

**MINUTES**  
**TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS**  
**June 12, 2018 – REGULAR MEETING**

The Board of Commissioners of Transylvania County met in regular session on Tuesday, June 12, 2018 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, and Vice-Chairwoman Page Lemel. Commissioner Kelvin Phillips was out of town. Also present were County Manager Jaime Laughter, County Attorney Misti Bass, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Derek McKissock

There were approximately 75 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 HEARING**

**FY 2018-2019 PROPOSED BUDGET**

Chairman Chapman announced the Board will hold two public hearings on the budget. The second public hearing will be held at the next meeting on June 25 at 7:00 p.m. He also announced that a couple people sent emails ahead of the public hearing because they were unable to attend the meeting and requested their comments be part of the official minutes. The Chairman instructed the Clerk to attach their emails to the official minutes of this meeting to be included as part of the record.

**Chairman Chapman declared the public hearing open at 9:07 a.m.**

*The comments made by the public represent the individual speaker's opinion or point of view. No attempt was made to vet their statements for accuracy or modify them based on facts.*

**Kristi Brown:** Mrs. Brown is the Clerk of Superior Court. She referred to the many comments Commissioners have received recently with regards to their decision to build a new courthouse. She reiterated why they made the decision for the purposes of educating the public. Mrs. Brown stated the current Courthouse is no longer functional for today's court needs. She cited the following court statistics for calendar year 2017: 248 court days, 301 courts, 21,265 cases (does not include 192 cases heard by Clerk of Superior Court), and 42,160 people entered Courthouse facility (1,128 were inmates). She noted the State is adding another district court judge which could tack on additional court days. In addition, the District Attorney intends to request more Superior Court days. Mrs. Brown stated she is responsible for the safety of her employees. She is concerned for their safety and also about the structure of the building. She reminded Commissioners this discussion has taken place since at least 2007. In 2008, there was a survey distributed to businesses asking their input on the Courthouse. Of the 84 businesses that

responded, 54 were in the Heart of Brevard. The survey responses were as follows: 62% cited parking as an issue, 74% were not concerned with the loss of business if the Courthouse were relocated and of these responses 70% were members of the Heart of Brevard, and 50% felt safety for them, their staff and customers would improve if the court functions were relocated (39% felt safety would not change). Mrs. Brown also reported there was a public survey completed by 86 people from the entire County. Of those, 66% were in favor of moving the Courthouse. In addition, there was a survey completed by users of the facility. Of those completed, 18 were from attorneys' offices. 55% cited parking as difficult and 49% cited safety would improve, while 46% responded safety would not improve. Of the attorneys or attorneys' staffs that responded, the negative impact of moving the court functions they cited was that they would have to drive further. Mrs. Brown reminded Commissioners they received a letter from Senior Resident Superior Court Judge Mark Powell in June 2017 in which is stated that "a courthouse is a reflection of the community. It personifies, as much that a building can, the commitment of a community to achieving justice among its citizens and the resolution of disputes between those citizens." Mrs. Brown reported she had 38 jurors present for court yesterday with no appropriate space to accommodate them. They had to be placed in the hallway outside of the Public Defender's office. Mrs. Brown stressed this is not acceptable and not functional. In addition, there have been issues with the elevator causing at least two defendants to miss court, an issue she witnessed where a victim was forced to travel the same hallway as her perpetrator, just to name a few. She thanked Commissioners for making the hard decision because she felt it was the right decision for the safety of the citizens and her employees and for justice to be handled correctly.

Alice Wellborn: Ms. Wellborn is a member of the Board of Education. She expressed disappointment that the only opportunity afforded the Board of Education to provide input into decisions about local school funding was through personal communications with Commissioners and during public comment periods at County Commission meetings. Furthermore, she stated the Board of Education was denied a request to view the proposed budget recommended for education spending. Ms. Wellborn pointed out the proposed budget includes a provision by which the County Commissioners intend to take control of the Board of Education's capital spending over \$50,000. She said it was added without any discussion or input from the Board of Education, Superintendent, or School Finance Director and represents a significant change in the way in which the two Boards do business. Ms. Wellborn stated the Board of Education has several questions about this major change and they are concerned about how the capital funding restrictions will affect their school bond projects. She asked Commissioners to consider taking a step back this year in the interest of an open collaborative discussion between the two Boards about funding issues, transparency and shared responsibility. She said there has not been enough time or input to make such a major decision in such a short time frame. Ms. Wellborn stated she personally has no doubt the County Commissioners want the best for the children of Transylvania County, but she pointed out the members of the Board of Education are important and knowledgeable partners in the business of educating youth and maintaining the school buildings. Furthermore, she pointed out the Board of Education members were elected by the citizens of Transylvania County to oversee the School System and they would therefore appreciate the opportunity to have their voices heard in the decision-making process.

Dan Carter: Mr. Carter stated he has already communicated via email to Commissioners that he is opposed to moving the Courthouse from downtown. He understood there is a need for a new facility. He questioned whether or not it is impossible to accomplish the same in downtown Brevard. Mr. Carter stated the only time Americans can come together is with their government, particularly local government, that which is closest to the people. He stated the Courthouse is the center of government in Transylvania County and it is closest to people. By moving it 3+ miles out of downtown, it separates it from the people. Demonstrating in front of a court facility 3+ miles outside of downtown is not the same as being able to demonstrate in front of a building downtown that has been turned into another function. Mr. Carter expressed appreciation to Commissioners Hawkins and Lemel for their time explaining to him

why the Board made the decision they made and he understood it; however, he hoped the Board would reconsider their decision. He preferred they consider renovating the current facility and making additions to include a parking deck. He felt a move to Morris Road would be looked upon with regret because it will be a negative impact on the City of Brevard and on the democratic system.

Ron Kiviniemi: Mr. Kiviniemi is the Vice-Chairman of the Board of Education. He stated that over his 34 years of involvement in public education he has witnessed the disintegration of the relationships between County Commissioners and local Boards of Education. He pointed out that much of the disintegration and tension is because of measures beyond either's control. He said North Carolina's system of governing public schools, which gives local Boards of Education all of the responsibility, but no revenue-generating authority, creates tension. In addition, he said the failure of the General Assembly to adequately fund the operating expenses of schools, which is their constitutional obligation, adds to that tension. Otherwise, Transylvania County would not have to contribute more than \$12.4 million annually to current operating expenses. Other counties are in the same situation. While financing continues to be a significant contributing factor toward worsening relationships, Mr. Kiviniemi's stated the Board of Commissioners' actions to seek to treat the public schools and the Board of Education as another County department is an issue. He expressed concern about the submission of contracts or invoices prior to the Board of Education being able to draw down capital funds exceeding \$50,000. He felt this action jeopardizes the gains made in improving relationships between the two Boards. Although Commissioners have expressed they do not intend to micromanage the Board of Education, he said the Board of Education cannot see this action as anything but micromanaging. On a personal level, Mr. Kiviniemi found it objectionable to only recommend a level of capital funding that the County is legally required to pass through to the Board of Education from the Article 40 and Article 42 Sales Taxes and timber sales money. He urged Commissioners to drop the proposal, or at least delay it a year, until some two-on-two meetings or full Board joint meetings can be scheduled. He closed by saying he feared this move by Commissioners is for the purposes of having total control of the bond projects, but he hoped that was not their intent. Regardless, he stated such change in the working relationship should have much discussion between the two Boards before being implemented.

Janet Burrows: Ms. Burrows stated moving the Courthouse out of downtown makes no sense to her. She said having the business of the justice system located in downtown where all can interact with it makes Brevard an authentic small town and keeps our traditions alive. She stated that people want to ensure that the Courthouse building continues doing the people's business. Ms. Burrows stated another issue Brevard has struggled with for many years is downtown parking. She questioned why there has been no study done on a parking garage with several decks on the former Pickelsimer estate property. She felt a parking garage would fit nicely on North Broad Street behind the Courthouse. She suggested expansion of the Courthouse to the adjacent former Administration Building. She felt it was worth Commissioners pursuing the possibility of purchasing the property and conducting the feasibility study. She asked Commissioners to consider these ideas.

Donna Patton: Ms. Patton said the Courthouse is a hot issue because Commissioners are considering spending millions of dollars on a new facility at a time when school buildings are in bad need of repair (leaking roofs, no air conditioning). She stated if this County cares enough about the children, the Courthouse would not have to be so big. Ms. Patton pointed out there is a huge need for jobs here and many other problems. She expressed concern that citizens do not have the right to vote on this issue and she urged Commissioners to place it on the ballot for citizens to decide. She pointed out no one she has talked to about this issue wants it moved from downtown Brevard.

Carmon West: Mr. West is the Chief of Lake Toxaway Fire Rescue and the Transylvania County Fire Chiefs Association. He said he was appalled by statements made by Chairman Chapman comparing different fire departments' equipment to volkswagons and cadillacs. He referred to statements made by

Commissioner Lemel at the May 21 Board of Commissioners' meeting with regard to the largest fire in the County being on her property at Camp Keystone and that she felt the outcome would have been different if departments had paid professional firefighters on staff. He pointed out to her that she voted to reduce funding for additional paid firefighters in the upcoming budget. Mr. West pointed to statements made by Commissioner Hawkins that he preferred recommendations from staff with regards to fire departments' budgets and also reminded him he voted for no additional paid staffing. Mr. West said the firefighters and staff of the local departments would be appreciative of a personal visit from the County Commissioners so they can gain a better understanding of what they do. Mr. West thanked Commissioner Chappell for requesting a second public hearing so citizens could state their points of view during an evening meeting. Lastly, Mr. West thanked Commissioner Phillips (who was absent) for pointing out that percentages are not always correct. He noted a huge difference in district coverage among the various departments, informing that Lake Toxaway covers 67 square miles and protects \$1.637 billion worth of property. In addition, Lake Toxaway is rated a class 5 department. He said it would cost the department an enormous amount of money to become a class 4, but he would like the opportunity to work toward becoming a class equal to other departments.

Terry Crowe: Mr. Crowe spoke representing Lake Toxaway Fire Rescue. He pointed out there appears to be a huge disconnect between the Board of Commissioners and organizations in the County with regards to facts and assumptions. One of those is a proposed tax hike for a new court facility that has not been designed or construction started and under the assumption that the existing Courthouse will be repurposed. He was unsure how the tax rate increase was chosen and wondered if it was just an arbitrary number. Mr. Crowe questioned why Commissioners supported funding for the Rescue Squad to staff 24/7 coverage, but cut the funding for staffing requests from the fire departments' budgets. He commended Assistant County Manager David McNeill for supporting the land purchases for Rosman and Connestee fire departments, but expressed disappointment that he did not support other requests or additional personnel. Mr. Crowe stated for the record that he heard people recently speak negatively about the North Transylvania Fire Department for stirring up these issues and he wanted to say publicly that he had no hard feelings toward anyone associated with that department because they are fighting for what is best for their department and district. As Chief West stated Lake Toxaway rates as a class 5 department based on its ability to haul water, fight fire, personnel, etc. He pointed out North Transylvania rates as a class 4 which is a better rating. Mr. Crowe reminded Commissioners of their discussions about a flat tax as one method of equalizing funding. He did not see this method as being based on facts and questioned taking monies from one district and giving to another district when the needs have not been fully identified. He said no one has asked why Lake Toxaway's budget is higher than other departments. Lastly, Mr. Crowe explained the commercial kitchen request. He pointed out the request was presented differently than intended. The department's intent was to remodel their kitchen using commercial grade appliances. The reason being is their location does not lend itself to the conveniences of fast food and other restaurants or grocery stores, so they use the kitchen a lot because of these factors. He said a standard gas range does not last long because of the usage.

Mike West: Mr. West is a candidate for County Commissioner. Referring to comments made by Board of Education members, he said it is clear there are communication problems. He pointed to Commissioner Hawkins' comments about preferring to take recommendations from professional staff. Mr. West suggested Commissioners should also be communicating to the professionals in the field. Mr. West requested Commissioners take no action on the fire tax for the upcoming year until they have talked openly with those operationally affected by it. He said it may be beneficial to do the same on the Board of Education issue presented earlier. Mr. West reported he attended a Fire Chiefs Association meeting and was dismayed to learn that no fire chief had been contacted by a County Commissioner. He recommended Commissioners explore some stop gap measures, such as PILT (payment in lieu of taxes from the federal government) funding. The two departments in question, North Transylvania and Balsam Grove, have the most national forest land in their districts. PILT funding can be used for emergency

services and law enforcement. He suggested these funds be used as a stop gap to address immediate needs until Commissioners take the opportunity to have discussions with the various fire chiefs.

Betty Scruggs McGaha: Mrs. McGaha is a member of the Board of Education. She first shared an analysis of the recent graduates from the three high schools. She reported the following: 268 graduates: 92 will be attending a 4-year college, 101 will be attending community college, 2 will join the military, 1 will go on to job corps, 6 will enter specialized training, 43 will enter the workforce, and 9 are undecided. This gives a total of 202 of 268, or 75%, continuing their post-secondary education or specialized training. She said the Board of Education and the School System are proud of what they have been charged to do – graduating students from high school and preparing them for work, higher education and citizenship. Mrs. McGaha expressed disappointment at a recent procedure approved by the Board of Commissioners to review and approve Transylvania County Schools' capital projects of \$50,000 or more. She said she understands school finance can be confusing and therefore can see why Commissioners have questions about specific funded capital projects. It was stated by Commissioners that they sometimes see a project one year and it appears in the budget request in the next year. As a former school principal, she said she can remember having projects funded at times in one year and then delayed to another year because something of greater need came up and needed to be funded first. To her knowledge, she said no Board of Education members were contacted to discuss this proposal or to answer any questions pertaining to the education budget. She reminded Commissioners the Board of Education is also an elected board and they are elected based on their knowledge, experience and expertise related to public education and school facilities. Their focus is on the needs of 3,404 students and 485 staff members. She pointed out Transylvania County Schools is the largest employer in the County. Mrs. McGaha asked the Board of Commissioners to reconsider their actions and delay the procedural change. Otherwise, she said it could easily appear to the community as a disregard for the citizens/voters and their confidence in the Board of Education, as a lack of respect or trust by Commissioners for the Board of Education and an attempt to execute power or control over monies spent on school capital projects.

David Morrow: Mr. Morrow reported he was subpoenaed to serve as a juror yesterday. He said he showed up early to ensure he had parking, but he was unsure where the other 37 jurors parked. He reported check in through the security was handled professionally. Jurors sat in the large courtroom on hard benches and they had difficulty hearing what was going on because the HVAC system was so loud. Later the jurors were moved from the courtroom, down the stairs, and were sequestered in the multipurpose conference room that did not have enough chairs to accommodate the large group. Many had to wait in the hallway instead. The jurors were released for lunch at 1:30 p.m., not yet having been called. Mr. Morrow said the jury may have been the credible deterrent because with the defendant knowing the jury was ready to be seated, the defendant decided to enter a plea. He posited that attorneys knew if a jury was seated in the afternoon after having been sequestered in the corridor and small conference room that they probably would not get a good verdict for their client. Mr. Morrow reported that also during this time the contractor that is working on the renovation of the Courthouse tower was asked to stop work because of odor seeping into the courtroom. He posed if anyone thinks the renovation of the existing building can take place with court functions ongoing, they need to rethink their position. He wondered where the County would hold court for two years while renovations were being made onsite. He did not think this was practical. The other issue with the building itself is that it was constructed as unreinforced masonry. He reminded Commissioners that the building is 150 years old and suggested it should retire. Furthermore, he urged Commissioners to fast track the construction of the new facility.

Elizabeth Pell: Ms. Pell reported she is a relatively new resident of Brevard and has lived in the area for seven months. As a new resident, she did not get to participate in the surveys and her source of information about plans for the new Courthouse came from the local newspaper. She stated that in places she lived prior to Brevard, the civil and criminal divisions of court were located in separate facilities. Ms.

Pell stated she did not understand the Board's thought process that concluded the best option was to relocate and she asked Commissioners to be more transparent about why the current Courthouse cannot be renovated and used for civil court purposes, and then construct a new facility for the criminal division. She stated what she read in the newspaper was that the longer term plan for the current building would be to attract private business to it and to her private businesses are not the anchor Brevard needs. She reminded Commissioners that the old bank building at the corner of Caldwell Street has been vacant for a number of years. In addition, the building across the street from the old bank building is now vacant. If the Courthouse did not attract the private business Commissioners hoped it would, three of the four anchors would be sitting vacant downtown and therefore not presenting the vibrant community that it should.

Margaret Nicholson Selle: Ms. Selle is a retired teacher from Transylvania County Schools. She asked Commissioners to listen to the citizens of this County, slow the process down, and think about what is best for the future of the children in Transylvania County.

Dee Dee Perkins: Mrs. Perkins is a business owner in downtown Brevard. She announced she celebrated her 24<sup>th</sup> year in downtown Brevard and her 1<sup>st</sup> year on Main Street. She said 24 years ago when she first opened her business, there were 13 empty storefronts in downtown. A lot of change has happened in downtown in 24 years; however, she pointed out it is a very fragile environment that can change very quickly. Mrs. Perkins stated as a business owner she is worried about the Courthouse building sitting empty. On October 13, 2015, she spoke at a County Commission meeting and talked about how crucial it was for the Courthouse to stay in downtown. At that time Commissioners said they would have a plan for the building prior to relocating and she has not heard about any meetings scheduled to discuss what those plans are going to be, nor have Commissioners reached out to the community for input. Mrs. Perkins reminded Commissioners the County celebrated its 150<sup>th</sup> anniversary as a county a few years and the City of Brevard is celebrating its 150<sup>th</sup> this year and this allows opportunity to look back on the history of the Courthouse building and its impact on the community. Mrs. Perkins stated when Commissioners looked at addressing the court needs and where to build, they looked at only two possibilities and she believes there were more opportunities. She pointed out the County is the largest landowner in downtown Brevard. Therefore there are other options to keep the Courthouse downtown. Mr. Perkins pointed out the Morris Road site does not have sidewalks leading to it and does not provide safe pedestrian routes, and furthermore there is no public transportation system to get people there. Mrs. Perkins hoped Commissioners would reconsider their position.

Carol Deddy: Ms. Deddy reported she is a retiree and volunteers with five organizations with large participation. She reported positive relations with both the County Manager and City Manager, saying that both have been responsive and impressive with their level of awareness and involvement. Ms. Deddy expressed her pleasure with the County's active role in Silvermont Park. She said she has also enjoyed working with Jonathan Griffin in his temporary role overseeing the park planning. Ms. Deddy expressed support of Transylvania County. She revealed that she successfully appealed her property taxes through the NC Property Tax Commission. Therefore she feels she understands quite a bit about County government. Ms. Deddy reported she served on a jury at the Transylvania County Courthouse and she did not find the facility remarkable in any way. She found it to be comparable to other small county courthouses. Ms. Deddy said she has not heard any public support for moving the Courthouse. She hears concerns from people about issues related to water and sewer, infrastructure, population growth, and the lack of restrictions for building on slippery slopes. With that said, she shared concerns that many competing needs are going to cause property taxes to increase. Ms. Deddy was unhappy that Commissioners prioritized relocating moving the Courthouse. While the current Courthouse is flawed, she did not understand why relocation was part of the solution. She preferred Commissioners spend money to renovate and spend less money. Ms. Deddy reported she will vote for any candidate who

pledges to reverse the decision of the current Board as it relates to the location of the Courthouse and she would prefer a public referendum so all citizens' voices can be heard.

Lee McMinn: Mr. McMinn is a resident and wanted to express concern about several issues. He referred to Chairman Chapman's comments at the previous meeting with regards to the Sheriff's request for a tactical rescue vehicle. He said Chairman Chapman made a very cogent observation that you cannot fight from the inside of a tank that does not have a cannon on it and that eventually you have to get out of it and pass through a "killing zone" where the standoff is taking place. Mr. McMinn expressed appreciation to Commissioner Lemel for setting aside .4/cent of the proposed tax increase to help toward repurposing the current Courthouse. Mr. McMinn addressed capital funding for the schools. He pointed out the Board of Education requested a significant amount of funding, approximately \$5 million, but the recommended budget included only \$1.8 million. Of that \$1.8 million in capital, he noted that nearly half is going to pay for things that are not building related, such as uniforms, sports equipment, desks, lab equipment, etc., leaving the remaining half to deal with building related issues. He said he has asked the Board of Education to bring their significant capital needs before the Board of Commissioners to request funding because he believes the County does not fund capital at the level it should. Because of the underfunding of the capital budget for the last 20 years, it has caused the schools to get to the point where capital needs for buildings alone is approaching \$120 million. Mr. McMinn asked the Board to reconsider the Sheriff's tactical rescue vehicle which could go toward the expenses of studying and planning for the repurposing of the current Courthouse, should they choose to stay with current plans and relocate. He also asked the Board to increase the amount of funding for education capital so they can replace desks, lab equipment, computers, etc. and also pay for leaking roofs and repair bathrooms, etc. He said he looked forward to the Board of Commissioners' support of the school bond referendum in November. These funds are needed to help bring schools up to parity. The annual funding will help them remain there. He thanked Commissioners for their work.

**Chairman Chapman declared the public hearing closed at 10:05 a.m.**

The Manager presented a brief overview of the FY 2019 Budget for the benefit of the public. The Manager reported there are many things scheduled for the FY 2019 Budget. The budget is a policy statement of the Board of Commissioners' priorities and of what they want to accomplish. Without the budget, the County cannot accomplish much in the community, provide needed services, or move initiatives forward. Some of the highlights of the proposed budget include:

**Highlights**

- Continue to identify data tracking and benchmarking methods; important because it allows the County to plan for the future; opportunity to compare ourselves with other counties
- Bring Senior Center operation in-house under Parks and Recreation; partnership with WCCA as they continue the meal program onsite
- Implement free public Wi-fi in nine community centers and support capital improvements
- Library program in School System to ensure each child has a library card, waive fines for juvenile material to remove barriers for children to access resources
- Partnership between EMS and Rescue Squad to provide an additional response unit for emergencies
- Preparing the Early Childhood Initiative for partnership with Sesame Streets in Communities; \$50,000 grant from the State
- Continue the partnership with NCACC for another grant funded fellowship position to focus on Operations and GIS
- Increase Social Workers in DSS to cover growing caseloads for children and adults and add Child Health Nurse coverage in Health Department

- Continue to re-establish Solid Waste program and catch up on deferred capital
- New Finance and Human Resources software to avoid losing staff time to modifying, fixes and creating liability in reporting
- Make recommendations on pay plan
- New Adventure re-envisioning process
  - School System is taking Developmental Day Program in house
  - Expand with more slots for children in the community, NC Pre-K partnership
- Process steps to facilitate bond referendum for renovations to Brevard High, Rosman High and Rosman Middle Schools; counties can only go to referendum on the bond financing method (counties are not allowed by State law to take projects to a referendum for an up or down vote)
- USDA Loan application process for new funding cycle to begin in October
- Funds for Education at more than \$106,000 over request for operational spending and proposing changes to the paperwork process for capital project spending for transparency purposes; it is not a new formula as incorrectly stated in the local newspaper

### **Revenue Projections**

- Primary focus on property taxes for operating
- Sales tax revenue is projected at 15.2% of the budget; typically earmarked for specific purposes
- Intergovernmental and restricted funds are State and federal funds that must be used for specific purposes
- Property tax remains more than half of budget revenues with projected growth of 1.2%; only area of revenue Commissioners have full discretion over
- Sales tax growth 1.4% over last year's budget
- Positive growth indicators in interest on investment, permitting and property transfer fees reflect economic growth
- Revenue growth is steady, but Administration continues to raise concern that funding increases are outpacing revenue growth in some areas

### **Future Year Planning and Tax Rate**

- Total revenue growth projected 2.27%
- Prior classification analysis showed expenditure growth outpacing revenue growth in two areas historically- public safety and education
- Education growth has been offset by roll-off of bond payments for local system which will no longer be available after next year
- Continuing increases above revenue growth will require tax increase for operations

### **Expenditures**

- Budgeted expenditures at \$51.2 million
- Most growth is in public safety
- Decrease in economic development due to Ecusta Road Industrial Building/Golden Leaf Project in FY 18 Budget
- Personnel is largest expenditure by classification; local government is service oriented; "people serving people"
- Second largest expenditure by classification is education

### **Summary**

- Balanced budget of \$51,268,153 reflecting less than 1% total increase
  - \$1 million Golden Leaf grant was booked as revenue in FY 18- 2% increase if that is factored into account



- Increases for capital expenditures to move forward on deferred maintenance (5 year projections developed for facility needs) and a large increase in transfer from general fund for solid waste
- Recommended budget does not include prior tax increase for capital needs as an expenditure line, but staff projects a surplus at end of the year that will allow distributions into those capital reserves
- No tax rate change proposed in the Manager's recommended budget
  - Transylvania County has 11<sup>th</sup> lowest tax rate in the State for FY 18
- Recommend continued policy development
  - Capital prioritization funding strategies next steps
  - Work with Board of Education on referendum and future capital needs
  - Proposal for Board of Education capital expenditure reporting looks at not only the County Commissioners' responsibilities as provided by State statutes, but also intending to help create transparency and build better communication between the two Boards

### **Workshop Changes**

- Commissioners met in a Budget Workshop on May 31 and directed staff to make the following changes to the Manager's recommended budget:
  - Add 2.5 cent tax increase for the courthouse project
  - Add purchase of a tactical vehicle for the Sheriff's office and remove one vehicle replacement
  - Add an Environmental Health Specialist position
  - Fire Departments
    - Remove all requests for additional staffing
    - Remove commercial kitchen request from Lake Toxaway
    - Add funds to Balsam Grove to allow participation in the Volunteer Firefighters Pension Program
    - Present options for funding the fire department budgets which has potential to change the tax rate for the general fund
- Staff was instructed to schedule public hearings both at the June 12 and the June 25 meetings

This concluded the Manager's presentation.

### **PUBLIC COMMENT**

*The comments made by the public represent the individual speaker's opinion or point of view. No attempt was made to vet their statements for accuracy or modify them based on facts.*

Lance Goller: Mr. Goller works with the Smartly United Early Childhood Collective which is a program of the United Way and Smart Start of Transylvania County. He spoke on behalf of the Early Childhood Initiative Education Subcommittee. He informed the subcommittee is very concerned about the issue of infant care access. He said when the ECI started there were 17 infants in care at five sites. Last year the data indicated four sites with 14 infants being served. He reported that one child care site closed last week leaving three sites that offer infant care in Transylvania County with a total of 11 infants receiving care. He felt we could do better as a County. As an expectant father, he was concerned about childcare availability. He reported over 270 new infants born to Transylvania County families each year, yet only 11 are in infant care sites. He urged the County Commissioners to consider opening up New Adventure Learning Center to infant care. He understood this may require changes to funding or policy, but opening up New Adventure to offering services for infants can make a difference in the lives of numerous families.

Terry Crowe: Mr. Crowe referred to Chairman Chapman's comments from a previous meeting comparing fire department equipment to Volkswagens and Cadillacs. He pointed out North Transylvania chose to put their oldest truck in the Memorial Day Parade which obviously made an irreversible impression on Chairman Chapman. He further pointed out Lake Toxaway has old trucks as well and others are in for repairs. He said this makes it hard to judge disparity among departments. Mr. Crowe referred to comments made previously by Commissioner Phillips that issues cannot be related directly to percentages, but Mr. Crowe said at some point percentages must be a factor as to why one budget is so much more than another and what the percentage is based on (road mileage, square mileage, value of property, etc). He said at some point there becomes justification for some departments having larger budgets than others. Mr. Crowe said there has been mention of standardizing the minimum level of services. He reported the Transylvania County Board of Commissioners set that level many years ago through the contract for service. With regards to being encouraged to have EMTs on staff, he pointed out EMTs have limited capabilities, while fire departments are contractually bound to provide 12 categories of service. For this reason, he urged Commissioners to look more holistically at emergency services.

Ron Kiviniemi: Mr. Kiviniemi offered another thought on the proposal to require County Commissioner approval on the drawdown of capital funds in excess of \$50,000. He pointed out while NC General Statutes do allow this practice to allow Boards of County Commissioners to manage capital spending; it does not mean they should. He stated it is not a widely used practice in North Carolina and in counties where County Commissioner approval is required; the threshold is much higher (usually \$100,000 or \$500,000). He again asked Commissioners to reconsider their position until the two Boards can meet jointly and discuss the issues that are apparent. Mr. Kiviniemi responded to concerns expressed by Commissioner Phillips in an earlier meeting that the ADM figures were out of line for Pisgah Forest Elementary. He assumed this was in relation to furniture and equipment dollars. The reason these figures appeared out of line was because the Board of Education did not distribute any individual dollars to the schools for furniture and equipment during the recession and for several years following. When funding for furniture and equipment resumed, it was resumed at 50% of the previous level, and then graduated to 75% of the previous level. In order to allow the schools to catch up on their furniture and equipment needs, they fund one-third of the schools each year with a double allotment; hence the reason the figures do not coincide with the ADM. Mr. Kiviniemi pointed out this is a question that could have easily been answered during a joint meeting of the two Boards. He implored the County Commissioners in future years and in their budget making process to schedule joint meetings so these types of questions can be answered and dialogue can be had between the two Boards.

Chairman Chapman reported he received a note from the foreman of the grand jury. They recently made an inspection/visit to the Public Safety Facility and they had very positive comments about their visit and the operation of the facility. The grand jury was excited about the County moving forward with building a new courthouse.

### **AGENDA MODIFICATIONS**

There were no agenda modifications from Commissioners or staff.

**Commissioner Lemel moved to accept the agenda as presented, seconded by Commissioner Chappell and unanimously approved.**

### **CONSENT AGENDA**

**Commissioner Lemel moved to approve the Consent Agenda as presented, seconded by Commissioner Chappell and unanimously approved.**

## MINUTES

The Board of Commissioners met in regular session on Monday, May 21, 2018 and following met in closed session in which the minutes were sealed. Commissioners approved the minutes as submitted.

## APPLICATIONS FOR PERMITS TO CONDUCT FIREWORKS DISPLAYS

The 2010 Pyrotechnics Act requires the Board of Commissioners to approve all permits to conduct aerial fireworks displays in their respective county. Fire Marshal Gerald Grose has received permit applications for aerial fireworks displays on July 4 from the following and reported that all are in order for each applicant to conduct their respective fireworks displays:

1. Burlingame Country Club
2. Camp Carolina
3. Camp High Rocks
4. Camp Illahee
5. Heart of Brevard
6. Lake Toxaway Country Club
7. Rockbrook Camp for Girls
8. Jacqueline Rogow

Commissioners approved the permit applications as requested.

## RESOLUTION REQUESTING THE NORTH CAROLINA GENERAL ASSEMBLY ENACT LOCAL LEGISLATION DESIGNATING THE CITY OF BREVARD, TOWN OF ROSMAN AND TRANSYLVANIA COUNTY AS NORTH CAROLINA'S OFFICIAL LAND OF WATERFALLS

This request came from the Transylvania County Tourism Development Authority. Transylvania County has been a tourist destination for over 100 years. Enjoyment of the outdoors, particularly of the 250 waterfalls found throughout the County, has consistently been a primary reason for visitation. The phrase "Land of Waterfalls" has been used in the promotion of that area and repeated in stories about Brevard, Rosman and Transylvania County, both in professional publications and by the visitors themselves.

The Transylvania County Tourism Development Authority is currently finalizing a redevelopment of its brand, with "North Carolina's Land of Waterfalls" as an important component. The Transylvania County Tourism Development Authority feels now is the ideal time to encourage the General Assembly to enact local legislation with an appropriate designation. Chairman Chapman read aloud the resolution for the benefit of the public.

Commissioners approved Resolution #21-2018 Requesting that the North Carolina General Assembly Enact Local Legislation Designating the City of Brevard, Town of Rosman and Transylvania County as North Carolina's Official Land of Waterfalls and instructed staff to send the resolution to Representative Cody Henson in the NC House of Representatives. Resolution #21-2018 is hereby incorporated by reference and made a part of these minutes.

## PROCLAMATION-ARTS AND CULTURE CELEBRATION

For the past few years, the Transylvania Community Arts Council has requested that both the City of Brevard and Transylvania County proclaim the last several days of June leading up to July 4 as Arts and Culture Celebration week. A series of events and activities will occur during this time. TCARTs Executive Director Tammy Hopkins provided handouts listing the events and activities scheduled for the week. Commissioner Lemel read aloud the proclamation for the benefit of the public. Commissioners approved Resolution #22-2018 Arts and Culture Celebration June 22-July 4, 2018 which is hereby incorporated by reference and made a part of these minutes. Chairman Chapman presented the proclamation to Ms. Hopkins. Ms. Hopkins noted that in the proclamation she neglected to include the

film industry. She informed that actor Eric Roberts (brother of actress Julia Roberts) recently filmed a movie here in Brevard over a four week period. The cast and crew spent \$75,000 of direct dollars into the community for housing, food/catering, costumes, crew, locations, etc. She announced that Arts and Culture Week will kick off June 22 with the opening of Brevard Music Center and the Brevard 4<sup>th</sup> Friday Gallery Walk. More than 170 events will occur over this celebration and she invited all to participate.

#### PARKS AND RECREATION PROGRAM COORDINATOR POSITION

Based on the current recommended budget, the Parks and Recreation department will assume responsibility for the Silvermont Opportunity Center from Western Carolina Community Action effective July 1, 2018. The current strategy for operations will be stationing a Recreation Program Coordinator during business hours at the Silvermont Mansion to oversee those activities.

However, as this transition will occur, it will leave the Parks and Recreation department short-staffed beginning the second week of June when the summer camp programs begin through the beginning of the FY 19 budget. This transition will leave only the Recreation Manager and one Program Coordinator to conduct the summer camps that begin June 11 while another Program Coordinator works with the Interim Parks and Recreation Director to assume responsibility for operations at Silvermont. This will stretch the department's manpower for several weeks.

Staff is confident they have identified candidates that will be a good fit for this position based on applications received and they feel that some overlap during the month of June will help improve the transition and keep Parks and Recreation operations moving smoothly. Given lapsed salaries from the unfilled Parks and Recreation Director position, there will be no need to draw on fund balance if the Board allows staff to proceed with hiring this position prior to the beginning of FY 19 on July 1.

Commissioners approved staff recommendation to fill the Parks and Recreation Program Coordinator position prior to July 1, 2018.

### **PRESENTATIONS/RECOGNITIONS**

#### RECOGNITION OF CITIZEN ADVISORY COUNCIL MEMBERS

In July 2015, the Board of Commissioners implemented a recognition program for the purposes of expressing appreciation to citizens who volunteer their time and expertise on the County's many citizen advisory councils. Commissioners recognize citizens on a semi-annual basis. This period will cover January 1-June 30, 2018. Each person in attendance was presented with a certificate of appreciation and a coffee mug with the County logo. The Clerk will mail certificates to those citizen volunteers who could not attend either the June 12 or June 25 Board of Commissioners' meeting. (Those in bold below were in attendance and received a certificate and coffee mug.)

<b>Citizen Volunteer</b>	<b>Citizen Advisory Council</b>
Coty Ferguson	Brevard Board of Adjustment and Appeal Parks and Recreation Commission
Donna Ross	Brevard Planning and Zoning
Jeff Carter	Joint Historic Preservation Commission
<b>Jake Dalton</b>	Juvenile Crime Prevention Council
David Watkins	Library Board of Trustees
John Welch	Library Board of Trustees
Lori Galloway	Mountain Area Workforce Development Board
Jeff McDaris	Mountain Area Workforce Development Board
Debbie Felker	Nursing and Adult Care Home Advisory Committee

Annie Burgess	Parks and Recreation Commission
Scotta Orr	Personnel Board
<b>Mike West</b>	Planning Board
Nan Lee	Western Carolina Community Action Board of Trustees

### UPDATE ON PARKS AND RECREATION MASTER PLAN IMPLEMENTATION

In June 2017, the Board of Commissioners adopted the Parks and Recreation Master Plan. This is an update to review the initiatives that have been moved forward and what has been completed/implemented to-date. Interim Parks and Recreation Director Jonathan Griffin presented the update. This is a summary of his presentation:

#### **Context**

- The process to develop a joint City-County Parks and Recreation Master Plan began in 2014
- Joint effort began with the establishment of Strategic Planning Task Force between the City of Brevard and Board of Commissioners
- Strategic Planning Task Force oversaw a planning process conducted with the firm Barge, Wagonner, Sumner and Cannon, Inc at a total cost of \$103,000
- Public input and leadership sessions that shaped this document occurred in December 2015
- The full formal document was presented to Board of Commissioners on September 26, 2016
- In the winter of 2016 and following months in 2017, Task Force broke down and recommendations for consolidation of City and County facilities, planning and staff moved no further
- As a result, the Board of Commissioners adopted a majority of the Parks and Recreation Master Plan that focused purely on the County functions and moved forward with implementation
- The two staff that most prominently led this effort have since parted ways from the City and County
- One of the City Council officials that participated in the process also moved on
- Board of Commissioners adopted parts 1-5.4 of the Plan on June 13, 2017
- In FY 2013, Transylvania County spent \$15.85/citizen on Parks and Recreation and related activities; In FY 2017, that figures increased to \$27.47/citizen (based on census population data)

#### **Where Are We Now?**

- County Administration and Parks and Recreation staff planned to begin implementation in FY 18
- Highlights
  - Completed a survey of all Parks and Recreation facilities to properly identify accessibility issues for individuals with disabilities to ensure ADA compliance
  - Began the process of creating a master plan that will develop Silvermont Park in the spirit of the adopted plans' prescribed facility needs
  - Parks and Recreation has identified eight core recreation programs and has carefully evaluated whether or not its programs are duplicating existing privately-offered services or meeting unmet needs

#### **Recreation Improvements**

- Staff has followed the recommendations of the plan and identified the eight core programs
- With air conditioning at the Activity Center gymnasium, expanded the summer program offerings to meet a larger share of the need for summer activities for children
- Developed and incorporated a proposal for a Rosman Summer Camp that staff believes can meet the needs of the upper end of the County and made that a part of the annual budget

- The Parks and Recreation Director Survey helped identify some potential gaps in marketing and communications efforts (many individuals replied with concerns or thoughts about parkland the County does not own, opinions programs the County does not operate, etc.)
- Biggest change coming to Parks and Recreation in FY 19 is the addition of day to day operations at Silvermont
  - Staff believes the department can better coordinate services for senior citizens by operating this directly; linking senior center more closely with the popular senior games, as well as better coordinate senior services across multiple sites
  - Will also help alleviate space issues, grow activity space and buy time as staff determines future of senior center in Brevard

#### **Parks and Recreation Facilities and Amenities**

- Needs analysis incorporated in Master Plan
- Needs standards adjusted for 2017 census population to show who is providing what service and where there are opportunities to specialize
- Pointed out that citizens sometimes ask why we have parks and recreation needs when Transylvania County has natural parks and recreation like Gorges State Park and Pisgah National Forest – these do not offer amenities like softball fields, tennis courts, etc. – so the Board of Commissioners is essentially addressing active recreation needs in the community, and not more passive ones

#### **Where do we go next?**

- Given the lack of a comprehensive partnership with the City, and that the City's current focus is passive recreation, many parts of the Master Plan as identified are simply not attainable for the County
  - Difficult to get property owners to allow for the development of river access points
- Some serious challenges remain:
  - The Master Plan's recommendation was for a comprehensive, not a piecemeal, solution: the construction and operation of a multi-generational center to serve as the hub for active recreation fields as well as an indoor recreation space to serve all ages in Transylvania County
  - It assumed a City-County merger would allow for redesign of existing parks to meet community needs through more efficient and productive use of land; this is no longer possible.
  - Adding additional active recreation programming will require additional space

This concluded Mr. Griffin's presentation.

Commissioner Lemel commended Mr. Griffin for his work. She was appreciative of the holistic approach he took to identify opportunities to help increase recreation in the County. She understands there are substantial needs that need to be addressed. She said what this demonstrates is the number of things the County has ongoing in trying to address the needs of the citizens of this County.

Commissioner Hawkins agreed and stated it is clear the County has committed to improving recreation and will continue to do so. He noted that the County has been building reserve funds for future recreation projects as well. He encouraged staff to continue working with the City on areas of common interest; otherwise, the County will move forward and do its best to address the needs of the citizens.

Chairman Chapman informed that the Board received a more detailed report and it is available for public inspection on the website. He thanked Mr. Griffin for the great strides he is making in his role as interim director.

## APPOINTMENTS

### LIBRARY BOARD OF TRUSTEES

The terms of David Watkins and John Welch expire at the end of June. Neither is eligible for reappointment. The Clerk received five applications and each was reviewed by the Library Board of Trustees during their May meeting. The Library Board of Trustees recommended the appointment of Alice Hardy and Tracie Trusler to fill the upcoming vacancies.

**Commissioner Lemel moved to appoint Alice Hardy and Tracie Trusler to the Library Board of Trustees with the terms effective July 1, 2018, seconded by Commissioner Hawkins and unanimously approved.**

### MOUNTAIN AREA WORKFORCE DEVELOPMENT BOARD

At the previous meeting Commissioners considered appointments to the Mountain Area Workforce Development Board. Commissioners delayed one appointment, that being the appointment of Allyson Davenport, due to the fact that Ms. Davenport is not a resident of Transylvania County. Although she is a good standing member of the MAWDB and an advocate for Transylvania County, there are new applicants who are residents and Commissioners felt they should have been considered for appointment. The County's Citizen Advisory Council Policy requires applicants to be residents unless circumstances call for a waiver by the Board. Staff was instructed by the Chamber to reconsider and vet all applicants and bring back a recommendation to the Board.

On May 31, the Chamber submitted their recommendation to the Clerk to the Board and recommended once again the reappointment of Allyson Davenport and that Commissioners waive the residency requirement. Their recommendation is "based on her recent record as a strong member of the MAWDB, with noteworthy efforts on the organization's initiatives in hospitality, an industry she represents."

Another concern expressed at the previous meeting was that the Pisgah Inn, where Ms. Davenport is employed, does not have a Transylvania County address. According to the Chamber, the Pisgah Inn straddles the county line. The County Finance Department confirmed we receive occupancy taxes from the Pisgah Inn.

**Commissioner Lemel moved to reappoint Allyson Davenport to the Mountain Area Workforce Development Board. The motion was seconded by Commissioner Chappell.** Commissioner Chappell pointed out Ms. Davenport has been instrumental with the hospitality and tourism career pathways initiatives in the region and she has been a strong advocate for Transylvania County on the MAWDB and the region. **The motion was unanimously approved.**

### PARKS AND RECREATION COMMISSION AND PROPOSED AMENDMENTS TO MEMBERSHIP AND BYLAWS

The terms of Gregory Copeland, Heather Layton and Robert Hurring expire at the end of June. All are eligible and willing to serve another term. There are two recent resignations to note: Coty Ferguson resigned to further his military service and Annie Burgess has a conflict with the meeting schedule at this time.

Staff requested to bring forth a recommendation to Commissioners to reduce the size of the Parks and Recreation Commission. While there is a passionate core group of appointees, it has been difficult for the

Parks and Recreation Commission to remain at full capacity. Commissioners have had to consider appointments during four of its regular meetings in 2017. A recent review of the minutes revealed there has never been a full meeting that featured full attendance from all nine members at any point since the formation of the Parks and Recreation Commission in 2014 from two separate committees (Parks Commission and Recreation Advisory Board). The average attendance for meetings has been six members.

Staff has concluded a more sustainable number is seven members, which will reduce the amount of time necessary to recruit, onboard and retain individuals interested in an advisory capacity related to Parks and Recreation is seven members. Staff also recommended minor changes to the bylaws, including a provision whereby staff is responsible for the minutes of the meetings instead of one of the members.

**Commissioner Lemel moved to reappoint Gregory Copeland, Heather Layton and Robert Hurring to the Parks and Recreation Commission, seconded by Commissioner Chappell and unanimously approved.**

**Commissioner Lemel moved to reduce the size of the Parks and Recreation Commission from nine members to seven members and to accept the proposed amendments to the bylaws as presented. The motion was seconded by Commissioner Hawkins.** Commissioner Lemel agreed the modifications to the membership would help with responsiveness and productivity. She thanked Mr. Griffin for his leadership on this effort. **The motion was unanimously approved.**

#### REGIONAL COUNCIL ON AGING

The Senior Tar Heel Legislator position on the Regional Council on Aging has been vacant for some time. Through several advertisements and other recruitment efforts, the Clerk to the Board received an application. The applicant was interviewed by Land of Sky staff and her appointment is recommended.

**Commissioner Lemel moved to appoint Patricia Roberts to fill the Senior Tar Heel Legislator position on the Regional Council on Aging. The motion was seconded by Commissioner Chappell.** Commissioner Chappell was appreciative of the work this council does for the region, noting they do a tremendous amount of work that goes unreported and sometimes unappreciated. **The motion was unanimously approved.**

#### TRANSYLVANIA COUNTY COUNCIL ON AGING AND PROPOSED AMENDMENTS TO MEMBERSHIP AND BYLAWS

The Long Term Care Facility/Nursing and Adult Care Home position on the Council on Aging has been vacant for some time. COA Chair Sylvia Petit was successful in her recent recruitment efforts to find an appropriate applicant who is employed with a Long Term Care Facility and she recommends his appointment.

The current bylaws for the Transylvania County Council on Aging were last amended in April 2010. The membership consists of 17 voting members made up of representatives from the following:

1. Affordable Housing
2. Cooperative Extension
3. Health Department
4. County Manager (or designee)
5. Mental Health
6. Minority/Low Income
7. Nursing & Adult Care Home
8. Parks and Recreation Department



9. Department of Social Services
10. Senior Citizens (5)
11. County Transportation
12. Transylvania Regional Hospital
13. Western Carolina Community Action

With the appointment of the Long Term Care Facility/Nursing and Adult Care Home position, all positions will be filled with the exception of the Minority/Low Income position.

As Council on Aging Chair, Sylvia Petit has been recruiting to fill the Minority/Low Income position for quite some time with no success. In addition, the Clerk to the Board continues to advertise for this vacancy and has done so on at least six different occasions since October 2016. Discussions among Council on Aging members have raised concerns about the Minority and Low Income position being coupled together and that the position has never been truly defined. In addition, the current Council on Aging membership at any given time would serve to represent persons with low income.

Currently Linda Fluck is a member representing Transylvania Regional Hospital's Home Care program. Another member Nicole Petit, whose membership is not defined in the bylaws, represents Care Partners, an Adult Daycare Program, also affiliated with Transylvania Regional Hospital. Both of these organizations receive block grant funds to provide much needed services to the elderly in our community.

Due to the current membership makeup and lack of success recruiting the Minority/Low Income position, staff recommends amending the bylaws to reflect the current membership. This would involve removing the Minority/Low Income position and adding two representatives from Transylvania Regional Hospital.

In addition to these changes, staff recommends the bylaws reflect the current Policy and Procedures for Appointments to Citizen Advisory Councils in that the Council on Aging will elect its own chair and vice-chair annually. There are other minor wording changes recommended as well.

**Commissioner Lemel moved to appoint Patrick Payne to fill the Long Term Care Facility position on the Council on Aging, seconded by Commissioner Hawkins and unanimously approved.**

**Commissioner Lemel moved to amend the membership and bylaws of the Transylvania County Council on Aging as recommended by staff. The motion was seconded by Commissioner Chappell.** Commissioner Chappell expressed concern about two members representing the same organization and asked for a future report to ensure the appropriate operation of the council. Commissioner Lemel commented this is a dynamic issue for the County, noting there is also the work of the Senior Services Task Force that is looking the challenges facing the older population. The Task Force has generated the State of the Seniors Report which identified areas of strengths and weakness. She expects actions forthcoming from the Task Force that will allow the County to look more holistically at the Council on Aging and its role in serving seniors in Transylvania County. Commissioner Hawkins stated he understood the difficulties with filling the position of Minority/Low Income, and he was unsure if the solution was to eliminate the slot because it was created for a reason. He concurred with Commissioner Chappell's concern about having two members on the council representing the same organization. He asked for the clarification that these areas are being represented already by the existing members of the committee. The Manager confirmed and stated this has been the discussion by the members of the Council on Aging. Many of the members, either by nature of their citizenry or by the people that they serve do represent that segment of the population. Commissioner Hawkins agreed with Commissioner Chappell's recommendation to receive a report in the future to assure the appropriate operation of the council. **The motion was unanimously approved.**

## OLD BUSINESS

### FUNDING OPTIONS FOR FIRE AND RESCUE SERVICE CONTRACTS FOR FY 19

The Manager presented this item. At the May 31 budget workshop, Commissioners considered the fire department funding requests. Commissioners then asked staff to prepare funding options that may be available for implementation for FY 19 to fund those requests.

Funding the full budget requests by district results in fire tax rate ranges with the lowest rate being 5.44 cents/\$100 valuation and the highest being 22.19 cents/\$100 valuation, which is a direct result of a large variance in tax base in each district. To implement this, Commissioners would adopt the tax rates by district as shown in the chart below as the District Fire Funding Method. An increase in the tax rate is reflected for five districts and ranges from 0.20 cents- 9.49 cents.

District	Budget Request	Current Fire Tax Rate	District Fire Funding Method Rate*	Reserve Est addition with 99.9% collection*	NET TAX IMPACT Set district rates at 5.44 cent Supplement out of General Fund**
City of Brevard Residents	None (City Budget)	City Tax only	City Tax only	NA	City Tax + 1.985 cents
Brevard/Sylvan Valley II	\$480,000	5.5 cents	5.5 cents	\$1,908	7.425 cents
Rosman	\$554,125	11.59 cents	12.09 cents	\$1,002	7.425 cents
Little River	\$457,230	9.11 cents	9.06 cents	\$1,103	7.425 cents
Connestee	\$782,258	7.67 cents	8.33 cents	\$2,054	7.425 cents
Cedar Mountain	\$193,100	13.78 cents	13.76 cents	\$306	7.425 cents
Lake Toxaway	\$892,786	4.79 cents	5.44 cents	\$3,587	7.425 cents
Balsam Grove	\$100,207	10.98 cents	11.18 cents	\$195	7.425 cents
North Trans.	\$276,655	12.70 cents	22.19 cents	\$272	7.425 cents

Additional alternatives that are available for FY 19 implementation at this stage would be to set either a floor or cap district tax rate. A floor tax would set all district rates to the lowest rate at 5.44 cents/\$100 valuation. The remaining dollars required to fund the fire departments' budgets would then be levied in the general fund and those funds would then be allocated to each district based on the approved budgets. The 5.44 cent rate by district is calculated with a conservative collection rate of 99.5%. Typically Transylvania County will see a collection rate of 99.9%. The 0.4% difference collected in each district would be put into their reserve fund and an estimate of those additional amounts by district is shown in the chart for reference. This method would create the same tax rate for each district and apply a countywide tax increase of 1.985 cents. The net tax impact by district is shown in the last column of the chart below. The net impact reflects a tax increase for two districts and the City of Brevard ranging from

1.925 cents to 1.985 cents and a decrease for six districts ranging from 0.245 cents to 6.355 cents from the current year. To implement this option, Commissioners would set all district rates to 5.44 cents and increase the general fund tax by 1.985 cents in FY 19.

District	Budget Request	Current Fire Tax Rate	District Fire Funding Method Rate*	Reserve Est addition with 99.9% collection*	NET TAX IMPACT Set district rates at 5.44 cent Supplement out of General Fund**
City of Brevard Residents	None (City Budget)	City Tax only	City Tax only	NA	City Tax + 1.985 cents
Brevard/Sylvan Valley II	\$480,000	5.5 cents	5.5 cents	\$1,908	7.425 cents
Rosman	\$554,125	11.59 cents	12.09 cents	\$1,002	7.425 cents
Little River	\$457,230	9.11 cents	9.06 cents	\$1,103	7.425 cents
Connestee	\$782,258	7.67 cents	8.33 cents	\$2,054	7.425 cents
Cedar Mountain	\$193,100	13.78 cents	13.76 cents	\$306	7.425 cents
Lake Toxaway	\$892,786	4.79 cents	5.44 cents	\$3,587	7.425 cents
Balsam Grove	\$100,207	10.98 cents	11.18 cents	\$195	7.425 cents
North Trans.	\$276,655	12.70 cents	22.19 cents	\$272	7.425 cents

For the cap approach, once a fire district budget exceeds the tax limit then the remaining approved funds would come from the general fund. If Commissioners set 14 cents as the cap, a tax increase would be in net effect for all districts ranging from .128 cents-1.478 cents. This would be due to a countywide tax of .178 cents to fund \$102,112 in approved funding above the 14 cent cap. To implement this option, Commissioners would set the tax rates as shown in the second to last column below and then apply the general fund tax increase of .178 cents.

District	Budget Request	Current Fire Tax Rate	District Fire Funding Method Rate with cap*	NET TAX IMPACT Set district rates no higher than 14 cent Supplement out of General Fund**
City of Brevard Residents	None (City Budget)	City Tax only	City Tax only	City Tax + .178 cents

Brevard/Sylvan Valley II	\$480,000	5.5 cents	5.5 cents	5.678 cents
Rosman	\$554,125	11.59 cents	12.09 cents	12.268 cents
Little River	\$457,230	9.11 cents	9.06 cents	9.238 cents
Connestee	\$782,258	7.67 cents	8.33 cents	8.508 cents
Cedar Mountain	\$193,100	13.78 cents	13.76 cents	13.938 cents
Lake Toxaway	\$892,786	4.79 cents	5.44 cents	5.618 cents
Balsam Grove	\$100,207	10.98 cents	11.18 cents	11.358 cents
North Trans.	\$276,655	12.70 cents	14 cents	14.178 cents

The Manager asked Commissioners to consider the options for funding the FY 19 approved fire department budgets and direct staff so that the budget ordinance can reflect the option being chosen at the next Commissioners' meeting and tax rates set accordingly.

Commissioner Lemel asked if the County had the option of making an appropriation from the general fund, either in terms of a loan or gift, for North Transylvania instead of raising taxes across the board. The Manager stated a loan would require a mutual agreement to fund in future years. One of the challenges for this district is the concern about future funding streams. She is unsure if they would be amenable to a loan option. She informed that Commissioners could choose to fund from the general fund or the fund balance. Either way, it is a tax that is generated from all citizens at this point. She pointed out the challenge moving forward is how to continue because the recommended budget includes allocation from fund balance in order to balance the overall budget, although a surplus is projected at year's end. That figure is now greater based on changes since the budget workshop. The more allocated upfront from fund balance to balance the budget, the greater the likelihood of generating a future tax increase.

Commissioner Lemel felt there were opportunities to work more collectively with the fire departments on a solution to the fire tax rates. At this point, the best option before her was to resolve the issue for a year in order to allow time to establish a fire tax commission that would essentially work to resolve the issue long term. She preferred to give North Transylvania the funds they need as a stop gap measure to get them through this year.

Commissioner Hawkins agreed with Commissioner Lemel's assessment. He said in looking at the three options, the floor and cap options have certain negatives that need to be resolved. North Transylvania has immediate needs and he would be willing to help this department deal with their needs this year by allocating \$102,112 from fund balance.

Commissioner Lemel asked for clarification that the tax rate under the cap includes funds for Balsam Grove to participate in the Firefighter's Pension Fund. The Manager confirmed, but noted it does not include payback for prior years. Commissioner Lemel preferred to address prior years in next year's budget.

Commissioner Chappell said he did not necessarily support a cap, but he did offer support for the tax rates in the chart above for this year, in addition to the allocation of dollars to fully fund North Transylvania

from fund balance. He asked Commissioners if they would consider the kitchen remodel at Lake Toxaway. He thought it was worthwhile and felt it was needed.

Chairman Chapman pointed out the Board of Commissioners is elected to represent every citizen in the County and one of their responsibilities is to ensure citizens receive equal services regardless of where they live or their income level. The current method of funding departments is not sustainable. He felt the solution offered buys some time while the County creates a fire commission to determine how to move forward with dealing with the disparity across the districts. He stated it is not fair to penalize citizens in other districts with higher taxes. He wanted to ensure all citizens receive equitable service across the County.

Commissioner Lemel pointed out the County anticipates PILT funding in the amount of \$225,000 for FY 19. In addition to fire and rescue services, she inquired about other provisions these funds could be used for. The Manager responded that PILT funds are intended to offset the loss of property tax received from the forested areas in the federal lands. There is a list of suggestions in the federal guidelines on how to use the funds, but ultimately the County can use them toward anything funded from property tax. Commissioner Lemel concluded even if the full amount of PILT was used for fire and rescue services, the funding does not do much for Transylvania County because collectively the fire department budgets total more than \$3 million. The Manager concurred and noted the County does not receive an equivalent in funds for state properties.

**Commissioner Lemel moved to set the district fire funding method rate with a cap of 14 cents as presented for FY 19 with the gap of \$102,112 to be funded as an appropriation from unrestricted Fund Balance. The motion was seconded by Commissioner Hawkins.** Commissioner Chappell asked to approve each tax rate separately because he wanted to discuss the Lake Toxaway kitchen request, or at least to remove their tax rate from consideration under this motion. Commissioner Hawkins was unsure of the overall plan for the community and wondered if there was a need for this type of facility in more than one location. Because he was unsure of the overall plan, he was not supportive of their request at this time. **The motion was approved unanimously.**

**Commissioner Chappell moved to take 31,000 from Fund Balance to pay for the commercial upgrades at the Lake Toxaway Fire Department. The motion died for lack of a second.**

## NEW BUSINESS

### GENERAL OBLIGATION BOND PROCESS

The Manager highlighted the General Obligation Bond process thus far. On February 26, 2018, on behalf of the Transylvania County Board of Education, Superintendent Dr. Jeff McDaris requested the Board of Commissioners place on the November 2018 General Election ballot a referendum for a school bond totaling \$68 million for the following high priority capital projects: 1) renovations to Brevard High School; 2) renovations to Rosman Middle School; and 3) renovations to Rosman High School.

Commissioners directed staff to begin the process to do the work that was necessary to bring the bond referendum onto the November 2018 ballot. Part of that work included hiring bond counsel. In May the County hired Parker Poe Adams and Bernstein, LLP to act as bond counsel throughout this process. Bond counsel has been advising staff on the legal actions that are necessary to assure completion of this process. Scott Leo will be reviewing the steps with Commissioners, as well as answering any questions Commissioners may have.

The first set of documents that must be completed for the General Obligation Bond Referendum process are:

- These three items must be adopted by the Board of Commissioners in the order listed:
  - Resolution directing the publication of the Notice of Intention to Apply to the Local Government Commission
  - Resolution authorizing the filing of a Local Government Commission application
  - Resolution making certain findings of fact
- Notice of Intention to Apply to the Local Government Commission – must run in newspaper of general circulation immediately following the Board action at this meeting

Included in the Board's agenda packet is an Overview of NC General Obligation Bond Referendum process. The next steps include filing the Local Government Commission application, which staff has been preparing, and filing a Statement of Estimated Interest. These actions will occur following action taken above.

Bond counsel will advise Commissioners in reference to statutes regarding the limitation on the use of public funds to endorse or oppose a referendum. There are statutes that apply to both counties and boards of education. It is appropriate to inform voters on the proposed projects, impacts on taxes and related matters.

The Manager introduced Scott Leo from Parker Poe Adams and Bernstein, LLP. He reviewed the necessary steps to complete the process, answered Commissioners questions, and clarified further the Board's statutory limitations on endorsing and opposing referendums.

The process is driven by statutes and the policies and procedures of the Local Government Commission. Today's action by Commissioners will direct staff to make the first notice filing of their intention to apply to the Local Government Commission, to make application and to make certain findings that support the application. Following this action, at the next meeting Commissioners will be asked to introduce the bond order and set a public hearing. Following the public hearing, Commissioners will adopt the bond order and resolution, which sends the question to the Board of Elections directing them to place the bond referendum on the ballot in November.

Mr. Leo explained there is a statute that simply states that the County Commissioners will not expend funds to endorse or oppose a referendum. The same statute exists for the Board of Education. It is typical and makes sense that both Boards would provide information to the voters about what they are voting about. Mr. Leo noted there are many examples on the internet showcasing what other counties and cities have done across the State about their projects. Typically what happens are private groups will form to endorse referendums. Mr. Leo advised that this statute extend to County staff and their time in terms of not endorsing or opposing the referendum. He thought it was appropriate for Commissioners to speak to their constituents in the community about their opinion on the referendum as long as they are not using County funds to provide information or material about that endorsement or opposition.

Commissioner Chappell commented there is some question about how far-stretching the statute really is. He asked can a County Commissioner state publicly their stance on the referendum during a County Commission meeting. Mr. Leo stated if the meeting is broadcast live using County resources, he advised Commissioners refrain in speaking their opinion in this setting while Commissioners are acting in their official capacities. He feared otherwise it could be viewed as using County resources as opposition or endorsement.

Mr. Leo advised that Commissioner not give any impression of noncompliance with the statute. The process is for the Board of Commissioners to take the necessary actions to get the item on the ballot and then let the voters have their say.

If approved by the voters, the Board will take action to certify the results of the election and will publish a final notice. This becomes an authorization for the County to issue the approved amount of bonds for the stated purpose. The County is not required to issue the bonds, but the amount and purpose are restricted as to the language on the ballot. Commissioners will be asked to take future action if and when they are ready to issue the bonds.

**Commissioner Lemel moved to approve the resolution directing the publication of the Notice of Intention to Apply to the Local Government Commission, seconded by Commissioner Hawkins and unanimously approved.**

**Commissioner Lemel moved to approve the resolution authorizing the filing of a Local Government Commission application, seconded by Commissioner Chappell and unanimously approved.**

**Commissioner Lemel moved to approve the resolution making certain findings of fact, seconded by Commissioner Chappell and unanimously approved.**

#### CONSIDERATION OF UPDATES TO VOLUNTARY AGRICULTURAL DISTRICT AND ENHANCED AGRICULTURAL DISTRICT ORDINANCE

County Extension Director Bart Renner serves as staff to the Agricultural Advisory Board. He reported the Agricultural Advisory Board approved proposed changes to the Voluntary Agricultural District and Enhanced Agricultural District Ordinance. They worked in collaboration with Tax Administration, Register of Deeds, Planning and Community Development, and Soil and Water Conservation. They feel the ordinance will provide farmers with another important tool to keep farms resilient. The main goal of the program and the changes they have proposed to the ordinance is awareness and respect for how farmers grow food and be stewards of the land.

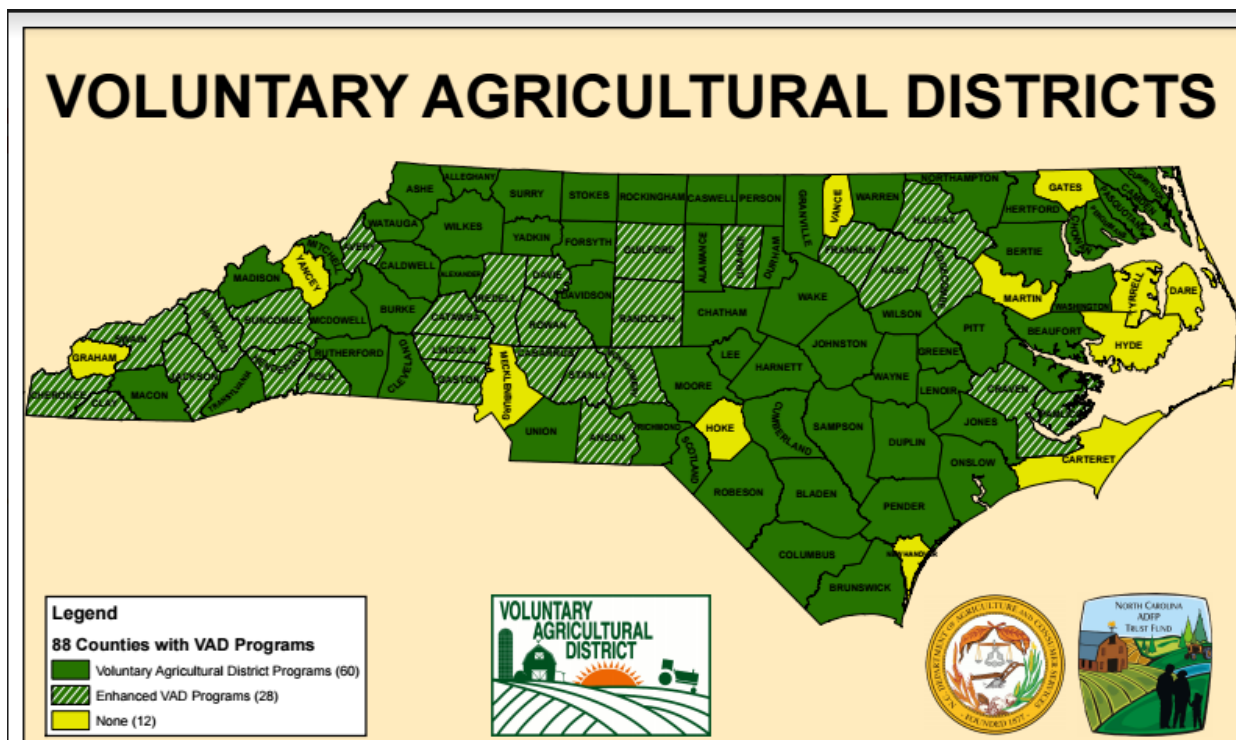
Mr. Renner introduced Agricultural Advisory Board member Leroy Newell who presented the changes to the ordinance. This is a summary of his presentation:

#### **What is a Voluntary Agricultural District?**

- Provided for in NC General Statutes
- Two types: Voluntary and Enhanced
- Enabling preservation of farmland
- To be adopted on county-by-county basis

#### **What does VAD Program Look Like in Transylvania County?**

- Voluntary Agricultural District in Transylvania County since 2009
- Proposal adds Enhanced Voluntary Agricultural District and modifies Voluntary Agricultural District to allow more greenspace to be added and removes restrictions
- To date, 30 farms enrolled
- 3 districts: French Broad Valley, Little River and Transylvania
- Program administered by Agricultural Advisory Board
- Farmland Protection Plan adopted in September 2009 specifically recommends these as a tool to preserve farmland and encouraging agriculture revenue
- Public awareness



Farms Enrolled in the VAD Program Statewide	9,529
Acres of Farmland Enrolled in the VAD Program Statewide	782,423
Farms Enrolled in the Enhanced VAD Program Statewide	654
Acres of Farmland Enrolled in the Enhanced VAD Program Statewide	50,931
Total Farms Enrolled in the VAD and EVAD Program Statewide	10,183
Total Acres of Farmland Enrolled in the VAD and EVAD Program Statewide	833,354

**Proposed Changes to Ordinance**

- Present use value no longer a requirement
- Option for an Enhanced district

**Important Notes**

- This program is not zoning and does not give local governments the authority to enact or apply zoning; program is strictly voluntary and temporary
- Local program only and is overseen by Agricultural Advisory Board and local Board of Commissioners
- Does not affect tax base; agricultural lands still contribute more taxes than they use



This concluded the presentation. Mr. Renner called for questions and comments from the Board.

Commissioner Lemel inquired further about the \$15/month to add a layer to the GIS system. She asked if the cost was \$15 total for the entire County or \$15 per property. Mr. Renner responded that he has been working closely with Tax Administration on this issue. His understanding is this is the monthly cost to the County to add this functionality to the GIS system.

Commissioner Hawkins inquired about the present use provision. Mr. Renner explained that present use value is a tax status. The property owner pays less in taxes depending on the farming activity on the land. Commissioner Hawkins noted that the detail in the agenda packet states one of the benefits is it provides farmers and landowners with enhanced protection against nuisance suits. He asked if there is a connection between the two and if an owner changes their present use if they are still protected from nuisance suits. Mr. Renner stated present use value is simply a tax status. The additional protection against nuisance lawsuits that may come from being in a Voluntary Agricultural District shows that the landowner has taken another extra step to create the public awareness necessary to make it known what was happening on their land. Ideally the ordinance helps make information publicly available to prevent any nuisance activity from taking place. The vast majority of any legal protection to allow one to farm their land comes from the NC Right to Farm Act. Mr. Renner said it is important to remember that the court system would set the legal precedent, but there are no court cases as of yet. Awareness is primary objective of ordinance.

Commissioner Lemel requested information on the total cost to the County for adding the GIS layer. She also inquired about next steps. She noted that proposed changes would require a vote by the Board of Commissioners. The Manager stated being this is the first introduction of the proposed changes to the ordinance, the Board did not need to take action.

Mr. Renner noted that Planning and Community Development Director Mark Burrows reviewed the ordinance and the Agricultural Advisory Board removed a section at his recommendation.

The Manager offered the options of either asking the Planning Board to review the ordinance or taking the recommendations of the Agricultural Advisory Board. By moving forward with the recommendations, staff would proceed with the process to make the changes to the ordinance, to include scheduling a public hearing and amending the budget to include the cost to host the GIS layer.

Commissioners requested an additional layer of review by the Planning Board. Depending on the Board's summer meeting schedule, they should expect to see a final ordinance come before them in late August or early September.

#### CEDAR MOUNTAIN FIRE DEPARTMENT REQUEST FOR RESERVE FUNDS

Cedar Mountain Fire Rescue applied for and received a grant for personal protective equipment, fire hose and upgrade of a thermal imaging camera. The grant is a 50/50 matching grant totaling \$25,000. They have requested \$12,500 from their reserve fund to meet the match requirement. As of April 30, 2018, their reserve account totaled \$31,893.72.

**Commissioner Lemel moved to allow the use of \$12,500 from the Cedar Mountain Fire Department reserve fund for a grant match requirement, seconded by Commissioner Chappell and unanimously approved.**

APPROVAL OF TAX EXEMPT LOAN DOCUMENTS FOR ROSMAN FIRE RESCUE FOR PURCHASE OF REAL PROPERTY

Rosman Fire Rescue is in the process of purchasing property adjoining their fire station that will be used for future expansion. The property proposed for purchase contains a storage tank.

The purchase price of the property is \$89,000 which the department intends to finance over an eight year period with 32 quarterly payments of \$3,182.13 at an interest rate of 3.35%. The loan will require an increase in the department's debt service line item.

**Commissioner Lemel moved to approve signing the tax exempt loan paperwork for Rosman Fire Rescue. The motion was seconded by Commissioner Chappell.** Chairman Chapman inquired about the storage tank and asked if there was any liability to Rosman Fire Rescue with this purchase. The Manager informed the tank belongs to Rosman Fire Rescue and is one of the purposes for them purchasing the lot. Being they own it, the liability is already theirs. **The motion was unanimously approved.**

MANAGER'S REPORT

- The Silvermont Master Plan has included stakeholder involvement meetings and public input sessions. The current survey will be available online until Wednesday, June 13. This stage of public input will help inform the draft for the consultant to prepare. More opportunities will be forthcoming.
- Another public hearing on the budget will be at the June 25 meeting at 7pm and the public is invited to attend and comment.

**PUBLIC COMMENT**

Terry Crowe: Mr. Crowe inquired about the section on the agenda **Public Comment During Agenda Item.** He asked for Commissioners or staff to provide additional information because he had not seen this on the agenda before. Mr. Crowe commented that the remodel of the kitchen at Lake Toxaway seems to be blown out of proportion. He said the project involves a simple kitchen remodel with commercial appliances. He hoped Commissioners would consider the request in the future. Mr. Crowe expects County Commissioners to look at fire department funding more in depth in the future. He commended the Board for fully funding North Transylvania's budget. He felt this should be done for any department in need. He said he wished Commissioners would have reviewed the fire department budgets sooner instead of trying to resolve these major issues in a short period of time.

Carmon West: Mr. West said he feels Lake Toxaway is being singled out while having the lowest tax rate and protecting the most property in the biggest district. He stressed that all volunteer firefighters put themselves at risk everyday no matter what district they work in. He was bothered by the fact that the only two departments discussed in public were Lake Toxaway and North Transylvania when both districts are so different from each other. He urged Commissioners to establish the fire commission to study this issue further. He volunteered to serve on the fire commission if established.

**COMMISSIONERS' COMMENTS**

Commissioner Chappell asked for discussion at the next meeting on the capital funding process for the Board of Education.

Chairman Chapman explained the public comment periods on the agenda to Mr. Crowe.

Chairman Chapman explained that the Board of Commissioners set a limit of \$50,000 on capital projects by which the Board of Education/School System would have to show contract documents/purchase orders before funds would be released. This would impact up to seven projects according to their capital budget. He noted the projects will already have been approved, so this is not a new approval process. This process just assures the work is getting done. The Board of Education must go out for bids and proposals like County government so they should not have to generate additional work. He commented that the perception that the Board of Commissioners is trying to micromanage the Board of Education is inaccurate. This came about because there were many items over a number of years that continued to show up as priorities on their capital list year after year. While Commissioners understand priorities change, they feel they should be informed about the priority changes. Chairman Chapman informed that North Carolina General Statutes makes the Board of County Commissioners legally responsible for all capital expenditures for Transylvania County Schools.

Commissioner Lemel announced that in a phone conversation last Friday with the Board of Education Chairwoman she offered to hold every other month (through end of March 2019) jointly meetings with the Board of Commissioners to get ready for the budget cycle. As of now, Commissioner Lemel is waiting to hear a response to the invitation. If the joint meetings are successful, by the time next year's budget cycle ends, the two Boards should have a joint collaborative presentation on how to meet the \$25 million of gap funds needed to take care of the schools.

Commissioner Hawkins agreed with Chairman Chapman's comments, but stated that "notification process" might be the better terminology to use. It is intended to be able to tie projects to specific funding streams. While he understands priorities change, he noted it has still been difficult to determine how the funds were spent. That is part of the process this is designed to help.

**Chairman Chapman moved to enter into closed session per NC General Statute 143-318.11 (a) (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, options, exchange or lease, after a 5 minute recess, seconded by Commissioner Lemel and unanimously carried.**

#### **CLOSED SESSION**

Pursuant to NC General Statute 143-318.11 (a) (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, options, exchange or lease, closed session was entered into at 12:25 a.m. Present were Chairman Chapman, Commissioners Chappell, Hawkins, and Lemel, County Manager Jaime Laughter, County Attorney Misti Bass, Transylvania Economic Alliance Executive Director Josh Hallingse, Transylvania Economic Alliance Board of Directors Chair Jeremy Owen and Clerk to the Board Trisha Hogan.

Commissioners received an update on the potential purchase of property and the negotiation efforts. They instructed staff on how to proceed.

**Chairman Chapman moved to leave closed session, seconded by Commissioner Lemel and unanimously carried.**

**OPEN SESSION**

**Chairman Chapman moved to seal the minutes of the closed session until such time that unsealing the minutes does not frustrate the purpose of the closed session, seconded by Commissioner Lemel and unanimously approved.**

**ADJOURNMENT**

There being no further business to come before the Board, **Chairman Chapman moved to adjourn the meeting at 12:45 p.m., seconded by Commissioner Lemel and unanimously carried.**

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Larry L. Chapman, Chairman  
Transylvania County Board of Commissioners

ATTEST:

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Trisha M. Hogan, Clerk to the Board