

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
June 26, 2017 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, June 26, 2017 at 7:00 p.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, and Vice-Chairwoman Page Lemel. Commissioner Kelvin Phillips was out due to illness. 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 7:02 p.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

Jill Chapman: Ms. Chapman is the Chairwoman of the Abandoned Cemeteries Board. On behalf of the Board of Commissioners and Abandoned Cemeteries Board, she presented Ms. Marlu Guest Jones with a certificate of appreciation for her extensive research documenting those buried in Cooper Cemetery, an African-American cemetery. Her work helped to preserve the heritage of Transylvania County. Ms. Jones gave a brief history of the cemetery for the benefit of the public and expressed appreciation for this recognition.

Maurice Jones: Brevard City Councilman Maurice Jones informed the Board of Commissioners that he was instructed by Brevard City Council to research the need for a Human Relations Council. Based on his work, City Council approved a resolution establishing a Community Relations Council. He forwarded a copy of the approved resolution to the Board of Commissioners earlier this afternoon, along with the presentation he made to City Council. He hopes to make a formal presentation to the Board of Commissioners in the near future for the purposes of seeking County participation on the Community Relations Council.

Jan Nickerson: Ms. Nickerson expressed concern about a Dollar General Store that is slated to be built in Cedar Mountain. Highway 276 S is designated as a scenic arts highway and she feels the bright lights and colors of the Dollar General Store will disrupt the character of this stretch of highway and the community as a whole. She pointed out that other businesses along the scenic highway have constructed business signs that are appropriate and fitting to the area. Ms. Nickerson asked Commissioners to consider joining residents in writing a letter to influence the developer and Dollar General executives to construct signs and build a façade that is in character with the community. She pointed out this should serve as a wakeup call to Cedar Mountain residents to learn more about the scenic arts highway being one

of two designated commercial nodes in Transylvania County. She said she looks forward to the Board of Commissioners and Planning Board involving the residents as appropriate policies are developed regarding development on Highway 276 S.

John Graham: Mr. Graham said he hoped that, in the absence of countywide zoning, the Board could establish a process and precedent to encourage dedicated self-zoning. He believes it is in the best interest of Dollar General to maintain the character of the community. Otherwise, he is sure that the reaction of those living in and visiting the community will be that the Dollar General Store is out of place. Perhaps a community meeting where businesses can discuss their presence in their community would be appropriate.

Barry Hatchett: Mr. Hatchett said the community wants to support the new Dollar General Store in Cedar Mountain, but he and others are concerned that it will be an eyesore on a beautiful stretch of highway and that it may negatively impact tourists and others from falling in love with Transylvania County just as he and wife did many years ago. He asked the Board to support the citizens' efforts in ensuring the Dollar General Store fits in with the community.

Jana Dare: Ms. Dare also expressed concern about the new Dollar General Store proposed in Cedar Mountain. She felt that everyone would benefit by keeping the Highway 276 S stretch of road a scenic highway. She commented that the Dollar General Store is the first corporate intrusion into the area. She feels this is an opportunity for everyone to come together and recognize the uniqueness of the area and to respect and honor it by keeping the current aesthetics.

Tom Osteen: Mr. Osteen stressed that many people are concerned about the character of the Cedar Mountain community with the upcoming arrival of the new Dollar General Store. He commented that there is nothing anyone can do to prevent corporate intrusion, but citizens can ask the Board of Commissioners, community and citizens to believe in moderation as opposed to offensive eyesores.

Kathy Bub: Ms. Bub is the founder and president of Friends for Life, a nonprofit that cares for senior and special needs animals. Friends for Life has been in Transylvania County for 12 years. She exclaimed how lucky the County is to have such high caliber Animal Services Director and staff and Animal Shelter. Friends For Life helps the County in many ways: by keeping some animals from going to the shelter, such as elderly and sick animals, and by pulling animals from the shelter. Friends for Life is the only organization at this time that is able to help Animal Services with livestock and horses. Ms. Bub thanked the Director and staff for their work and dedication and also expressed appreciation to the Board of Commissioners for their support of animal services.

Dale Whitlock: Mr. Whitlock is the Chief of Transylvania County Rescue Squad. He stated that the department has received the new contract for services, but the department has not had a chance to review the latest revision. He pointed out that much of the contract is legalese and he is unable to understand it. Mr. Whitlock reminded Commissioners that the Rescue Squad has experienced some tough times over the last year, but they are working hard to correct those issues. He is concerned about other parts of the contract because it appears the department will be out of compliance on the effective date and he thinks it sets the department up for failure. Mr. Whitlock stated that the goal of the department is to ensure citizens are protected and they are able to provide necessary services. He hopes the County will help them get back to that point as they have done for the last 55 years.

AGENDA MODIFICATIONS

There were no agenda modifications from Commissioners or staff.

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 Hawkins and unanimously approved.

The following items were approved:

MINUTES

Commissioners held one budget workshop on Monday, May 15, 2017. The minutes were approved as submitted.

DISCOVERY, RELEASE AND MONTHLY SETTLEMENT REPORT

Each month the Tax Administrator has a listing of proposed releases for that month. The Board of Commissioners has the responsibility of approving the releases. For May 2017, total tax dollars released was \$135.08. Refunds totaled \$354.08. For the period June 1-26, 2017, \$0 tax dollars were released. Refunds totaled \$40,585.16. The reports were approved as submitted.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION 2017 COMPREHENSIVE BICYCLE PLANNING GRANT – REVISED

On October 24, 2016, Commissioners authorized staff to submit a Bicycle Planning Grant to the NC Department of Transportation (NCDOT) for the purposes of developing a comprehensive bicycle planning study to benefit Transylvania County. The agreement has a minor wording change regarding the receipt of the matching County funds. This minor modification satisfies both NC DOT's and the County's interests. Commissioners authorized the Chairman to sign the attached grant agreement and fund the \$10,000 local match out of the FY 17-18 Budget.

INTENT TO DONATE SURPLUS COMPUTERS TO THE TRANSYLVANIA HERITAGE MUSEUM

The Transylvania Heritage Museum has expressed a need for computers with an operating system later than Windows XP. North Carolina General Statute 160A-280 allows the County to donate any surplus property to a nonprofit organization incorporated in the United States. The two computers are identified as Dell OptiPlex 3020 Computers (Service Tags: JWCPFZ1 & DZ4QM22), both having Windows 7 Professional OS, with two Dell monitors. The County Manager has declared the computers surplus and they were removed from service in February 2017. Prior to donation, the County must post public notice of its intent to donate the property and then adopt a resolution donating the property at another meeting. Commissioners authorized the posting of a notice of the Board of Commissioners' intent to donate surplus computers to the Transylvania Heritage Museum.

PRESENTATIONS/RECOGNITIONS

TRANSYLVANIA REGIONAL HOSPITAL UPDATE, MICHELE PILON, PRESIDENT/CNO

Michele Pilon is the new President/CNO of Transylvania Regional Hospital. She comes to Transylvania County from Eden, NC. She began her new position in November. She requested to provide Commissioners with an update on the services, practice, recognitions, and investments achieved by the hospital and discuss challenges they face. This is a summary of her presentation:

Today

- Critical Access Hospital deemed "A Necessary Provider" by the State in 2004
- 30 acute-care inpatient beds, 10 skilled nursing beds

- 1,196+ annual admissions
- 2,250 total surgeries
- 10,149 ER visits
- 36,000 OP visits (diagnostics etc.)
- Acute average length of stay is 4.6 days
- New Women's Imaging Center – 10% volume growth since October 2016 opening
- Cancer Center – 22.3% volume growth

Facility/Patient Services

- 212,000 sq. ft. facility
- Four operating rooms with latest technology for minimally invasive and laparoscopic surgeries
- Two endoscopy Suites; one minor procedure room
- Six-bed Intensive Care Unit with three stepdown beds
- 21-bed state-of-the-art Medical Surgical Unit
- Comprehensive lab and pharmacy
- MRI, CT, ultrasound, nuclear medicine, bone density, and digital mammography
- 24-hour Emergency Department; full time MD coverage; 10 ER rooms (with six designated overflow spaces, but unfortunately these are located in the hallway)
- Helicopter Landing Pad; generally fly people out to critical care facilities
- Cancer and infusion treatment
- Adult Behavioral Health
- Transitional Care Unit

Medical Practices

- 23 employed physician partners and extenders
- Five specialty practices (Orthopedics, General Surgery, Urology, OB/GYN, Pain Management)
- Five primary care practices (Toxaway Health Center, Medical Associates, Brevard Internal Medicine, Brevard Family Practice, Haywood Family Medicine)

Our People

- 480 staff members
- 125 volunteers
- 300+ members of medical staff

Quality Recognitions

- Top Performer for Quality five years in a row by The Joint Commission; one of only 117 hospitals nationwide to receive recognition; earned for both pneumonia care and surgical care
- Top 20 Critical Access Hospital in the United States four years in a row by iVantage Health Analytics out of 1,300 Critical Access Hospitals nationwide
- Five Star National Quality Award for Brevard Cancer & Infusion Center; earned for patient experience/quality of care
- NC Five Star Rating for Transitional Care Unit; criteria include patient experience, patient harm, and quality of care
- Lab – CAP accreditation in May 2016
- Mammography – ACR accreditation

Great Place to Work & Practice/Community Investment

- RN turnover – 15% annualized FY17 compared to the Advisory Board benchmark of 16%
- Quarterly town hall meetings; communication from senior leadership to staff

- Leadership Rounding, including physician practices
- Mission Minutes newsletter, including department spotlight
- Monthly President's column in *The Transylvania Times*
- Working with WSQL Radio for a regular spot on the station to present updates and news
- President/CNO's visibility – Rotary Clubs, meetings with Key stakeholders, United Way Board
- Community Events – Assault on the Carolinas, Halloween Fest, Farmer's Market, sponsorships, staff participation in initiatives
- Strong performance with safety indicators and ED metrics (Arrival to Provider – 16 minutes; Arrival to Disposition – 134 minutes; Admit to Unit Arrival – 54 minutes; Discharge to Depart – 25 minutes)
- Patient Satisfaction – Inpatient 71% (target 74%); ED 58% (target 62%)

Challenges

- Political landscape; early stages, but waiting to see how federal legislation is going to impact both the community and the hospital
- Decrease in operating margin – YTD April decline of 0.6%
- YTD April decrease in volume in ED (-1.8%), surgery (-3.9%), clinics – Primary Care (-3.4%), Specialty (-9.6%)
- Bad Debt/Charity Care; doing much better than forecasted, so financial situation outlook is better than expected

Future Plans

- New ED completion August 2017, open October 2017
 - 16 treatment areas including two Trauma, two Isolation, three Typical, one Triage, four Behavioral Health, and four chairs for Vertical Waiting
- CT renovation due to purchase of new machine with much more sophisticated imaging
- MRI will be moving into the hospital facility; old ED will move into new space and then renovate old ED for MRI; once complete, renovate old MRI center for cancer treatment facility
- Community Health Needs Assessment strategy implementation; the top three priorities have not changed for many years: narcotic substance abuse, weight management and mental health

This concluded Ms. Pilon's presentation. Chairman Chapman called for questions and comments from Commissioners.

Commissioner Lemel commented that what is striking to her is that this County has a hospital with outstanding ratings for a small rural hospital; yet, there is no buzz about that in the community. The hospital is an essential part of the economy. She wondered why this is not highlighted in the community. Ms. Pilon shared her frustration. She announced the hospital has hired a new vice-president of marketing that will be on board in early July. She feels confident he will deploy a marketing strategy at both the local and regional level.

Commissioner Lemel asked what Adult Behavioral Health looks like for Transylvania Regional Hospital. Ms. Pilon stated this area is considered an intensive outpatient program. Patients visit on a daily basis and participate in group therapy activities. The hospital contracts with a company called Diamond, but in July the hospital will begin managing the service. The current director at Diamond will come on board with Transylvania Regional Hospital. Part of the program is a psychiatrist, who also assesses patients in the ED, but there is no licensed clinical social worker. The hospital will consider this further when it begins to manage the program.

Commissioner Hawkins asked if the new ED facility will improve the wait times and provide resources to reduce those times. Ms. Pilon responded yes and noted that Vertical Waiting is a huge part of that. Currently those patients are taking up patient room space where acute patients should be. Plus the area itself is currently very cramped and the space will improve services just in the way the staff are able to practice.

Commissioner Hawkins asked why the volume of patients has decreased across the board. Ms. Pilon stated that in October the hospital transitioned to a new electronic medical record for the practices. This is one of those areas that is necessary for documentation and billing, but it also slows things down which is part of the problem. The other problem stems from patients having high deductible plans. People are not spending money to go to physicians' offices to get healthcare because their deductibles are much higher than they used to be.

Commissioner Hawkins pointed out that the federal government intends to vote on a new healthcare bill this week. Ms. Pilon responded that it is a work in progress, even if and after the vote occurs. She expects changes to occur even if the bill passes. The hospital does not yet know how the bill will impact them, but there is the potential to lose a lot with the new legislation particularly with the loss of Medicaid dollars. There is also change from subsidies to tax credits which means more people may potentially be without insurance and therefore visiting the ED for care which impacts the hospital's reimbursement. It also may increase the volume in the ED which negates the value of the new addition.

Commissioner Chappell asked when Ms. Pilon expects for the various renovations and shifting of departments to be complete. Ms. Pilon anticipates the work will start in FY 18, which begins in October for the hospital, but not be completed in FY 18.

Chairman Chapman assumed there were several requirements to maintain their status as a "Necessary Provider". He said the concern he hears in the community is the impact of losing the birthing center. That means no child, unless born at home, will be born with a Transylvania County birth certificate. Because of that concern, citizens wonder what services the hospital might eliminate next and concerned that the hospital might become a transport facility. Ms. Pilon stated she does not want the hospital to become a "bandaid station" either and that is why they became a deemed Necessary Provider. Although the birthing center is there no longer, the move was supported by the OB-GYN department. She reported that pregnant women can still be seen by the local OB-GYN doctors locally and those doctors deliver through Mission. Ms. Pilon reported there are no plans to get rid of core services. They want to maintain the services they currently provide for the community. Mission financially supports the hospital and they serve the tertiary patients the local hospital cannot serve.

Chairman Chapman asked how the specialty physician turnover rate is compared to other hospitals. Ms. Pilon stated that in order to keep core services in the community, specialty physicians are key to that. The hospital will recruit for positions as needed. The need is not as great for primary care physicians because citizens have several choices locally.

Commissioners thanked Ms. Pilon for her presentation. They asked her to keep them updated because the hospital is a critical part of this community.

APPOINTMENTS

NURSING AND ADULT CARE HOME ADVISORY COMMITTEE

The terms of Kristin Armstrong, Mary Grace Brennan, Debbie Felker and Donna Raspa expire at the end of June. All are eligible to be reappointed. All are willing to be reappointed except Kristin Armstrong. She no longer wishes to serve at the expiration of her term.

Commissioner Lemel moved to reappoint Mary Grace Brennan, Debbie Felker and Donna Raspa to another term on the Nursing and Adult Care Home Advisory Committee. The motion was seconded by Commissioner Chappell. Commissioner Lemel pointed out that Ms. Felker and Ms. Raspa were participants in the recent senior services meeting and she appreciated their commitment to the cause. **The motion was unanimously approved.**

JUVENILE CRIME PREVENTION COUNCIL

The following terms expire June 30, 2017:

1. James Felty (Faith Community)
2. Susan Huter (Mental Health)
3. Greg Stroup (Sheriff's Office)
4. Gay Poor (County Administration)
5. Ashley Edmonds (Mental Health)**
6. Alan Justice (School System)
7. Kathleen Mallett (Substance Abuse)
8. Ricky Lambert (Commissioner Appointee)
9. Steve Pulliam (Non-profit)
10. Rodney Wesson (Juvenile Services)
11. Jeffrey Patterson (Commissioner Appointee)
12. Toni Casciato (Commissioner Appointee)
13. Larry Chapman (County Commissioner)
14. Tracy Jones (Social Services)
15. Kelly Burton (Commissioner Appointee)**

All are eligible for reappointment. However, there are two changes recommended for the list above. Ashley Edmonds' position with VAYA Health has been eliminated. Staff is waiting to hear from VAYA Health on her replacement. This position will become vacant July 1 and will be filled when staff receives a response from VAYA Health. Kelly Burton does not wish to be reappointed, but there is an application on file to fill her position effective July 1.

Commissioner Lemel moved to approve the list of appointments as presented, with the two exceptions: leaving Ashley Edmonds' position vacant until staff receives a recommendation and application from VAYA Health and to appoint Theresa Weber to replace Kelly Burton. The motion was seconded by Commissioner Hawkins. Commissioner Lemel was pleased to see interested persons apply for this committee. Commissioner Chappell noted there is an out-of-school youth program through the Land of Sky (WIOA program) and for the past several years was administered by the School System, although that is no longer the case. It will be separate entity. He said this entity could provide a potential member in the future to this committee. Chairman Chapman asked if it was normal for so many appointments to expire at once. The Clerk pointed out this committee is very large and is unique in that the terms are for a period of two years. This constitutes half of the appointments and the remaining will occur next year. **The motion was unanimously approved.**

SOCIAL SERVICES BOARD

David Neumann's term on the Social Services Board expires at the end of June. He is eligible to serve another term and has expressed a willingness to do so. Rick Pangle is one of the State appointees. His term also expires at the end of June. He does not wish to be reappointed. DSS has made its recommendation to the State and that appointment is forthcoming.

Commissioner Lemel moved to reappoint David Neumann to a second term on the Social Services Board, seconded by Commissioner Chappell and unanimously approved.

OLD BUSINESS

CONTRACT WITH COMMUNITY FOCUS FOUNDATION REFERENCING WNC MILITARY HISTORY MUSEUM

On May 9, staff was authorized to negotiate a lease with the WNC Military History Museum for use of the old Administration Building for a period of one year. Administrative staff met with representatives from the WNC Military History Museum to discuss terms and those terms are incorporated in the contract for service. The agreement covers issues regarding liability, responsibilities of all parties and the agreement for \$625 monthly to be allocated to the County to offset the costs of space utilization. The contract reflects revisions as proposed at the June 12 Commissioners' meeting. The Manager pointed out that the WNC Military Museum is an incorporated entity, but does not yet operate as a nonprofit. The Community Focus Foundation is the fiscal agent for the Museum and is a registered nonprofit, hence why the contract for service is a three-party agreement. The Manager recommended approval of the contract, which has been reviewed by the County Attorney, and for Commissioners to authorize staff to execute the contract.

Commissioner Chappell moved to approve the contract as presented and to authorize staff to sign. The motion was seconded by Commissioner Lemel. Commissioner Hawkins talked about what he would like to see the Museum do this year. He said there are opportunities to learn about people and nations through their military activities. He thinks if done correctly, the Museum can help all, especially young people, understand the world better. He shared the Siege of Leningrad during WWII as an example. He believes the Museum has an opportunity to share our nation's history, but also other nations' histories, and in doing so help explain why the world is the way it is. Chairman Chapman fully agreed and noted that Museum curators have been active in offering educational programs in the School System and they intend to set up a classroom in the old Administration Building for that purpose as well. He encouraged everyone to visit the Museum and offer their support. He stated this Museum offers a hands-on lesson on our history that kids aren't getting in the classroom. **The motion was approved unanimously.**

NEW BUSINESS

ADOPTION OF FY 18 BUDGET

The Manager presented the recommended FY 2018 Budget to the Board on May 9. Commissioners held one budget workshop on May 15 and had a public hearing on June 9 in which there was no public comment. The changes made to the budget from presentation and workshop included the following:

- Minor corrections based on new information
- Modified block grant funds per updated figures received
- Modified full time investigator position
 - Reflected position as newly funded grant position
 - County match funds included along with new vehicle purchase
- Adding grant revenue brings total General Fund Budget to \$51,243,973
- Nonprofit and Community Center Funding- State Statute requirements
 - Each nonprofit receiving funding will require a contract detailing public service being provided on the County's behalf

The budget workshop focused on the budgets and tax rates for the fire departments. Commissioners were in agreement on staffs' recommendations.

A summary of the FY 2018 Budget is as follows:

- Balanced budget of \$51,243,973 reflecting a 5.9% increase
 - \$1 million Golden Leaf Grant (Fund balance projection shows \$3 million going out for this project and staff estimates partial offset at end of next fiscal year if there are no risk factors realized)
 - Fund balance reserve funds for purchase of voting equipment will be expended this year
 - Increases for capital expenditures to move forward on deferred maintenance (5-year projections prepared on facility needs)
- Recommended budget includes prior tax increase for capital needs
- Recommend continued policy development
 - Capital prioritization funding strategies, next steps
 - Work with Board of Education on referendum
- Recommended funding for School System
 - Capital Expense: \$1.8 million
 - Current Expense:\$11.8 million
 - Current Expense reflects a 5.4% increase in per student funding for a total increase of 3.6%
- Fund balance
 - Projected fund balance at the end of FY 18 is expected to decrease
 - Decrease of almost \$4 million projected at budget, but potential small offset of surplus at the end of the year depending on risk factors experienced in FY 18
 - Ecusta Road Economic Development Project
 - Purchases planned from designated fund balance (Elections equipment)
 - Projected % next year is 20.4% and staff may recommend designating additional funds during FY 18 to prepare for capital needs list items while balancing % necessary to maintain bond rating
- Revenue Projections
 - No tax increase recommended this year; remains same at \$0.51/\$100 valuation
 - Ad Valorem Taxes comprises most of the budget
 - Sales Taxes and Intergovernmental Restricted/Unrestricted Funds make up large portion of budget
- Expenditures
 - By Function – largest expenditures
 - Education-29.2%
 - Public Safety-24.6%
 - Human Services-19.7%
 - General Government-14.3%; higher percentage than normal due to anticipation of Ecusta Road Project
 - By Natural Classification – largest expenditures
 - Personnel-42.2%
 - Education-29.2%
- Other Funds
 - Law Officers' Separation Fund
 - Retiree Health Fund
 - 457 Contribution Fund
 - Self-Insurance Fund
 - Fire Districts
 - Solid Waste
 - Emergency Telephone System
 - Total Other Funds-\$11,229,063
 - Less Inter-Fund Transfers-\$4,868,248

- Total Budget-\$57,604,788
- Home and Community Care Block Grant Funding-\$294,120
 - CarePartners Adult Day Services and CarePartners Home Care
 - Western Carolina Community Action
 - Transylvania County Transportation
 - Land of Sky Regional Council
 - Pisgah Legal Services
- Fire Department Tax Rates
 - Rosman-\$0.1159
 - Little River-\$0.0911
 - Conneestee-\$0.0767
 - Cedar Mountain-\$0.1378
 - Lake Toxaway-\$0.0479
 - North Transylvania-\$0.1279
 - Balsam Grove-\$0.1098
 - Sylvan Valley 2-\$0.0550

The Manager recommended adoption of the FY 2018 Budget Ordinance, departmental fee schedules, Home and Community Care Block Grant Funding, and Fire Tax Rates, with no tax rate increase. The Manager thanked Commissioners for their participation in the budget process. The budget process takes a lot of time by the organization and it requires a lot of care on the part of Commissioners to consider the priorities of the organization and the mission of the County. She also thanked department heads, staff and all the nonprofit organizations that participated in the process as well.

Commissioner Lemel moved to approve the FY 2018 Transylvania County Budget, Fee Schedules, Home and Community Care Block Grant Funding, and Fire Tax Rates as presented. The motion was seconded by Commissioner Hawkins. Commissioner Lemel thanked the Manager and all involved for their hard work and she believes this budget is one in which everyone can be proud. Commissioner Hawkins said he sees this year as a consolidation year with the budget. He was pleased and proud that Commissioners followed through with their intent on how to use the revenues from the tax increase. Commissioner Hawkins expects next year's budget process to be tougher because of anticipated requests from the School System, large capital items on the horizon, and the uncertainty of unfunded mandates from the State and federal level. With that said, he commended staff for their terrific work on this year's budget. Commissioner Hawkins commented that Commissioners have always had a 15% target for fund balance, but what he is hearing from the Manager is that might not be an appropriate fund balance target based on bond ratings, etc. He expects to hear from staff on this in the future. As far as the format for next year, he suggested the possibility of adding one budget workshop prior to flushing out items with Commissioners individually to give department heads an opportunity to present their justification to Commissioners. Chairman Chapman thanked staff for their work. He pointed out that this budget does not reflect all of the County's needs, but it does address those items of high priority. He said he hopes the fact that no one offered input during the public hearing or contacted him about the budget that the public is pleased with the budget. He again thanked staff because he understands this is not an easy process. With no further comments, **the motion was approved unanimously.**

PREQUALIFICATION BIDDING POLICY

In 2014, NC General Statute 143-135.8 was amended establishing specific procedural requirements for when and how local governments may prequalify construction contractors to bid on construction and repair contracts. The focus of the requirement is to ensure that a prequalification process is conducted transparently using criteria that relate to the specific project being bid and which are applied objectively and fairly to all bidders.

Prequalification is prohibited unless all requirements below are met (G.S. 143-135.8(b)):

- (a) Using one of the construction methods authorized in G.S. 143-128(a1)(1) through G.S. 143-128(a1)(3) (single-prime, separate-prime or dual bidding);
- (b) The governing body adopts an objective prequalification policy applicable to all construction or repair work. The policy must be adopted prior to advertising the contract for which the governmental entity intends to prequalify bidders;
- (c) The owner adopts the assessment tool and criteria for that specific project, which must include the prequalification scoring values and minimum required score for the prequalification on that project.

Transylvania County Administration recommended the adoption of the Prequalification Policy as presented. This new policy will allow more flexibility in the bidding process for future projects. It will also allow the use of prequalification of bidders for the Transylvania Economic Alliance's single prime construction project of a 50,000 sq. ft. light industrial building (Ecusta Road Project). Transylvania County must follow NC General Statutes and all bidding laws that apply.

With the adoption of the Prequalification policy, prequalified individual contractors may bid on construction and repair projects when the County believes prequalification is preferred.

Commissioner Lemel moved to adopt the Prequalification Policy as presented. The motion was seconded by Commissioner Hawkins. Commissioner Hawkins inquired as to why the County did not already have such a policy in place. The Manager stated that no policy has been adopted before now, but for reasons unknown. In response to Commissioner Chappell, the County Attorney nodded in the affirmative that she was satisfied with the language included in the policy. **The motion was unanimously approved.**

Chairman Chapman forgot to mention during the budget approval item to ask the Manager to work with the Tax Administrator to determine how to include in the annual tax bills a breakdown of the expenditure percentages to show citizens how their tax dollars are being spent.

TRANSYLVANIA COUNTY RESCUE SQUAD CONTRACT

Assistant County Manager David McNeill presented this item. The County's Emergency Services department has been working with the Transylvania County Rescue Squad over the past year to address some issues they had for the purposes of developing a new contract. The goal is to have a contract in place by July 1 with very clear guidelines and expectations so each entity understands their respective responsibilities, including having mechanisms in place should issues arise again. With that said, Mr. McNeill reported that the Rescue Squad is making good progress and making positive changes in their organization.

Mr. McNeill stated that the contract reflects changes agreed upon during the contract negotiation process; however, today he received a question from the Rescue Squad about what would happen to their assets should the department fold for some reason. That is not anticipated, but staff wanted to ensure the contract included a provision that protects the interests of the County should this occur. After a conversation today with the management company that represents the Rescue Squad, he believes the wording in the contract is sufficient to protect both the County and the Rescue Squad. The County Attorney agreed.

In response to a question from Chairman Chapman, Mr. McNeill stated, from the County's perspective, that the contract represents a document that sets good guidelines for working with the Rescue Squad now and in the future to provide quality services to our citizens. He pointed out the contract was developed using the current fire department contract template. In addition, he said the response standards included

in the contract are currently being met and therefore are not unreasonable. However, if for some reason the goals are not met, it is the County's intent to work with the Rescue Squad to identify how to achieve those goals. The contract also addresses issues not addressed in previous contracts, such as audit requirements and audit reporting and routing

Chairman Chapman encouraged staff and the Rescue Squad to keep the lines of communication open so that issues can be addressed timely.

Commissioner Lemel stated one of the biggest goals of the County is for the outside agency contracts to be consistent across the board. Mr. McNeill agreed, but noted there are distinct differences between fire departments and the Rescue Squad in terms of the way they are funded. Having consistency makes it easier to determine outcomes and other measurables and ultimately conclude whether or not the agency is in compliance with the contract. This was vague in previous contracts.

Commissioner Chappell asserted that the Board of Commissioners wants the Transylvania County Rescue Squad to be successful and said that is the intent of the contract. As a duly elected board, Commissioners have a responsibility to ensure the trust of the citizens and therefore to ensure contract services are achievable. Mr. McNeill added that a successful rescue squad is necessary to emergency services in Transylvania County and is very important to the community. From his perspective, it is imperative that the County work with the Rescue Squad to help them be as successful as possible. It is also equally important through the contractual arrangement that the services they are providing are consistent with the needs of the community.

Commissioner Lemel moved to approve the contract as presented and authorize staff to sign, seconded by Commissioner Chappell and unanimously approved.

POSITION GRADE RECLASSIFICATIONS – PARALEGAL, TRANSPORTATION PLANNER

Human Resources Director Sheila Cozart presented this item. In the FY 17 budget, the Board of Commissioners approved a new County Attorney position along with part-time monies for an administrative support position to provide assistance to the County Attorney. After the Attorney came on board, the intention was to begin recruiting an administrative/clerical assistant at that time. The recruitment was delayed to allow the County Attorney time to become familiar with operations and determine the appropriate amount of assistance needed. Staff has since determined that what is needed for this department is a paralegal with experience in this field, not a purely clerical position. Ms. Cozart requested to reclassify the part-time administrative/clerical assistance from a salary grade 10 to a salary grade 14 which is consistent with the State classification guidelines and similar to other paralegals employed in other counties and to increase the part-time hours to 20 hours per week, which would require a retirement contribution to the Local Government Retirement System. For the FY 18 budget, there should be no additional funds requested because the costs can be absorbed within the reimbursements from the Department of Social Services.

In the FY 18 budget, a Transportation Coordinator/Planner position was recommended by Interim Director Jonathan Griffin as part of the reorganization plan for the Transportation Department. The salary grade recommended for the position was a salary grade 14. Upon further review, Ms. Cozart identified this salary grade is not consistent with other positions with similar duties and level of responsibilities. She requested to reclassify the Transportation Coordinator/Planner to a salary grade 18 which is consistent with other positions in our organization and with similar counties. For the FY 18 budget, there should be no additional funds requested and any additional costs can be absorbed within the budget due to lapse salaries.

Commissioner Lemel moved to approve the reclassification of a part-time Administrative Office Assistant to the classification of Paralegal salary grade 14 and increase from 15 to 20 hours per week. The motion was seconded by Commissioner Chappell. Commissioner Hawkins said that although there is no financial impact this year, there would be next year. Ms. Cozart confirmed and estimated the impact to be approximately \$6,000, including the contribution to the retirement system. The Manager added that staff anticipates this cost to be offset by Social Services reimbursement so the financial impact would be less than \$6,000. Chairman Chapman asked if there was a qualified applicant available for this position. Ms. Cozart said the County has no experience with paralegals, but she expects the County Attorney to assist with the recruitment. **The motion was unanimously approved.**

Commissioner Lemel moved to approve the reclassification of the Transportation Coordinator/Planner position to a salary grade 18. The motion was seconded by Commissioner Chappell. Commissioner Hawkins commented that this is an additional expense over what was recommended, but is less than what the previous director was making. The Manager confirmed and also noted a net decrease of a position in that department as well. **The motion was unanimously approved.**

BUDGET AMENDMENTS

Finance Director Gay Poor presented the following budget amendments for approval:

#112: \$11,702 from a net increase in budgeted Sheriff's Office revenues due to the receipt of an additional \$34,873 in Federal Equitable Sharing Program funds and the reduction of \$23,171 needed from State Misdemeanant Confinement Program funds for the Ethernet switches, approved by the Commissioners on May 9, 2017

#121: \$218,733 from General Fund balance assigned for Accrued Vacation for vacation paid out in lieu of time taken (\$94,213) and vacation paid out upon resignation or retirement (\$124,520) between 07/01/16 and 06/16/17

#122: \$62,000 from unassigned General Fund balance for additional legal fees incurred for Child Welfare cases and personnel lawsuit prior to the hiring of the County Attorney

\$123: \$38,779 from an increase in projected Register of Deeds fees, which in turn results in an increase in required remittances to the State

#124: \$34,323 from additional fees for housing inmates from other counties (\$20,517), jail phone fees (\$6,511), and concealed handgun permit fees (\$7,295) to cover corresponding increases in Detention Center expenditures and concealed weapons permit remittances to the State

\$125: \$64,500 from the surplus sale of the damaged track hoe (\$24,500), increase in volume of scale sales (\$25,970), and an increase in recycling revenues (\$14,030) to help offset the cost of equipment replacement and higher leachate disposal and other operating costs

If approved, these amendments will increase the FY 17 General Fund by \$365,537, bringing it to a total of \$51,239,574, and the FY 17 Solid Waste Fund by \$64,500, bringing it to a total of \$2,296,139.

The Finance Director provides semi-annual recaps of the budget amendments that have been approved and entered year-to-date and their impact on the fiscal year General Fund budget. This is a summary:

During the second half of the year, amendments were made that increased the budget by \$967,435, with \$554,645 attributable to appropriations from fund balance. Of this amount, \$237,693 was for personnel-related expenditures, \$139,608 for legal fees in Social Services and the Tax Office, and \$60,719 for

vehicle and equipment purchases. Most of the remainder funded economic development incentives. The budget was also amended to recognize an addition of \$252,010 in State and federal funding, with increases in funding primarily for Public Health and Social Services programs. Other amendments totaling \$160,780 were made to reflect increases in fees collected by the Sheriff's Office, Register of Deeds, and other County services.

As of June 22, 2017, amendments to the FY 17 General Fund budget have totaled \$2,852,538. With these amendments, the FY 17 is \$51,239,574. Ms. Poor noted these are increases in budgeted items, and are not reflective of the increase experienced in total revenues. Staff does not budget for increases in total revenues unless there is also a corresponding increase in related expenditures. Therefore, staff anticipates a surplus this year which will be added to fund balance.

Commissioner Lemel moved to approve the requested budget amendments and accept the summary report. The motion was seconded by Commissioner Chappell. Commissioner Hawkins asked for clarification that the \$51,239,574 is essentially the final actual budget for FY 17. He asked this because the FY 18 budget is almost exactly the same and does not reflect an increase as staff reported in the FY 18 budget presentation. Ms. Poor said the comparison is to the approved budget, not the actual. What she presented represents the amended budget for FY 17. Chairman Chapman said he remains concerned about accrued vacation time and he is unsure how to address it. He is concerned that employees are not using their leave time and using it as an additional retirement benefit. The Manager reported an actual decrease in what the County shows on its books for unspent vacation over the last few years. She informed that staff has reviewed this internally and she does not recommend any changes to the current system. She believes any changes would negatively impact the staff recruitment process. The current system makes sense and it is consistent across local governments throughout the State, as well as State government. Commissioner Hawkins asked if staff anticipated any future insurance reimbursements for the legal expenses. Ms. Poor responded no, except that some of the legal expenses for the Tax Office will be recouped through foreclosure sales. **The motion was unanimously approved.**

MANAGER'S REPORT

The Manager reported the following:

- The Manager and Library Director Anna Yount producing webinar on July 12, in conjunction with the Aspen Institute; hosted by International City-County Manager's Association is hosting the webinar entitled "Public Library Innovations: A Story of Community Engagement"; participants will learn about how the Library aligned its strategic plan with the County's strategic plan
- Total Eclipse Coordination Meeting
 - Monthly coordination for purposes of communication with involved agencies
 - LEPC meeting scheduled by Emergency Management for planning purposes
- NC 280 Multi-use Path public meeting
 - June 27- Parks and Recreation Center, 2-5 pm
 - June 29- North Transylvania Fire Department, 5-7 pm
- Animal Services live release rate is 72.28% as of June 6 and a testament to the work and commitment of staff; recent random State inspection was very positive
 - 2016 rate 69%
 - State Average 51%
 - Buncombe 79%
 - Henderson 65%
 - Jackson 36%
- Kudos!

- Senator Edwards for including a \$200,000 award to Transylvania Economic Alliance to enhance the Ecusta Road Project; groundbreaking expected for September
- Senator Edwards and Representative Henson for continued communication and advocacy they are providing at the State level for our community
- Clerk to the Board Trisha Hogan from Chief Deputy Eddie Gunter for her willingness to assist with any and all requests and for providing customer service with a smile
- Emergency Management, specifically employees Kevin Shook, Cameron Sexton, Scott Justus, Kevin Creasman, Chris McCall, Jerry Mann, Eddie Gunter, and others from North Transylvania Fire Chief for providing coordination and communication during child search and rescue event that resulted in a positive outcome
- Register of Deeds Cindy Owenby and Tax Administrator Jessica McCall from Don Surrette for hosting a tent at the Upper French Broad River Festival and sharing information about the services their departments offer

PUBLIC COMMENT

Edwin Jones: Mr. Jones commented that he does not recall ever seeing the Clerk without a smile on her face. On a serious note, with regards to the Transylvania Regional Hospital presentation and the question to Ms. Pilon about what can be done to enhance the public's view of the hospital, he suggested touting the hospital's tremendously low reinfection rate. Other hospitals have used TRH as a model. Secondly, he stated that many years ago he took a course at the University of Washington on torts and contracts. What he learned as a rule of thumb with regards to contracts was if there is no mutual understanding between parties, then there is no contract. He noted that the TCRS Chief reported there remains some unanswered questions about their contract and he hopes staff will take the time to review those issues with him.

David Morrow: Mr. Morrow is a member of the Board of Directors for the WNC Military History Museum. He thanked the Board for approving the contract and said the Museum looks forward to serving the people in this County and Western North Carolina. He said the Museum will accept any suggestions about the mission and the process of ensuring their programs are educational. Mr. Morrow also reported that the Museum's displays should be ready within the next couple of months.

COMMISSIONERS' COMMENTS

Commissioner Lemel reported that the kickoff luncheon for the Senior Services Task Force was a success with nearly 30 in attendance. The purpose was to start looking at how Transylvania County serves its senior citizens. Both public and private entities were engaged in the conversation, including Land of Sky Regional Council. The Manager served as the facilitator. The Task Force intends to meet monthly and is excited about the work ahead of them.

Commissioner Lemel reported there is a group also trying to organize a Stepping Up Initiative. The goal is to divert mental health patients from the jail and connect them with appropriate services in the community. This effort is being sponsored primarily by VAYA Health and Meridian. The Sheriff's Office is actively engaged, as well as several other public and private entities.

Commissioner Hawkins attended a State Economic Development Board meeting in Wilmington last week. One of the discussions was on travel and tourism. It was reported that travel and tourism is not doing well in North Carolina right now. However, that is opposite for Transylvania County. From his service on the Tourism Development Board, he learned that the occupancy tax rate is up significantly this year which is reflective of the TDA's work in this area.

Commissioner Hawkins reported that Senator Edwards and Representative McGrady (Henderson County) were able to obtain an allocation of \$100,000 to Pisgah Legal Services to provide legal aid to local veterans. This is tremendously needed and the funds were hard to come by because the State Legislature reduced funding for all legal assistance organizations across the State. They, along with Representative Henson, advocated against this, but were not successful.

Commissioner Hawkins responded to public comments made at the beginning of the meeting with regards to the Dollar General moving into the community thereby negatively impacting the 276 S Scenic Highway. He informed there are small area plans, and if the local citizens want to develop some sort of standards for their community (self-zoning), there are mechanisms for them to do that. He encouraged the Manager to examine this further to determine what might be possible for this community.

Commissioner Hawkins took a moment of personal privilege to inform everyone about a lady that lives in community named Karol Kahrs. Last Friday she was in Chicago for a prestigious honor. She was part of the inaugural class of the University of Illinois Athletic Hall of Fame. She was inducted alongside a stellar cast of individuals. Ms. Kahrs started the women's sports program at the University of Illinois and is recognized nationwide as one of the key pioneers of women's collegiate athletics in the United States. She has been bestowed many honors throughout her career. Commissioner Hawkins wanted to recognize her for this honor as an indication of the quality of people that live here in Transylvania County.

Chairman Chapman attended the Upper French Broad River Fest on Saturday and it was a great event. He recognized Don Surette as a key organizer of the event.

Chairman Chapman encouraged Commissioners to visit the Animal Shelter when they are in the Rosman area. The Animal Shelter is fortunate to involve many volunteers in their operations and it would be positive for them to see Commissioners on site.

Chairman Chapman again thanked Commissioners and staff for their work on the budget process.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Lemel moved to adjourn the meeting at 9:11 p.m., seconded by Commissioner Chappell and unanimously carried.**

Larry L. Chapman, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board