

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
May 9, 2017 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Tuesday, May 9, 2017 at 9:00 a.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Chairman Larry Chapman, Jason Chappell, Mike Hawkins, Vice-Chairwoman Page Lemel and Kelvin Phillips. Also present were County Manager Jaime Laughter, County Attorney Misti Bass, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Derrick McKissock

There were approximately 50 people in the audience.

CALL TO ORDER

Chairman Larry Chapman presiding declared a quorum was present and called the meeting to order at 9:02 a.m.

WELCOME

Chairman Chapman welcomed everyone to the meeting and thanked the members of the public for participating in their local government. He introduced Commissioners and staff in attendance.

PUBLIC COMMENT

Sam Edney: Mr. Edney thanked Commissioners for their service, sacrifice and commitment to moving Transylvania County forward. He addressed the Board to advocate for victims of domestic violence and sexual assault. He reported that as a member of the SAFE, Inc. Board of Directors he attended the first meeting of the DV/SA Task Force that was spearheaded by Commissioner Lemel and Salley Stepp, Executive Director of SAFE, Inc. The initial meeting resulted in a collaboration of many local organizations that serve the public. This group worked to gain approval for a grant in the District Attorney's office to handle family justice issues. Mr. Edney stated that this will make efforts in dealing with DV/SA issues more effective and efficient. He asked the Board to consider housing those involved in that effort in the old Board of Elections building. Mr. Edney also thanked the Board for approving the construction of a building for economic development purposes and said he hopes the Board will continue these efforts.

Tom Degala: Mr. Degala is a curator at the WNC Military History Museum. He shared a story about a family that visited the museum recently and how profound an impact it was to hear an older gentleman tell about his time in the service. He asked the Board to consider housing the museum in the old Board of Elections building once their lease expires at the Heritage Museum.

Mike McCarthy: Mr. McCarthy spoke in favor of the WNC Military History Museum being located in the old Board of Elections building. He felt it would connect young people to veterans of all ages and our nation's history and would continue the legacy of those who gave their service.

Janice Allen: Ms. Allen spoke about the WNC Military History Museum as being a vacationer's destination for economic development. She reported that the museum has hosted events that attracted nearly 150 people, many of whom were visiting from other counties and spending money at our shops and restaurants. The museum is engaged in book sales as a major fundraiser which are selling nationwide. She said Transylvania County has many attributes that attract people here and she believes the museum will give visitors a reason to extend their visit. She believes giving the museum a permanent home will help springboard this growth and she asked the Board to support a permanent home for them in the old Board of Elections building.

Emmett Casciato: Mr. Casciato is the curator of the WNC Military History Museum. He requested a one-year lease with the County to give the museum a foothold in this community. He said many have been working diligently to make this museum one of the top museums in the region and State. He shared that millions of people visit museums each year and it is his desire for the WNC Military History Museum to be part of that statistic. Mr. Casciato reported that social media and news outlets have helped spread the word about the WNC Military History Museum and have attracted people to this County for overnight visits, shopping and dining. They continue to reach out to leaders in the community for support. Mr. Casciato was proud to report that people from other states are sending in financial donations and he said he does not want to let them and others down. He requested the Board consider a one-year lease for the museum while they seek to gain a permanent home.

Duke Woodhull: Mr. Woodhull recently presented to the Board a proposal and request to lease the old Board of Elections building for the WNC Military History Museum. He restated the mission of the museum is to honor the service and sacrifice of WNC citizens, to preserve artifacts and the histories of those who have served, and to educate all about the importance of service. He appreciated the Board's consideration of the request and asked for their support.

AGENDA MODIFICATIONS

The Manager requested to add Item VIII-C Ethernet Switches Sheriff's Office/Public Safety Facility and Item VIII-D Governor's Crime Commission Grant-Domestic Violence Investigator under New Business and to move the Manager's Report to Item VIII-E. There were no agenda modification requests from Commissioners.

Commissioner Lemel moved to approve the agenda as modified, 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 Tuesday, April 11, 2017 at 9:00 a.m. The minutes were approved as submitted.

BAD DEBT WRITE-OFF

The Department of Public Health's bad debt policy identifies the process for handling aging accounts with no payment activity greater than 180 days. Pursuant to this policy, Health Director Elaine Russell recommended to the Board of Health to write off bad debts totaling \$950.60 for the time period 1/1/2016

to 6/30/2016. The Board of Health approved the debt write-off at their meeting on April 11, 2017. Account balances less than \$50 will be considered bad debt and total \$244.80. Balances greater than \$50 will be sent to the NC Debt Setoff program and total \$705.80. Commissioners approved the write-off amount of \$950.60 as submitted.

PROCLAMATION – EMS WEEK

In 1974 President Gerald Ford signed into law the Emergency Medical Services Systems Act of 1973. The third full week of May ever since has been designated as EMS Week. The purpose of EMS Week is to honor the dedication of the EMS personnel who provide day-to-day lifesaving services of medicine's front line. Commissioners expressed appreciation of the paid and volunteer EMS staffs that provide this critical lifesaving service to the citizens and visitors of Transylvania County. Commissioner Chappell read aloud the proclamation for the benefit of the public. Commissioners approved Proclamation 13-2017 EMS Week which is hereby incorporated by reference and made a part of these minutes. Commissioners presented the proclamation to EMS Director Bobby Cooper who expressed appreciation for this recognition.

PROCLAMATION – NATIONAL POLICE WEEK

The week of May 14-20, 2017 is National Police Week with Peace Officers Memorial Day designated on May 15. Commissioners publicly recognized and saluted the service of law enforcement officers in our community and in communities across the nation. Commissioner Hawkins read aloud the proclamation for the benefit of the public. Commissioners approved Proclamation 14-2016 National Police Week 2017 which is hereby incorporated by reference and made a part of these minutes. Commissioners presented the proclamation to Sheriff David Mahoney who expressed appreciation for the opportunity to serve Transylvania County.

PROCLAMATION – NATIONAL PUBLIC SERVICE RECOGNITION WEEK & TRANSYLVANIA COUNTY EMPLOYEE DAY

Celebrated the first full week in May, Public Service Recognition Week is a time set aside to honor the men and women who serve our nation as federal, state, county and local government employees. This is one of the activities spearheaded by the new "elevateHER" initiative headed up by female department heads. In addition to celebrating Public Service Recognition Week, this group is working on ways to improve our local government by engaging new employees in understanding the organization and the many services that our employees work hard to provide, developing internal educational and mentorship opportunities, as well as educating the public on what we do and improving the perception of local government.

On May 17, the Human Resources department is planning a County employee appreciation event that will take place during the typical lunch periods. The event will take place from 11am-2pm in the County Administration/Board of Elections parking lot. Employees will be able to choose lunch from a couple of local food trucks and spend their lunch time building comradery with their fellow coworkers.

Commissioner Lemel read aloud the proclamation for the benefit of the public. Commissioners approved Proclamation 15-2017 proclaiming the week of May 7-13 as National Public Service Recognition Week and May 17 as Transylvania County Employee Day. Proclamation 15-2017 is hereby incorporated by reference and made a part of these minutes. Commissioners presented the proclamation to Human Resources Director Sheila Cozart. She thanked Commissioners for recognizing our County employees.

RESOLUTION REQUESTING RESTORATION TO COUNTIES OF THE STATUTORILY AUTHORIZED APPROPRIATION OF LOTTERY FUNDS

When the NC Education Lottery was enacted, counties were promised that 40% of net lottery proceeds would be allocated to counties for school capital needs. Since 2010, the General Assembly has set the

county lottery appropriation below 40% and has appropriated a flat amount of \$100 million, which represents approximately 17% of the expected net proceeds. Consequently, counties have lost more than half a billion dollars in school construction funds. It equates to a loss of more than \$250,000 for Transylvania County on an annual basis.

In 2014, the General Assembly rewrote the lottery statutes to eliminate the 40% statutory guarantee of lottery proceeds for school construction/capital needs. The restoration of the statutory requirement to 40% is one of the top legislative goals of the NC Association of County Commissioners.

Commissioners approved Resolution 16-2017 Requesting Restoration to Counties of the Statutorily Authorized Appropriation of Lottery Funds and instructed the Clerk to forward a copy of the resolution as stated in the resolution. Chairman Chapman encouraged citizens to contact their legislators and urge them to support this effort. Resolution 16-2017 is hereby incorporated by reference and made a part of these minutes.

PRESENTATIONS/RECOGNITIONS

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Transylvania County Finance Department for its comprehensive annual financial report for the fiscal year ending June 30, 2016. To receive the Certificate of Achievement for Excellence in Financial Reporting, 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.

The Certificate of Achievement is valid for a period of one year only. The County's Finance Department has received this award for 30 years which speaks to the time and commitment the Director and her staff put into their work and into the financial business of the County. Commissioners recognized and congratulated Finance Director Gay Poor and her staff for being awarded the Certificate of Achievement for Excellence in Financial Reporting and officially presented her with the award. Ms. Poor recognized her staff in attendance and thanked Commissioners for this recognition.

COMMUNITY LAND TRUST PRESENTATION ON TRANSYLVANIA COUNTY'S HOUSING NEEDS

Over the past several years, the Transylvania County Community Land Trust (TCCLT) has diligently worked to identify and address the issues related to workforce housing. Consistent with the County Commissioners' Strategic Plan and the newly adopted 2025 Transylvania County Comprehensive Plan, the committee has identified a reliable strategy for lasting community revitalization and economic development. On behalf of the TCCLT, Claudia Hawkins presented the findings. She serves as Chairwoman of the TCCLT. This is a summary of her presentation which she gave via PowerPoint.

Transylvania County Community Land Trust

- 501(c) (3) non-profit organization formed in 2008 to partner with the School System to student-build affordable housing for teachers (did not come to fruition because infrastructure was too expensive)
- Reconstituted with nine volunteer board members with no government staff (moved forward from original intent to this point today)
- Study community assets, make recommendations and facilitate dialogue regarding permanent affordable housing opportunities, with particular interest on workforce housing

- NC State General Assembly enacted legislation to allow the City of Brevard, the Town of Rosman, Transylvania County, and the Transylvania County Board of Education to partner with the Land Trust to construct and provide affordable housing for city and county employees and for public school teachers

Significant Housing Issues within Transylvania County

- Rent burden/affordability
- Limited availability

Affordability Housing Gap

- Housing considered affordable if no more than 30% of gross income is used for cost of housing, to include rent/mortgage and utilities (for this presentation, focused mostly on renter-occupied statistics)
- In Transylvania County, almost 40% spend more than 30%, but less than 50%, of their income on housing and utilities
- Almost 20% of the population is severely cost/rent burdened paying more than 50% of their income on housing and utilities; Transylvania County is slightly below State average
- This totals almost 60% of Transylvania County's population being cost burdened with housing
- This is a real concern for our community (citizens/residents and employers), but it is not unusual to see similar statistics across the nation

Affordability Housing Gap Illustrated

- Housing is considered affordable if cost (rent plus utilities) doesn't exceed 30% of gross income
- The figures below show significant affordability gaps

	Annual Income	Monthly Income	30% of monthly income	Average monthly utilities (2)	Affordable monthly rent	Median 2-bedroom rent (3)	Monthly Housing Affordability Gap
County Median Income (1)	\$44,114	\$3,676	\$1,103	\$250	\$853	\$925	(\$72)
Beginning Teacher	\$37,975	\$3,165	\$949	\$250	\$699	\$925	(\$226)
Beginning Deputy Sheriff	\$33,528	\$2,794	\$838	\$250	\$588	\$925	(\$337)
Minimum Wage	\$15,084	\$1,257	\$377	\$250	\$127	\$925	(\$798)

(1) County Median Income data from US Census.

(2) Utilities calculated at \$250/month based on average of HUD allowances using natural gas heat, Duke Energy and City of Brevard water, sewer and garbage services. Does not include telephone/internet at \$50/per month.

(3) Median 2-bedroom rent was arrived at by a survey done of properties offered on January 2, 2017 in Transylvania County online and in The Transylvania Times.

Available Rentals (on December 8, 2016)

- Offered snapshot of rentals available on this date for the purposes of providing a range of housing (single family homes) and pricing
- Available were two-to-three-bedroom homes throughout the County, with rent ranging from \$500/month to \$1,600 month, without utilities

Projected Availability Housing Gap for 2020

- Additional rental units needed = 375

- 187 family households
- 188 senior households
- Additional owner units needs = 494
 - 81 family households
 - 413 senior households
 - In 2016, there were 104 residential units built with an average value of \$381,235; this does not meet the need for workforce housing
- These figures come from The Bowen Report which is required by HUD to be completed every five years; Transylvania County was part of that report as a consortium of several counties in WNC

Workforce Housing Key Component of Healthy Community

- Boosting workforce housing is a reliable strategy for lasting community revitalization and economic development
- Commercial redevelopment without including sufficient workforce housing doesn't meet the needs of incoming businesses
- Workforce housing promotes a more stable workforce

Stakeholder Input

- Solicited comments from those who represented employers or are employers
- Agreed this is an issue Transylvania County needs to deal with for economic development purposes
- Challenge for those making \$30,000-\$45,000 income range to find housing
- Struggle for higher paid employees to find housing as well
- Private sector businesses seeking solutions

Market Not Addressing Need

- No significant growth in the number of residential units
- No new multifamily housing built since the 1980's other than tax-credit/subsidized housing
 - Land is expensive so dense housing is needed to get the cost down in order to price it for workforce housing
- Tourism industry is taking potential properties out of the long-term rental pool by converting them to short-term rentals
- The need for one-person rental units is expected to grow by 5% through 2020
- Bottom line is the market is broken
 - Many times requires the community (local government) to get involved to fix brokenness
 - Will be addressing the Town of Rosman and City of Brevard as well to talk about what we can do as a community to incent the development of workforce housing

Housing Assistance Gap

- There are government programs to help those who make 80% or below of the median income; some is restricted to 60% or less
- There is nothing that exists to help buy down the cost and incent private development for people above 80% of median income
 - Real gap is between 80-120% of median income where nothing is happening unless the local community finds ways to incent housing

Call to Action for the Board of Commissioners

- Commit resources (funding, if no internal resources) to develop an actionable plan to increase workforce housing over the next 10 years

- Additional data gathering, e.g. reaching out to top 10 employers and discovering what income/wage level for which they have the most difficulty attracting and retaining employees
- Define existing impediments to development of workforce housing; some are:
 - Land is expensive
 - Lack of availability due to floodplain or owned by State and federal government
 - Regulations
 - Lack of water and sewer
- Provide menu of options for elected officials to consider to mitigate impediments and incent/attract workforce housing development
 - Rural different than urban and must be approached more creatively
- Adopt goals for increases in workforce housing units

Consistent with County Strategic Plan

- GOAL 5: The community's quality of life includes resources that promote health, transportation connectivity, a sense of place, cultural heritage and public safety.
 - Strategy 5B: Provide resources, infrastructure and services that improve public health, mental health, wellness and safety to insure a vibrant community.
 - Action Item: Evaluate affordable housing and make plans to address needs including temporary housing needs.

Resources & Data Sources

- US Census Data
- The Asheville, North Carolina Regional Housing Needs Assessment known as “The Bowen Report” prepared by Bowen National Research for the City of Asheville Community and Economic Development Department dated February 6, 2015. The region includes the counties of Buncombe, Henderson, Madison, and Transylvania
- The Transylvania County Community Land Trust Survey, October 2016
- The Resilience Strategy Guide by Storm Cunningham, Publisher, Revitalization News

This concluded Mrs. Hawkins’ presentation. She thanked Kalen Lawson, Program Support Assistant in the County’s Planning and Community Development office for her assistance with compiling the information in a presentable format and for providing additional resources for this presentation.

Chairman Chapman called for questions and comments from Commissioners.

Commissioner Lemel commented that the presentation was very interesting and she appreciated the inclusion of The Bowen Report in the Board’s agenda packet. She noted that the report indicates more profound issues than what were presented at this meeting. She wanted to know how much the TCCLT thinks the County should commit to providing resources and developing an action plan. Mrs. Hawkins deferred to the Manager. The Manager reported that her recommended budget for FY 18 includes \$25,000 earmarked for that purpose and will be part of the work plan for Planning and Community Development.

Mrs. Hawkins pointed out the TCCLT will be presenting to Brevard City Council next week. Their call to action for them may be different. The TCCLT will be reaching out to the Town of Rosman soon to schedule a presentation.

Commissioner Lemel wanted to know if a path forward might include a potential memorandum of understanding with the three local governments. She asked whether or not the School System was still engaged in this conversation. Mrs. Hawkins stated that the School System welcomes a solution using

land they already own, but what was originally envisioned is not a possibility. She said they would be open to conversation on a proposal that makes sense to them. Superintendent of Transylvania County Schools Jeff McDaris was in attendance and he confirmed the School System would entertain viable proposals. He noted that 25% of his staff lives outside of Transylvania County.

Commissioner Phillips asked if TCCLT had considered working with Habitat for Humanity because their end goal is the same. He noted that they just completed construction on a substantial community in Flat Rock and they are currently building three homes in Transylvania County. Mrs. Hawkins welcomed partnerships with entities like Habitat, Wesleyan, and others. The issue with Habitat is their flexibility because their program requires ownership, not rental. She envisioned potential partnerships as one of the creative options that might be presented to the Board.

Commissioner Hawkins inquired about the vacancy rate statistics for Transylvania County. Mrs. Hawkins reported that the vacancy rate indicates the market is broken. During the third quarter of 2016, the vacancy rate in the South was 8.7%. A healthy vacancy rate is 6-7%. Transylvania County's vacancy rate is less than 1%. In a healthy market developers would be building rental units, but unfortunately that is not happening here, further stressing the need for local government to determine a way to incent and attract this kind of development.

Chairman Chapman informed that WLOS News is running a series of stories this week covering this topic. This issue is not unique to only Transylvania County. He inquired about the occupancy rates for the subsidized housing complexes. Mrs. Hawkins reported that these complexes are full and have very long waiting lists. She pointed out another issue not discussed at this meeting, but addressed in The Bowen Report, is the issue of substandard housing in this County. Some of these issues can be addressed with HOME Funds as a way to make improvements.

Chairman Chapman thanked Mrs. Hawkins for her presentation and for the work the TCCLT is doing. He commented that this is a major economic development issue that needs to be addressed.

OLD BUSINESS

WNC MILITARY HISTORY MUSEUM BUILDING PROPOSAL

Commissioners have received several proposals for use of the old Board of Elections building and asked staff to gather information about County space needs following the WNC Military History Museum's building proposal. The Manager stated that one of the factors driving consideration at this specific meeting is that the WNC Military History Museum's current lease ends May 27 and they do not have another location to house their artifacts. The Manager presented the following information for consideration:

Utility Costs on the Former Elections Building

- Averaged \$328.03 per month during the months of July-October last year while occupied
- Averaged \$87.25 per month during the months of November-January after Elections relocated
- Water and sewer costs are fixed at \$61 per month

Lease payments

- Probation and Parole and Juvenile Services (normally would be housed in the courthouse)
- Lease payments total \$28,000 per year
- Old Administration Building is currently vacant
 - Recent asbestos testing revealed that simple demolition would cost approximately \$100,000 due to remediation

- Depending on the asbestos material, it may be safe to renovate and utilize the space depending on Commissioners' plans for the Courthouse
- Existing office space, unmodified, may have a use as well on a short term basis without significant renovation

Projections on staffing levels

- Department of Social Services (DSS) is most likely to see growth that can be accounted for now
 - Bound by State rules on caseload numbers
 - Department continues to experience trends increasing in this area year after year
 - In February, Director Tracy Jones projected that she will need to add four additional staff over the next five years and she does not currently have space for those employees
- Cooperative Extension reworked their space over a year ago, but has emphasized a need for space should they grow
- Building Permitting and Inspections department has seen a large increase in permits, particularly commercial, over the past two years
 - Current office space could accommodate an additional inspector, but if growth was significant enough to warrant the addition of two inspectors they would be out of space in their current location

Internal County Agency Requests for Space

Soil and Water

- For educational programs and rental equipment storage
- For storage of district's weed wipers
- Conference room space for monthly Soil and Water Conservation Board meetings, landowner meetings, plan reviews, speech contests, poster judging contest

Sheriff's Proposal

- Victim's Advocacy Center
- DV/SA Task Force has been meeting to coordinate around service to victims
- Grant proposals from SAFE, Sheriff's Office, DA's Office to pursue additional resources to improve community response to DV/SA victims
- Would allow resources and services to come to victim in a non-threatening environment to navigate the system with professionals to coordinate those services

External

WNC Military Museum

- Currently housed in Heritage Museum until end of May
- Proposal to house them for a period of one-to-three years or three-to-five years depending on the Board's leisure
- Proposing lease of \$400-\$600/month, and maintain exterior including landscaping, make improvements to accommodate museum use, cover utilities, carry liability insurance
- Currently fundraising with expectation of carrying those monthly expenses; working toward non-profit status
- Would be open to the public with changing displays; working collaboratively to host education opportunities in the School System and in other community venues

Friends of the Library

- Library programs heavily supported through fundraising, most of which comes from annual book sale

- Steady decline in sales over last few years; annual event requires large infusion of volunteers and resources
- Propose space as Friends of Library Bookstore to allow for year-round fundraising and eliminating need for annual event
- Proposal has not been further vetted

The Manager asked Commissioners to consider the alternatives presented and direct staff on what alternatives for which they would like for staff for move forward.

Commissioner Chappell commented that since the presentation by the WNC Military History Museum the old Administration Building has been mentioned as a potential option to house them. He asked for more information on this option. Chairman Chapman responded and reminded Commissioners that the old Administration Building is vacant and currently there are no plans for it. He, along with the Manager and Mr. Casciato toured the building to determine if it might be an option. At this point, they are satisfied that the building could house the museum and their Board of Directors is supportive. Following the tour, the Manager and County Attorney reviewed statutes to determine what is required of the County to lease government property. The simplest option for the County is a one-year lease which can be negotiated by staff. Anything longer than one year requires additional action on the part of Commissioners and staff. He asked Commissioners to consider a one-year lease and made a motion to that effect.

Chairman Chapman moved to offer the WNC Military History Museum a one- year lease in the old Administration Building with terms and conditions to be negotiated by County staff.

Commissioner Hawkins said he is uncomfortable with this action for many reasons, but primarily because of principle. He was disappointed that the focus has been on finding space for the museum instead of finding the best use of County space. He does not know enough about the merits of the other proposals because no analysis has been done. For these reasons, he said he will not support the motion. He stressed though that his vote is not meant to be negative toward the museum.

The motion was seconded by Commissioner Chappell.

Commissioner Lemel shared similar concerns. She felt the actions that lead to this item being in front of the Board for a decision identified a lack of a process. While she is not disputing the value of the museum, she felt Commissioners were making this decision based on emotion and pressure to find space for the museum because they will have no home at the end of the month. Commissioner Lemel said the use of government space should be a staff decision and would like to see a process developed moving forward. She also noted that Commissioners have some very important decisions to make as evidenced by the Manager's presentation on this item. Because it will take time to analyze all of these options, she stated she can support a one-year lease to the museum. She supported the old Elections building as a victims' advocacy center which is an opportunity to provide a homelike setting for assisting victims of domestic violence and sexual assault. She announced that Transylvania County is the only county in the State to be awarded three concurrent grants from the Governor's Crime Commission to address this issue in the community.

Commissioner Chappell said there is a valid concern that all the excitement and public interest generated over the museum could be lost if they are without a place to house the museum for an extended period of time. Other options that were available to the museum earlier are no longer viable. Commissioner Chappell stated that if the identified needs are not immediate, then he can support housing the museum in the old Administration Building while due diligence occurs on the other issues.

Commissioner Hawkins expressed concern that Commissioners were acting like board members for the museum, rather than for Transylvania County. He said there remain too many unanswered questions and he wondered why Commissioners were being pressed to make a decision now. He felt that the County could support the museum and help it succeed, but said it is not the County's job to find them a home. He was additionally concerned that Commissioners were doing damage to processes that have been set up to make such decisions. Commissioner Hawkins stated he does not support renting the building for 1/10th of the market rate. There may also be legal issues that have not been thoroughly studied. Again, he stated that his statements are not meant to be a disparagement to what Mr. Casciato and others are doing, but the Commissioners' purpose is to ensure County operations are running correctly.

Commissioner Chappell stated that his decision is based on what he feels is an overall good for the County so he felt comfortable supporting what he called an opportunity. Commissioner Hawkins pointed out that the other options were supported by data, while the museum option was not. While he does not think it is the end of the world if the motion passes, he said it will be necessary to repair structural damage to our processes in the future.

Commissioner Phillips stated he mostly agreed with Commissioner Hawkins. While he said he is excited about the museum and personally interested in military history, the Board's duty and obligation is to the County and to ensure the efficiency of local government. He pointed out that the Soil and Water department has been requesting more space for several years. He is also unsure if a one-year lease makes anything better for the museum. If there are in fact other space needs, he felt the old Administration Building should have been considered for addressing those needs. For these reasons he stated he will not support the motion.

County Attorney cited NCGS 160A-272 as the statute governing leases of government facilities. The Manager stated that a staffing analysis conducted indicates we can make due with current spacing.

Chairman Chapman noted that he expects Commissioners to make a decision on the Courthouse in the near future and this decision will have an impact on the old Administration Building.

With Chairman Chapman and Commissioners Chappell and Lemel voting aye and Commissioners Hawkins and Phillips voting no, the motion passed 3 to 2.

NEW BUSINESS

JUVENILE CRIME PREVENTION COUNCIL ANNUAL COUNTY FUNDING PLAN

The Transylvania County Juvenile Crime Prevention Council (JCPC) requests funding from the NC Department of Public Safety, Division of Juvenile Justice on an annual basis and allocates the funding to programs that can best fulfill the needed services. For 2017-18, JCPC recommends allocation of funds as follows:

Youth Mediation Services	\$ 26,300
Project Rebound	\$ 39,000
Project Challenge	\$ 20,211
Kids at Work/Aspire	\$ 16,056
<u>Administrative</u>	<u>\$ 2,645</u>
Total	\$104,212

No County funding is required. All matching dollars are made by the receiving agency by either cash match or in-kind match. For 2017-18 the matching portion is expected to total \$90,796. The recommendation was to approve the plan as submitted.

Commissioner Lemel moved to approve the Juvenile Crime Prevention Council Annual County Funding Plan for 2017-18 and to authorize the Chairman to sign the necessary paperwork. The motion was seconded by Commissioner Hawkins. Commissioner Lemel expressed concern that the statistics highlighted in their report are seemingly becoming worse and are also higher than the State averages. She asked the Manager to schedule a presentation at a future meeting in order to better understand the work they do and to receive an explanation of the data. Chairman Chapman serves on this Council representing the Board of Commissioners. He pointed out these funds are used for youth already involved in the juvenile justice system. He felt very positive about the program. He will invite the JCPC chairman to make a presentation to Commissioners. **The motion was unanimously approved.**

VAYA HEALTH 3RD QUARTER FISCAL MONITORING REPORT

Per NCGS 122C-117 (c), the quarterly Fiscal Monitoring Reports (FMR) for the Local Management Entities/Managed Care Organizations 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. Finance Director Gay Poor presented the third quarter fiscal monitoring report from Vaya Health. She reported third quarter revenues as \$288.5 million and expenditures as \$291.9 million, resulting in a deficit of \$3.5 million. VAYA Health budgeted in anticipation of running a deficit and allocated \$36.9 million from Fund Balance to make up for losses in revenues.

Commissioner Chappell moved to receive the report and read into the minutes, seconded by Commissioner Lemel and unanimously approved.

ETHERNET SWITCHES SHERIFF'S OFFICE/PUBLIC SAFETY FACILITY

Communications Director Kevin Shook presented this item. He presented a proposal to replace the current network switches in the Detention Facility and Sheriff's Administration at the Public Safety Facility. These are critical switches that control computer connectivity to the main system. The switches have experienced failures resulting in down times. Communications is currently using old out-of-service switches that are not reliable.

In order to maintain the required security level of the entire system and maintain day-to-day operations of the Sheriff's Office and the Detention Facility, Mr. Shook recommended the emergency replacement of the Ethernet Network switches in both areas. The ability to ensure the uninterrupted operations of both areas relies on stable operating security appliances being up-to-date, including all necessary security patches being installed, thus giving the ability for the primary security appliance in the Emergency Services Department to perform at peak performance and to prevent any malicious attack against the system. The estimated cost of replacing the Ethernet Network switches is \$82,000.

Commissioner Lemel moved to approve an expensive \$82,000 to replace the failing Ethernet Network switches in the Sheriff's Office and Detention Facility and funds to come from revenues received through operations within that department. The motion was seconded by Commissioner Phillips. In response to Chairman Chapman, Mr. Shook reported that the lifespan of the failed switches was approximately five years and he expects the new switches to provide at least the same amount of time of usage. He pointed out that the vendor no longer makes these particular switches and they are no longer protected under warranty. He stated his goal is for the total cost to come in under estimate; the \$82,000 is worst case scenario. **The motion was approved unanimously.**

GOVERNOR'S CRIME COMMISSION GRANT – DOMESTIC VIOLENCE INVESTIGATOR

The Sheriff's Office has applied for a grant through the Governor's Crime Commission for a dedicated Domestic Violence/Sexual Assault Investigator. They were notified recently that their pre-application was selected to submit a final revised application. If approved, the Sheriff's Office will have a dedicated staff member to help victims of domestic violence and sexual assault.

The District Attorney's Office and SAFE, Inc. also received grants for positions that would be able to work in tandem with this investigator to connect victims of DV/SA crimes with resources and counseling and to navigate the process so that offenders see prosecution. These three positions will mean the ability to have a profound impact in our County to address these issues.

The total amount of federal funds being requested is \$67,149.09. The grant requires a local match of \$22,383.03. The total budget for this position over a two-year period is \$89,532.12. If approved, the position would come on board in October which is in line with the federal budget.

Commissioner Chappell moved to accept the grant award from Governor's Crime Commission for the Domestic Violence Investigator position and to approve the local match commitment of \$22,383.03. The motion was seconded by Commissioner Phillips. Commissioner Lemel commented that the Sheriff's Office deals with hundreds of DV/SA cases annually, but very few make it through the court system to full adjudication. With these three grants, there is a tremendous opportunity to use the current baseline measures and show steady improvement thus proving the merit of the position when grant funding ends to continue it as an essential part of the Sheriff's Office for handling DV/SA cases and seeing that justice is served. Sheriff Mahoney was in attendance and he concurred with Commissioner Lemel's statements. **The motion was approved unanimously.**

MANAGER'S REPORT

The Manager presented the following:

- Public Service Appreciation Week, May 17 County employee celebration on County campus
- Silvermont Centennial celebration this Saturday
- Friday, Mass Violence Training scenario at to be held at Blue Ridge Community College
- Flag rededication following Memorial Day ceremony; moving flag pole from in front of Tax Office to behind the Tax office to serve as a County campus flag
- Kudos Report!
 - To EMS Director Bobby Cooper. He is a member of the NC Association of EMS Administrators and he had the opportunity to attend "2017 EMS on the Hill Day" last month in Washington, DC; thanks for his efforts to advocate for EMS employees

Chairman Chapman called for a 5 minute recess at 10:50 a.m. The Board reconvened at 10:55 a.m.

WORKSHOP

PRESENTATION OF FY 2017-2018 MANAGER'S RECOMMENDED BUDGET

The Manager thanked Commissioners and staff for the time and effort they put into preparing the recommended budget this year. She also expressed appreciation for how staff and boards work hard to evaluate the best use of public dollars which is the way local government should operate.

The Manager presented her recommended budget for FY 2017-18. This is a summary of her presentation to the Board:

Fiscal Policy Goals

- Continue operating out of current year revenues
- Develop a long term capital improvement plan
 - Worked with Board of Education and First Tryon Advisors
 - Completed Parks and Recreation Master Plan and Comprehensive Plan
- Identify revenue to fund capital needs

- Economic development and infrastructure support
- Education facilities
- Parks and Recreation
- Work towards multi-year budget planning
 - Vehicle prioritization, computer replacement schedule, long range maintenance evaluation
- Implement performance-based budgeting with outcome measures
 - Annual work plan according to Strategic Plan in first year of implementation
- Consensus on this year's County needs from Commissioners for recommended budget

Process with Changes Implemented This Year

- Internal departments turned in budget requests with justification including proposed work plans
 - Six-month reviews were evaluated for FY 17 work plans in February
- Nonprofit Requests
 - Open call for applications in February
 - Per policy, subcommittee reviewed and scored on a rubric in April
 - Scoring accompanied by discussion, particularly on State statute restrictions
- School Funding
 - Second year of school funding formula implementation
- Outside Agencies- Fire Departments, Rescue Squad, etc.
 - Budget requests due in April, gave Commissioners presentations in April
- Priorities and preliminary discussion
 - Commissioner meetings in April to clarify priorities, discuss justifications

Revenue Projections

- \$51.2 million
- Property tax remains more than half of budgeted revenues with projected growth of 1.2%
- Sales tax growth appears inflated due to FY 17 surplus from sales tax expansion that will not be realized next year; projecting 5% above estimate for this year's sales tax receipts
 - Impact of redistribution legislation
 - Impact of expansion to include services
- Positive growth indicators in interest on investment, permitting and property transfer fees reflect economic growth
 - Product challenge-almost all spaces are full for business expansion/location
 - Ecusta Road partnership with City of Brevard and Transylvania Economic Alliance

Requests vs Projections – Analysis

- Fully funded requested expenditures vs. projected total revenue started with a \$3,305,413 deficit
- Justifications have improved over the years
 - Data submitted for increases and comparing to standards or peer counties
- Utilized Commissioner feedback to prioritize needs removing deficit by \$2,481,455, deferring service expansion or other cuts to requests
- Included personnel and capital requests that at least had majority support or consensus
- Recommended funding is not an indication that all needs are met or that requests will not be seen again in the future

Expenditures by Function

- Slightly different than FY 17 due to a large increase for purchase of Elections equipment and 23% increase in facility maintenance to move forward on deferred maintenance

- Economic and Physical Development reflects an increase to show the Golden Leaf grant funds coming in and being spent on Ecusta Road collaborative product development project

Expenditures by Natural Classification

- Best exemplifies the impact of capital projects and grants on the increase in the FY 18 recommended budget over FY 17
- While percentage of the budget for personnel is slightly lower than FY 17, it remains one of the larger percentages of the budget; given the mission of the organization to provide services to citizens, this percentage is expected

Summary

- Balanced budget of \$51,176,824, reflecting a 5.8% increase
 - \$1 million Golden Leaf grant
 - Increases for capital expenditures to move forward on deferred maintenance (five year projections compiled on facility needs)
- Moved computer expenditures to the Information Technology budget to assure that network oversight is in place from the department to protect cybersecurity
- Recommended budget includes prior tax increase for capital needs
 - Currently Transylvania County is the 32nd smallest population when ranked from smallest to largest in the State
 - 13th lowest tax rate and 16th lowest effective tax rate last fiscal year (many counties' rates increased last year along with Transylvania County's)
- Recommend continued policy development
 - Capital prioritization funding strategies next steps, work with Board of Education on referendum on capital needs

Revenues – Assumptions & Trends

Property Tax

- Highest revenue source
- 56.9% of total revenue projected for FY 18 (was 59.5% for FY 17)
- Revenue neutral: \$.511/\$100 valuation
- Reflects a 1.2% increase in tax base from FY 17
- Collection rate assumed at 99.5%
- FY 18 projected tax base is \$5.709 billion

Sales Tax

- 2016 included the sales tax expansion to services
- July 2016 saw implementation of NCGS 105-524
 - Redistribution of sales taxes statewide collects \$84.8 million
 - Our portion is about 1.6% of the total collected statewide
 - Lose average of \$7,265 monthly
 - Potential for further change with proposal passed in Senate
- FY 18 budget projection of 5%

Other Taxes and Permit Fees

- Includes:
 - Elections office revenues
 - Register of Deeds fees

- Building and permit fees (State law change mandates that revenues generated by this department that exceed cost to operate department must go into reserve fund for future use by department)

Sales and Services

- Jail fees from housing other counties
 - \$40/day per inmate per day revenue
 - Expect to house average of three/day in FY 18
 - Reduction in revenues of \$91,000, compared to FY 17 Budget
- State Misdemeanant Confinement
 - Average of 21/day
 - Increasing revenue by \$218,000
- EMS ambulance fees
 - Decrease in transports also reflects a slight decrease in revenue
- Child Development
 - No rate changes proposed (market rates steady)
- Animal Services fees
 - Propose to add medical fees to fee schedule
- Parks and Recreation
 - Additional revenue from new programs proposed for this department are offset by cost for additional part-time employees and supplies to provide programming

Intergovernmental Revenue

- Golden Leaf Foundation Grant for Ecusta Road project
- Public Health and Social Services
 - \$47,000 for STOP grant in Health Department
 - \$49,000 decrease in State and federal funding for Foster Care Program

Interest and Fund Balance

- Improvement in interest rates projected to generate additional \$165,000
- No transfer from Fund Balance budgeted
- \$424,000 from Designated Fund Balance budgeted
 - Elections equipment previously anticipated
 - Emergency Management plan transfer (Communications equipment already approved)
 - Sheriff's Office jail and commissary revenue for tuition reimbursement

Fund Balance

- Anticipate a decrease in Fund Balance because of the earmark for the project with Transylvania Economic Alliance on Ecusta Road
- Decrease in percent available
- Estimate that \$1.4 million would go into Fund Balance to balance the Ecusta Road project expenditure
- Fund Balance remains in good shape

Solid Waste Fund

- FY 18 supplement from General Fund is \$197,000 versus \$388,000 in FY 17
- Goal is to make this fund self-sustaining as an Enterprise Fund

Revenue

- \$3/ton increase in tipping fees proposed- \$55/ton

- Scale sale volume expected to grow 7.4% over FY 17 end of year estimate
- Fee and volume increase combined projected to generate an additional \$252,000
- Slight increase expected in recycling revenues with other revenues expected to remain relatively flat

Expense

- Operating expenses budgeted to be 2.5% more, due primarily to higher fuel and heavy equipment maintenance costs (working to change how to track heavy equipment maintenance and replacement schedules)
- Budgeted capital down slightly- no equipment replacements budgeted for FY 18

Reserves

- NCDENR requires demonstration of financial assurances for closure, post-closure and potential corrective action costs
- FY 18 provides \$194,000 for the closure, post-closure, PACA liability and \$146,000 for the reserve for the next phase

Expenditures

Expenditure Trends

- Small service expansion
 - Additional recreation programming offset by revenue from those programs
 - Additional support for Special Olympics
 - Additional investigator in Sheriff's Office
 - New Register of Deeds program "Thank a Vet"
- Making progress on capital needs deferred from prior budget crises
- 75-85% of the budget is mandated or required to meet State mandates
- Economic development support is a key strategy in future sustainability

Personnel Detail Changes

- Total of three net new full time positions (\$149,236 net cost)
 - Increasing Communications staff due to changing insurance rating standards
 - Reducing Transportation staff by one; already restructured Safety and Housekeeping away from this department
 - Personnel part-time to full-time for Human Resources and Building Inspections
 - Sheriff's Office requesting part-time and full-time investigator
 - Some positions were eliminated by request
 - Request from EMS for 10 new paramedics denied
 - Request from Transylvania Natural Resources Council for Natural Resources Specialist denied
- Reclassifications (\$142,848)
 - Staff providing functions that they are not being compensated for in their existing position or they are part of a restructure to change job duties
 - Request for part-time security officer and increase of hours for pages at the Library denied
- Healthcare costs
 - Costs escalating annually despite Transylvania County having better than average experiences
 - Dependent plans have not seen an increase for employees since 2008 and additional expenses were coming from County funds
 - Spouses are a key factor in costs

- Proposing 15% in dependent health (not dental) premium and to phase out employee/spouse coverage after year one (spouse coverage still available at family rate) to begin to correct cost split
- Develop internal committee to work over the next year on solutions to assure future stability of the plan
- Retirement Plan costs-Local Government
 - Employer contributions increasing by 3.4% for general employees and 3.1% for law enforcement
 - Budgetary impact of \$36,000
 - Bill being considered in NC General Assembly to change the retirement system for Local Government and State employees for anyone hired after July 1, 2018

Capital

- Increase in land and building improvements, but mostly on existing facilities and conducting maintenance-type activities
- Deferred request from Social Services for construction of additional offices to possibly next year or the year after
- \$209,988 total land improvements
- \$494,436 total building improvements

Capital – Vehicles and Heavy Equipment

- 13 vehicles requested
- 10 included in recommended budget
 - One new for domestic violence investigator in Sheriff's Office
 - One F-550 with dump bed as addition to Maintenance
 - Budgeted for ambulance and van replacement

Capital – Computer, Software, Other

- Most items are replacements
- Two ATV additions for Solid Waste and Parks and Recreation; will serve as backup for Emergency Services
- Did not recommend unmanned aerial surveillance system in Sheriff's Office

Capital Totals by Fund

- Significant increase in General Fund of \$780,145
- Overall decrease in Solid Waste of \$16,074
- Emergency Phone Fund decrease of \$61,000

Capital Recommended Summary

- Total Capital funding at \$2.2 million
 - Catch up on maintenance needs (five year need projection prepared)
 - Working to stabilize maintenance-related capital
- Increasing needs around cyber security/data management
- Continue to make progress on deferred maintenance
- Utilized vehicle ranking on vehicles requested and shifted vehicles where available to maximize use

Overarching Budget Expenditure Factors

- Contingency increased to \$127,760

- Parks and Recreation reserve at end of this fiscal year at \$380,000 minimum to be available for Master Plan implementation and capital projects after subtracting \$160,000 for air conditioning in the gym
- Budgeting \$280,000 in Emergency Services for second half of the communications upgrade approved in April 2017
- Includes revenue from inmate phone and commissary, minus expenses associated, to go into a reserve fund for Sheriff's Office (Commissioners to determine any guides on usage) estimated at \$25,560 annually; for tuition reimbursement program
- Includes 1% of budgeted revenue on out-of-County inmates to help pay off debt service on the Public Safety Facility

Outside Agencies

- Finance Director Gay Poor happened upon a blog post from the UNC School of Government that raised concerns that counties needed to be very careful about how funding for outside agencies is authorized
- NC Constitution permits the General Assembly to authorize local governments to “contract with and appropriate money to any person, association, or corporation for accomplishment of public purposes only”; in addition, requires that all public funds, no matter what their sources, be expended for the benefit of the citizens of a unit generally, and not solely for the benefits of particular persons or interest
- Statutory authority and requirements outlining what specifically counties are allowed to do for services in their respective communities; those services have to align within the nonprofit request
- Subcommittee review netted changes for funding based on provisions of NC Constitution and statutes; criteria for scoring was consistent and included:
 - Ability to enhance/supplement County services
 - Outcomes in line with Strategic Plan
 - Scale out outcomes vs. expense “bang for the buck”
- \$313,500 requested, \$126,500 recommended (\$45,000 less than FY17)
- Additional trends in review:
 - Some requested more funds than granted
 - Subcommittee felt some of the groups could work together to create operational efficiencies
 - Subcommittee proposes that \$10,000 be allocated to the Joint Historic Resources Board in FY 19 to allocate to those seeking funding for history and culture preservation
 - Feedback from discussion to be shared as requested
- Community Centers
 - With savings from last year, included a proposal by Planning and Community Development to look at how the County funds community centers and how the County can better leverage community centers to enhance our relationship
 - Elections will pay rent for those they use as voting polls and funds have been allocated to do so
 - Funding to community centers will need to require
 - 501 (c) (3) status
 - Memorandum of understanding showing community center's case that the funds are for public use and for a service the County could statutorily provide itself
 - Recommend including \$50,000 for grant funds to be designated pending policy and process development
 - Planning and Community Development to prepare for Fall 2017 consideration under the annual work plan:

- Connected Grant: Policy detailing requirements and procedure for applications to be in compliance with State guidelines including MOU sample to provide free wi-fi hotspots at community centers
- Facility Improvements: Policy detailing requirements and procedure for applications to be in compliance with State guidelines including MOU sample to reflect how the capital improvement will be used for a public use the County is statutorily authorized to provide

Outside Partner Agencies

- Cooperative Extension
- NC Forest Service
- Vaya Health LME/LMO
- Land of Sky Regional Council
- French Broad River Stewards

Transylvania County Rescue Squad

- Recommended funding: \$229,000
 - Do not recommend funding for additional staff at this time; currently revising contract and under review with County Attorney
- Total requested: \$323,000
 - Requested two new full time positions and financial and legal services

Education

Legislative Responsibility: *“include appropriations sufficient, when added to appropriations from [the State], for current operating expense of the public school system in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the fiscal policies of the board of commissioners,” -NCGS 115C-426*

This statute indicates the Board of Commissioners is not only responsible for capital, but also for current operating expense, and it gives no guidelines as to what that level should be. It is up to each county to determine what is appropriate, necessary and affordable. Our community has made education funding a top priority.

Fast Facts

- Transylvania County ranks 5th in per student current spending for FY 16 and FY 17 (operations/personnel)
- According to an *Asheville Citizen Times* article in February 2016, Transylvania County had the 3rd highest teacher supplement in WNC, behind Asheville and Buncombe County by \$195 and \$58, respectively
- Transylvania County funds education at a higher percentage of its total budget than most peer counties
- Dating back to FY 03, other than one year Transylvania County has seen a steady increase in current spending for the School System
- State and federal funding continues to fluctuate; the County continues to advocate for funding

FY 18 Budget

- Proposed an increase of 5.85% in current expense per student which is consistent with the policy developed by the Board of Commissioners
- ADM is projected to decrease by 1.4%
- Results in a recommended net increase in total current expense of 3.6%

- Average total increase since FY 03 for local current spending is 5.4%, while ADM has decreased an average of 1.2% each year

Peer Counties

- Education funding has grown by an average 4.71% at the local level since FY 04 (70.7% total)
- Other County services and responsibilities have grown by an average of 2.73% (41% total)
- The chart below shows how Transylvania County compares with its peer counties and with counties in our region
 - Some of our peer counties also receive funding through “low wealth” and “rural school” dollars that Transylvania County does not; there appears to be no consistent formula for how some schools receive this funding and others do not

County	County Current/ADM	Rank	Total/ADM	Rank	ADM
Macon	\$1,627	28	\$2,618	31	4,387
Jackson	\$1,815	26	\$2,692	27	3,761
Dare	\$4,436	1	\$6,751	3	5,010
Montgomery	\$1,358	37	\$2,030	54	4,019
Scotland	\$1,801	27	\$2,118	49	5,876
Bladen	\$1,453	45	\$2,083	53	4,661
Henderson	\$1,773	34	\$2,480	34	13,716
Polk	\$2,202	17	\$2,928	21	2,185
Buncombe	\$2,375	16	\$4,286	6	29,188
Haywood	\$2,098	21	\$2,477	35	7,186
Transylvania	\$3,279	5	\$4,069	8	3,485

Summary

- Blue Ridge Community College request
 - \$421,739 (increase of \$50,000 after decrease of \$60,000 last year)
- Second year of implementing the Local Public School Funding Formula
 - This netted a 5.85% increase per ADM (student) this year
 - Projected ADM at 3,412 according to NCDPI
 - Current Expense funding requested: \$12,244,898, 7.2% increase
- Capital allocation at \$1.8 million to cover reoccurring capital expenses and additional expenses toward identified school needs
 - School Capital requested: \$3,045,460, 69% increase

Reserve Funds

- Parks and Recreation Strategic Plan
 - Reserving funding from FY 17 for gym air conditioning
 - Anticipate \$380,000 in reserve at end of FY 18
- Emergency Services

- Funding for FY 17 and FY 18 to go toward communications upgrade approved in FY 17
- Future earmarked funds for implementing staffing change in Communications that will impact fire insurance ratings
- Economic Development
 - Continued funding to support TEA contract expiring 6/30/17
 - Fund balance projection anticipates \$3 million allocation in addition to Golden Leaf funds to be utilized for Ecusta Road product development project

Operational Summary

- Recommended Budget can operate existing services and fund existing obligations as presented with:
 - No property tax increase
 - No transfer of undesignated fund balance
- FY 17 projected \$1.1 million to transfer into Fund Balance
- Better than projected sales tax and delayed implementation of Parks and Recreation and Emergency Services improvements resulting in increase
- Historically, the County has used Fund Balance to balance each new budget, but has either broke even or added surplus to Fund Balance at the end of year; if there are no major unforeseen issues next year, staff anticipates Fund Balance addition at the end of FY 18 that will help offset moving forward on the Ecusta Rd project

Conservative Budgeting Philosophy

- Revenues are projected conservatively
- Expenditures are projected using data, but anticipating some cost variance at time of purchase because sometimes the purchase is as much as a year away
- Organizational culture and procedures require consumerist shopping for best pricing at purchasing
- Factors of risk in this budget:
 - Fuel pricing
 - Investment projections subject to major event or crisis
 - Sales tax projections increasingly challenging due to formulas and ties to requirements on how those funds are spent
 - Capital projects are estimated and some of them are older buildings that could uncover additional issues or unforeseen costs

Budget Recommendation Part 2 – Planning For The Future

- Major capital planning has begun with significant needs
 - Does not include annual capital such as maintenance, vehicle/equipment replacements, computer replacements, etc.
- There are no funds in the Operations budget to pursue design/construction or debt service
- Capital list
 - Schools \$93 million- discussion of bond in 2018
 - Water needs communitywide- \$40 million
 - EMS Main Station estimate-\$1.6 million
 - Courthouse needs estimate-\$16-\$24 million depending on solution
 - Parks and Recreation Master Plan- \$32.2 million in projects/improvements identified
 - Economic Development- Product and Site Development-\$3 million from Fund Balance FY 18

Fire District Tax Rates

District	Budget Request	Current Rate	Rate with all requested	Rate Difference
Brevard/Sylvan Valley II	\$2,035,640 (\$374,303)	0.0393	0.0407	0.0014
Rosman	\$524,904	0.1091	0.1159	0.0068
Little River	\$451,994	0.0877	0.0911	0.0034
Connestee	\$707,212	0.0673	0.0767	0.0094
Cedar Mountain	\$297,067 (\$194,000)	0.1331	0.1378	0.0047
Lake Toxaway	\$780,343	0.0459	0.0479	0.002
Balsam Grove	\$98,277	0.1098	0.1098	0
North Transylvania	\$208,050	0.1279	0.1669	*

- Brevard and Cedar Mountain also receive funding from other jurisdictions (City of Brevard, Greenville County, SC, respectively); County portion noted in parentheses
- Fire tax rates wide-ranging across community
- Above chart includes what the rate would be if all requests were granted
- North Transylvania's max rate would be 17 cents; they do not want to raise the tax rate in their district and are committed to a reduction of spending in the amount of \$50,000; department already operating on a very tight budget

Fire District Requests

- Brevard Fire/Sylvan Valley II
 - Air pack replacement; loan of \$43,500 for 10 years
 - Personnel in the evening-\$51,240
 - Rescue truck with equipment-\$850,000, with debt service to begin FY 19
- Rosman Fire
 - Additional staffing-\$28,000
- Little River Fire
 - Continue main station remodel-\$14,400
- Connestee Falls Fire
 - Addition of two staff -\$80,000
- Cedar Mountain Fire
 - Additional staff from Greenville County revenue
 - No County tax funding increase requested
- Lake Toxaway Fire
 - Funding to keep second staff member hired from savings-\$45,000
 - Building fund for three-bay building behind main station-\$35,000
- Balsam Grove
 - Only department without staffing
 - County feels they could use EMT for call volume and long response time to area for EMS
- North Transylvania Fire
 - Budget needs exceed capacity
 - If no outside funds available, department will make drastic cuts to remove 50,000 to avoid tax increase

The Manager has been in discussions with Commissioners about how to correct some of the issues these departments are facing, particular North Transylvania. She also received feedback from the Brevard City Manager on utilizing contracts to address the problem.

Staff will be presenting more detailed fire department budgets during the budget workshop, along with potential solutions for addressing the issues noted. Depending on the path forward, the tax rates presented at this meeting are subject to change.

This concluded the FY 18 Budget presentation.

The Manager welcomed Board discussion on the budget presentation and she asked Commissioners to identify topics to discuss during the workshop in addition to the fire districts and to inform staff of any pertinent data or detail needed to help them in their discussions and decisions. In terms of the budget workshop format, the Manager will facilitate and once consensus is reached on a topic, she will move on to the next topic. The workshop will be held next Monday, May 15 at 6:00 p.m. If additional meetings are needed after Monday, the Board will set another date during the workshop.

Chairman Chapman inquired if the number of EMS calls is down due to the reduction of non-emergency transports. He was unsure about the EMS request for additional staffing while the data indicates call volume is down. EMS Director Bobby Cooper confirmed that part of the reduction was due to less out-of-county transports. One of the biggest reasons though is the decrease in the number of standbys. When trucks are not tied up for extended periods of time, the department is not faced with moving trucks around in order to respond to calls.

Chairman Chapman inquired about the status of finding a location for a new EMS Main station. The Manager reported that while this is on staffs' radar, an official property search has not been conducted. She believes this is an area the County will need to move forward with in the next several years in order to address the need. There is also an operations component because response times are dependent on the location of the station.

Chairman Chapman asked what would be required in terms of resources to help Balsam Grove Fire Department. The Manager pointed out that Balsam Grove has the highest response time. In the short term, the County could support the department by having an EMT on staff or available to them on scene while EMS is on the way. In addition to there being a wide range of tax rates across the County, there is also a wide range of services. Balsam Grove and North Transylvania are the two departments that cause the greatest concern about their ability to provide services with the tax base that is available to them.

Commissioner Hawkins asked the Manager to request from the School System a prioritized capital list because their capital request is significantly higher than the current year. Commissioner Lemel made the same request. She wanted to know which items were completed over the past year with the funds allocated versus their priorities for the upcoming year.

There was no further discussion. Staff will begin formulating the agenda based on the topics Commissioners wish to discuss and gather the necessary data and backup information needed. The Manager noted she provided Commissioners with copies of the budget summary, the budget presentation made here today, and a report detailing the requests versus recommended.

Commissioners thanked the Manager and staff for their work on the budget and expressed appreciation that no tax rate increase is being recommended.

PUBLIC COMMENT

Emmett Casciato: Mr. Casciato thanked the County on behalf of the WNC Military History Museum for giving them the opportunity to lease the old Administration Building.

COMMISSIONERS' COMMENTS

Chairman Chapman thanked all those who attended the National Day of Prayer service on Thursday. It was hosted by Sammy Kicklighter and was very well attended.

Chairman Chapman reported that he is headed to Raleigh for County Assembly Day this afternoon to meet with legislators and hear from the Governor. He asked Commissioners to email him with questions to pose.

Chairman Chapman commented about a recent news story in another county that involved embezzlement of public funds and he stressed to staff to make certain there are proper procedures in place to ensure the public trust.

Chairman Chapman inquired about the TEA contract expiring at the end of June and asked if negotiations were taking place for contract renewal. The Manager reported that TEA is preparing a presentation to update Commissioners on where they stand, including a request for contract renewal. Chairman Chapman requested to see in their presentation results based on the investment made by the County.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Lemel moved to adjourn the meeting at 12:09 p.m., seconded by Commissioner Phillips and unanimously carried.**

Larry L. Chapman, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board