike Hawkins, Page Lemel and Kelvin Phillips. 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 25 people in the audience.

CALL TO ORDER

Chairman Mike Hawkins presiding called the meeting to order at 7:05 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 Commissioners and staff in attendance.

PUBLIC COMMENT

<u>Don Surrette</u>: Mr. Surrette reported that this year is the 200th anniversary of the Allison-Deaver House. As part of the celebration, a front porch speaker series will be held beginning in May. Topics will include the American chestnut tree, Cherokee Indian influence and a variety of other topics that contributed to the history of the area and the house. Mr. Surrette invited Commissioners and the public to participate in the speaker series beginning on Sundays in mid-May.

<u>Frank Porter</u>: Mr. Porter reported that the Farmers Market will be opening for the season this Saturday. He invited everyone to come out and support it. Mr. Porter thanked Commissioners for their continued support of the Transylvania Partnership for Economic Development. He said the new Executive Director, Josh Hallingse, was a good hire and there seems to be some really positive things going on in this County. Lastly, Mr. Porter asked Commissioners to support his application to serve on the City of Brevard's Planning and Zoning Board. If appointed, he vowed to represent the County well.

AGENDA MODIFICATIONS

There were no agenda modifications.

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

CONSENT AGENDA

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

The following items were approved:

MINUTES

Commissioners met in regular session on December 8, 2014. They held a half-day strategic planning workshop on December 19, 2014 and also met in closed session prior to the workshop beginning. Commissioners met in regular session on January 12, 2015 and in closed session at the end of regular business. Commissioners approved the minutes as submitted.

UNSEALING OF SEALED CLOSED SESSION MINUTES

NCGS 143-318.11 allows Boards of Commissioners to deliberate in closed session for specific reasons and the Board may seal those minutes until such time that opening the minutes does not frustrate the purpose of the closed session.

On March 18, 2015, the Clerk and County Attorney reviewed the sealed closed session minutes. Upon advice from the County Attorney, staff recommended the following sealed closed session minutes be unsealed and made available for public inspection:

- 1. 8/11/2008 Location or expansion of a business: TIF for Renova
- 2. 4/25/2011 Location or expansion of a business
- 3. 8/22/2011 Location or expansion of a business
- 4. 9/12/2011 Location or expansion of a business
- 5. 1/23/2012 Consult with Attorney: ref. potential litigation
- 6. 8/13/2012 Consult with Attorney; location or expansion of a business; potential acquisition of
- property
 7. 11/13/2012 Consult with Attorney; location or expansion of a business; potential acquisition of property
- 8. 12/10/2012 Consult with Attorney; location or expansion of a business; potential acquisition of property
- 9. 1/14/2013 Consult with Attorney; location or expansion of a business; potential acquisition of property
- 10. 2/25/2013 Consult with Attorney; location or expansion of a business
- 11. 3/11/2013 Consult with Attorney; location or expansion of a business
- 12. 4/8/2013 Consult with Attorney; location or expansion of a business
- 13. 5/13/2013 Consult with Attorney; location or expansion of a business
- 14. 5/28/2013 Consult with Attorney; location or expansion of a business; potential acquisition of
- property 15. 6/10/2013 Consult with Attorney; location or expansion of a business; potential acquisition of
- property 16. 11/25/2013 Location or expansion of a business
- 17. 2/24/2014 Location or expansion of a business
- 18. 3/24/2014 Location or expansion of a business
- 19. 4/28/2014 Location or expansion of a business
- 20. 5/27/2014 Location or expansion of a business

Commissioners approved unsealing the list of sealed closed session minutes as submitted. Commissioner Chappell thanked staff for their continuous review of the closed session minutes and for working to get them opened as soon as possible.

PROCLAMATION MONTH AND WEEK OF THE YOUNG CHILD

Smart Start Executive Director Joe Castro has made this request to Commissioners. Commissioners have passed similar resolutions over the past few years. Mr. Castro believes this is a wonderful time to raise the County's awareness of children's issues, particularly in the areas of early care and early childhood education, and to thank those who care for and educate the youngest children in this community. Chairman Hawkins read aloud the proclamation for the benefit of the public. Commissioners approved Proclamation 09-2015 Month and Week of the Young Child 2015.

APPOINTMENTS

PERSONNEL BOARD

The terms of Bill Ragland, Scotta Orr, Beth Landreth and David Reid expired at the end of February. Bill Ragland and Beth Landreth have served two full terms and are not eligible to serve another term. David Reid retired from the County effective January 1, 2015 and is not eligible to serve in the Department Head role. Scotta Orr has served only one full term and she is eligible to serve another term. Human Resources Director Sheila Cozart has recruited to fill the other terms and those applications are included in the Board's agenda packet. These are the only applications on file.

Commissioner Lemel moved to

- 1. Reappoint Scotta Orr to another term,
- 2. Appoint Frances Bradbrun to replace Bill Ragland,
- 3. Appoint Lisa Sheffield to replace Beth Landreth,
- 4. Appoint Elaine Russell to replace David Reid.

The motion was seconded by Commissioner Chappell. Commissioner Chappell thanked those coming off the Personnel Board for their service and for doing such a great job. The motion was unanimously approved.

BREVARD PLANNING & ZONING

The County appoints three members to the Brevard Planning & Zoning Board and those members must reside within the extra-territorial jurisdiction (ETJ). Two of the County's slots are vacant. Gary Daniel moved out of the ETJ making him ineligible and Coty Ferguson's military status was activated and he was deployed. Frank Porter with Comporium submitted his application to the City of Brevard but realizing he lives in the ETJ, the City Clerk forwarded his application to the County for the Board of Commissioners to appoint him as a County member.

Commissioner Lemel moved to appoint Frank Porter to the Brevard Planning & Zoning Board as the County's representative. The motion was seconded by Commissioner Chapman. Commissioners thanked Mr. Porter for his willingness to serve in this very important board. **The motion was unanimously approved.**

NEW BUSINESS

REPORT ON NCACC DISTRICT MEETING

Chairman Hawkins, along with Commissioners Chapman and Lemel, attended the NC Association of County Commissioners (NCACC) District meeting in Cullowhee on April 1. The district meetings offer County Commissioners and management staff an opportunity to learn about the latest legislative developments in Raleigh, to share information from their conversations with legislators, and to network with officials from other counties. This group of Commissioners also attended the NCACC Regional Strategic Planning Session in March and discussed items that might impact the County.

Chairman Hawkins thought it would be appropriate to discuss some of these items as a full Board, and also inform the public of bills being introduced in the NC Legislature that may or may not impact Transylvania County. Chairman Hawkins provided a list of bills that were mentioned by NCACC staff at the district meeting and bills which have been suggested by County staff. The list is not intended to be an all-inclusive list as new bills are introduced daily. The list does not include any public education issues. He hopes this discussion will provide a better understanding of what is going on in the NC General Assembly and that both Commissioners and citizens will be encouraged to contact legislators and voice their concerns on these and other bills that may impact Transylvania County.

Chairman Hawkins reviewed each bill as listed below:

CURRENT BILLS OF IMPACT TO TRANSYLVANIA COUNTY

SENATE

SALES TAX BILLS – Currently two in Senate:

S369: Sales Tax Fairness Act. Redistributes from metro to rural, current Transylvania estimate +32% by FY18-19, with certain growth assumptions.

Sponsors: Brown, Jackson, Clark

Status: Committee on Finance

S608: Simple and Fair Formula for Sales Tax Distribution. Would have less negative effect on metro areas, raises additional revenue by adding new categories of taxable services (unspecified, but barbers, dentists, etc. have been mentioned) ---- Issue with both bills: elimination of designated 2% local share, becomes an annual appropriation instead. (Major concern is State has history of taking away funds belonging to counties, i.e. lottery funds.)

Sponsors: Rucho Status: Committee on Rules

S321(=H168): Exempt Builders Inventory. Would allow developers to avoid (not defer) property tax obligations on improved property which results in increased valuation.
Sponsors: Brown, Tucker, Gunn
Status: Committee on Commerce

S129(=H156): Require Internet Publication of Legal Notices. Compromise bill which mandates that local government legal notices be placed on newspaper websites at no additional charge.
Sponsors: Apodaca, Sanderson, Hise
Status: Committee on Rules

S287(=H152): Historic Preservation Tax Credit. Reinstates tax credits for historic building restoration. Passed in House.
Sponsors: Hartsell
Status: Committee on Finance

S571(=H506) 911 Fund Flexibility. Allows more flexibility in use of 911 funds (base transmission equipment), requires that written justification be made for denial of 911 fund distribution. (Supported by Transylvania County Communications Director Kevin Shook)
Sponsors: Bryant, Davis, Foushee
Status: Committee on Judiciary I

S422(=H430) County Omnibus Legislation. Creates various study committees, including one on PILT (payment-in-lieu-of taxes which is very important to Transylvania County), and one on profit-to-nonprofit local tax consequences, and allows counties to set up residential recycling programs and charge for them. Sponsors: Davis, Foushee Status: Committee on Rules

S444: Teachers Compensation Modifications. Would increase starting teacher salaries from \$33,000 to \$35,000, with corresponding local impacts.
Sponsors: Apodaca, Barefoot, Soucek
Status: Committee on Appropriations / Base Budget

S523: Avoid Double Billing of Taxpayers. Would require counties to reimburse State for costs of any resident remedial coursework at community college system.Sponsors: Apodaca, Curtis, TuckerStatus: Committee on Rules

S707: Assignment of Benefits. Would allow patients to assign insurance payments directly to providers; would improve local ambulance receipt collections. (Supported by EMS Director Bobby Cooper.) **Sponsors:** Tarte **Status:** Committee on Rules

HOUSE

H168(=S321): Exempt Builders Inventory. Would allow developers to avoid (not defer) property tax obligations on improved property which results in increased valuation.Sponsors: Hagar, Mills, Brody, CollinsStatus: Committee on Finance

H156(=S129): Require Internet Publication of Legal Notices. Compromise bill which mandates that local government legal notices be placed on newspaper websites at no additional charge. Sponsors: Avila, Malone, Davis, Harrison Status: Committee on State and Local Government

H152(=S287): Historic Preservation Tax Credit. Reinstates tax credits for historic building restoration. Passed in House, in Ways and Means Committee in Senate. Sponsors: Ross, Hardister, Lewis, Glazier Status: Passed

H506(=S571) 911 Fund Flexibility. Allows more flexibility in use of 911 funds (base transmission equipment), requires that written justification be made for denial of 911 fund distribution.
Sponsors: Boles, McNeill
Status: Committee on Local Government

H430(=S422) County Omnibus Legislation. Creates various study committees, including one on PILT, and one on profit-to-nonprofit local tax consequences, and allows counties to set up residential recycling programs and charge for them. Sponsors: McElraft, Carney, McGrady Status: Committee on Environment

H352: Standard of Proof/Public Safety Dispatchers: Requires that civil action against dispatchers be held to "a standard of clear and convincing evidence in a court of law." (Supported by Transylvania County Communications Director Kevin Shook.)
Sponsors: Torbett
Status: Committee on Judiciary II

H518: County Sales Tax Flexibility. Provides mechanism for additional .25% local sales tax by local resolution, applies statewide.Sponsors: Hunter, Saine, Hanes, SetzerStatus: Committee on Local Government

H128: Referendum for Certain Local Debt. Would require local government to place most types of debt financing up for public referendum.Sponsors: SpecialeStatus: Committee on Local Government

H432: Counties/Internet Infrastructure. Allows counties to install internet infrastructure in "unserved" areas of the county, then lease to private companies to operate.Sponsors: Dobson, Setzer, Jones, HollowayStatus: Committee on Local Government

H117: NC Competes Act. Economic development bill, restores and expands state incentives like JDIG. Sponsors: S. Martin, Jeter, Collins, Steinberg Status: Passed

H373: Paper Ballots by 2020/Certain Counties. Pushes back year of compliance to 2020 for counties currently using direct record electronic machines (like Transylvania). (Supported by Transylvania County Board of Elections.)
Sponsors: Riddell, Brickman, Whitmire, Iler
Status: Committee on Elections

H590: Funding for Aid to Libraries Fund. Would appropriate \$2.56 million to replenish the state's Aid to Libraries Fund. (Supported by Library Director Anna Yount.)Sponsors: McGrady, Saine, Steinburg, HanesStatus: Committee on Appropriations

Board discussion:

Commissioner Chapman noted that the NCACC does not advocate for or against these bills. Their intent is to provide information and educate local governments and citizens. He encouraged the public to visit their website because it is a good source of information. The website address is <u>www.ncacc.org</u>.

Commissioner Lemel stated that Commissioners have learned by attending the various NCACC meetings the importance of having a good relationship with their respective State legislators. This is also a way Commissioners can better inform citizens of what is going on in their State and local governments. She encouraged Commissioners and citizens to contact State legislators directly because it has more of an impact than a resolution passed by the Board of Commissioners.

Commissioner Lemel offered her thoughts on some of the proposed bills. (Sales Tax Fairness Act & Simple and Fair Formula for Sales Tax Distribution.) She pointed out that Transylvania County benefits greatly from sales tax revenues resulting from the tourism industry. The bills related to the sales tax indicate Transylvania County could possibly see a 32% gain in revenue over the next three years based on per capita distribution. However, knowing what the tourism industry does for this County, in her opinion, Transylvania County would lose the revenues the tourism industry contributes because they are not part of the County's per capita consideration. The money tourists spend will not be counted specifically for Transylvania County. In addition, just the fact that counties may have to give control of sales tax revenues back to the State should worry everyone. (Exempt Builders Inventory.) Commissioner Lemel stated how important the construction industry is to Transylvania County and how they have contributed to the increase in the tax base. To lose the ability to levy taxes on those improvements pushes the burden back onto individual taxpayers which is not the appropriate way to balance out revenues in this County. (Paper Ballots by 2020/Certain Counties.) Commissioner Lemel supported this bill. The reason for the requirements of using paper ballots is there is only a single supplier of voting machines in this State. This means that the supplier is able to demand the price they want for their machines which could impact Transylvania County by more than \$500,000. The position of the State is that by buying additional time, other suppliers will have to time to become certified State vendors and therefore provide counties with more flexibility and choice.

Commissioner Chappell said it is unfortunate that counties do not have much control over many issues that impact them. He expressed great concern about the potential changes to the sales tax distribution formula because this appears to be another example of how the State makes changes to revenue streams in an effort to

takes away revenues from counties altogether. In addition, he mentioned the bill that would force counties to pay for community college students that need additional remedial classes (*Avoid Double Billing of Taxpayers*). He said the community college system cannot even begin to quantify what the impact to counties might be and that overall this is just a bad bill.

Chairman Hawkins states that counties cannot do anything unless the State specifically allows them to do so. For example, the Omnibus Bill would allow counties to operate recycling programs. Currently counties cannot implement recycling programs without State permission. Commissioners attending the NCACC meetings were in disbelief about the bills being introduced in the State Legislature and how it appears legislators do not understand how their decisions are impacting counties. Chairman Hawkins reported that he and Commissioners Chapman and Lemel are planning to attend County Assembly Day in Raleigh soon and they are scheduled to meet with Senator Apodaca and Representative Whitmire. They intend to share their concerns with them during that time.

Commissioner Phillips encouraged citizens to read these bills thoroughly. Many bills may sound good at first, but when reading down further into the detail one may discover an expense to counties which negatively impacts their revenues. He believes the bill on builders inventory is a bad bill altogether, but beyond that the bill only mentions developers and excludes individuals who use their own time, money and talents to improve a property. Commissioner Phillips pointed out this is just one example of how some legislators do not seem to understand how their bills affect local governments and citizens.

Commissioners and County staff are willing to provide additional information on these bills if requested. Information can also be found online by going to the websites for the NC Association of County Commissioners and/or the NC General Assembly. Chairman Hawkins said Commissioners will be communicating to legislators and advocating for what they feel is best for Transylvania County and he urged citizens to do so as well.

AUDIT CONTRACT

Finance Director Gay Poor reported that the Local Government Commission requires the date that the local governing board approves an audit contract to be stated on the contract. Accordingly, Ms. Poor is submitting for the Board's approval the FY 2015 audit contracts from Martin Starnes & Associates for Transylvania County and the Tourism Development Authority (TDA).

FY 2015 marks the third year of a three-year extension to the original three-year contract between the County and Martin Starnes & Associates. The fees included in the FY 2015 contract equal those proposed in the extension. FY 2015 will be the second year TDA has had a separate audit and the fees represent a \$100 increase over FY 2014's.

Commissioner Lemel moved for the approval of the audit contracts. The motion was seconded by Commissioner Chapman. Commissioner Chapman believes it is good government practice to change auditors every few years to provide a fresh look at the County's finances. Commissioner Chappell agreed and said while he understands it is difficult at times on staff to change auditors; it is good for another agency to provide a different perspective of the County's finances. He commended the auditors the great job they have done. Commissioner Phillips said the previous auditor did a great job as well and agreed it is wise to have new eyes on the public's money. For the benefit of the public, it was reported that the contract amount is \$33,000 for the County and \$3,600 for the TDA. The motion was unanimously approved.

SUMMARY OF BUDGET AMENDMENTS FOR 3RD QUARTER

At the end of each quarter the Finance Director provides a recap of the budget amendments that have been approved and entered year-to-date and their impact on the fiscal year General Fund budget. Finance Director Gay Poor reporting the following:

Through March 2015, amendments to the General Fund budget totaled \$1,038,123. Of that amount, through carry forwards from FY 2014 and appropriations made in FY 2015, \$688,373 has been withdrawn from total

fund balance: \$67,794 from restricted fund balance; \$217,876 from assigned fund balance; and \$402,703 from unassigned fund balance. Grants and State and federal funding have added another \$283,766 to the General Fund budget, while donations, revenues from jail fees and other miscellaneous items make up the remaining \$65,984 of the increase. With these amendments, the FY 2015 General Fund budget as of March 31, 2015, was \$47,826,965.

Commissioner Phillips moved to receive the report, seconded by Commissioner Lemel and unanimously approved.

BUDGET AMENDMENTS

Based on Section 32 of the FY 2015 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 either because they increase the total General Fund budget and are derived from funding sources that have not been previously approved by the Board and are not simply pass-through funds or because they decrease the total General Fund budget and reflect reductions in projected funding sources. Finance Director Gay Poor offered the following budget amendments for approval by the Board:

#92: \$125 from Fund Balance assigned for the Sesquicentennial Celebration for supplies for community scrapbooks

#93: \$20,875 from proceeds from property insurance claims for Sheriff's Office vehicles -\$2,621 - and repairs to Public Safety generators - \$18,254

#94: \$726 from Fund Balance reserved for Court Facilities for mobile cabinets for relocated Court offices

#95: \$16,013 from additional donations for the playground at Silvermont

#100: \$2,500 from Fund Balance restricted for Senior Games

If approved, these amendments will increase the General Fund budget by \$40,239, bringing it to a total of \$47,871,787.

Commissioner Lemel moved for approval of the requested budget amendments. The motion was seconded by Commissioner Chapman. Chairman Hawkins said there is very little money left in the Sesquicentennial budget and it should be closed out and folded into the General Fund. The scrapbook project is an ongoing project that he feels staff can work with community centers on to determine an appropriate budget amount. **The motion was unanimously approved.**

MANAGER'S REPORT

The Manager reported the following:

- Transylvania County staff joined Henderson and Polk County for a one-day training on Performance Budgeting by Bill Rivenbark; excellent training; discussed strategic planning and how that operates in a performance budget and departments heads collaborated with their counterparts in those counties; efficient way to do training; may make an annual event
- April 27 will be the first budget presentation and will focus on accomplishments, trends and goals; there will be no discussion on cost at this point; the recommended budget will be presented at the second meeting in May; after April 27 Commissioners should report back to the Manager their budget priorities
- NCACC has issued a dividend payment after reviewing their fund balance of \$1,478 to the County.
- Currently staffs are working on a solution for the courthouse structural issues; offices have been relocated
- Planning Board held their first Comprehensive Plan 2025 meeting and it went very well.

Commissioner Lemel commended the Manager collaborating on a training opportunity with other counties. This is a great use of resources and a great way to connect with our peer counties.

PUBLIC COMMENT

<u>Jackie Hovey</u>: Ms. Hovey is a retired school teacher. She said she has been substitute teaching for many years which has afforded her the opportunity to see the dedication of teachers in this community. Many times they work during their lunch period and after school to provide further learning opportunities for students that are having trouble in school. Ms. Hovey said she is disappointed with our State representatives continually putting more of the burden on counties to make students and parents more accountable. She believes teachers need pay raises and should be valued for the hard work they are doing in schools instead of being accused of not doing their job.

<u>David Morrow</u>: Mr. Morrow is the Chairman of the Board of Elections. He introduced the new Elections Director Tracie Fisher. She has been with the Elections Department for 21 years and is replacing Karen Brinson who recently left the County for private business employment. The announcement was met with applause from the audience. On another note, he reported that the Governor and the State Legislature are considering a referendum (on infrastructure) in November. This year was to be for municipal elections only, so if the referendum is to occur all precincts will be in operation which is an additional cost to the County.

COMMISSIONERS' COMMENTS

Commissioner Chapman asked to receive an update from the Sheriff on the implementation of body cameras in his department. The Manager noted he will be reporting on his trend data at the next meeting and could provide an update then. Commissioner Chapman also asked the Manager to ensure the many items the County and City have been working on jointly remain ongoing since there have been staffing changes made at the City of Brevard. Lastly, he encouraged Commissioners to stay in contact with members of both Brevard City Council and Rosman Board of Aldermen.

Commissioner Lemel reported on her Commissioner duties since the last meeting. She attended her first Smoky Mountain Center LME/MCO meeting. A staff member from Smoky Mountain Center is going to meet with her and the Manager next to explain the services being provided in this County. The status of the mental health crisis in North Carolina appears to be ongoing. Commissioner Lemel attended Jeff Pressley's retirement party from EMS. She also had lunch with United Way Director Steve Pulliam to understand more about the services they provide and how best the County can support their efforts. Commissioner Lemel represented County Commissioners at the 4-H family night which was a wonderful program.

Chairman Hawkins reported that the kickoff comprehensive plan meeting was great and very informative. Developing a comprehensive plan is extremely complex and he looks forward to continuing the process. He, the Manager, and TPED Executive Director Josh Hallingse met with Rosman Mayor Brian Shelton and Land-of-Sky Executive Director Justin Hembree to talk about how TPED and Land-of-Sky can help Rosman with grant and planning opportunities. This group has agreed to continue meeting and explore opportunities. Chairman Hawkins reported that he has witnessed Mr. Hallingse in his new role, most recently in regional economic development meetings in Asheville and he is doing a terrific job representing Transylvania County. Chairman Hawkins reported on a recent conversation he had with both the Chairs of the local Democrat and Republican parties about the difficulty in finding people to work the polls during elections. In the last election there were 115 poll workers and of that number only one was under the age of 40 years old. This is an issue that affects everyone and Chairman Hawkins said Commissioners look forward to helping both parties and the Elections department to find appropriate assistance during this time. Finally, he reported that the Assault on the Carolinas was this past Saturday and over 1,000 riders participated. Chairman Hawkins was one of the cofounders of the Pisgah Forest Rotary Club who sponsors this race. In its infancy, the ride included about 100 participants. What it has grown to today is attributed to the Pisgah Forest Rotary Club. He thanked *The Transylvania Times* for

their coverage of the event and he hopes it will be covered in the future by additional media in a continued effort to increase the visibility of Transylvania County.

Commissioner Chapman has been attending the Rosman Board of Aldermen meetings; however, he will be out of town tomorrow night. He asked Commissioners to attend in his stead.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Chapman 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