

**MINUTES**  
**TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS**  
**February 10, 2020 – REGULAR MEETING**

The Board of Commissioners of Transylvania County met in regular session on Monday, February 10, 2020 at 4:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Will Cathey, Jason Chappell, David Guice, Chairman Mike Hawkins and Vice-Chairwoman Page Lemel. Also present were County Manager Jaime Laughter, County Attorney Natalia Isenberg, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Derek McKissock

There were approximately 40 people in the audience.

**CALL TO ORDER**

Chairman Mike Hawkins presiding declared a quorum was present and called the meeting to order at 4:03 p.m.

**WELCOME**

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

**PUBLIC COMMENT**

There were no public comments.

**AGENDA MODIFICATIONS**

There were no agenda modifications from Commissioners or staff.

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

**CONSENT AGENDA**

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

The following items were approved:

MINUTES

The Board of Commissioners met in regular session on May 28, 2019 and following the business portion held a budget workshop. The Board of Commissioners met in closed session on December 9, 2019 following the regular business portion, and those minutes were sealed. The Board of Commissioners met in regular session on January 27, 2020. The minutes were approved as submitted.

### LETTER OF SUPPORT FOR BREVARD ACADEMY'S NC ACCESS GRANT FUNDING APPLICATION

Brevard Academy intends to pursue ACCESS Grant funding which is awarded through the Office of Charter Schools to provide high-quality education opportunities for educationally disadvantaged students. The grant funding would provide Brevard Academy with \$1.2 million over five years to help them meet their goals. Brevard Academy has requested a letter of support to include with the grant application. Commissioners approved a letter of support for Brevard Academy's NC ACCESS Grant Funding Application.

### CPI INCREASE

Based on prior approval by the Board of Commissioners, a CPI increase of 2.3 % will be awarded to employees effective in the payroll paid on February 21, 2020. Since a system has not been developed to move employees through the salary ranges, the salary ranges will not move by the CPI amount to avoid salary compression issues for new staff. Human Resources is working to develop a process of moving employees through the salary ranges and will bring back a recommendation for the Board's consideration soon. This item was for informational purposes.

## **PRESENTATIONS/RECOGNITIONS**

### UPDATE ON FUNDING OPTIONS FOR FIRE AND RESCUE SERVICES

Assistant County Manager David McNeill provided Commissioners with an update on the funding options available to them for fire and rescue services and a summary of the eight citizen input meetings held throughout the County on the various funding methods.

This is a summary of his presentation:

#### *Fire and Rescue Funding*

- Commissioners instructed staff to explore options for funding fire and rescue services
- Commissioners received a presentation by Kara Millonzi from the University of North Carolina School of Government
- As directed by the Board, held public input meetings in each of the eight fire service districts with presentations by Commissioner Lemel and Emergency Services staff
- Audio recordings of each public meeting and the presentation have been placed on the County's website
- Staff provided a written summary of the meetings to Commissioners

#### *Summary of Public Input Meetings*

- Commissioner Lemel and Emergency Services staff presented fire and rescue funding options available to the Board of Commissioners, including a countywide fire service district tax rate
- Emphasized the Board is only considering funding options and not changes to the operational method of providing fire and rescue services
- Meetings were mostly amicable and cordial; it was clear that citizens were very supportive of the fire and rescue services they receive and proud of their local departments
- Few citizens expressed concerns about the services provided
- Most citizens did not want the Board of Commissioners to make a decision that would harm the departments operationally
- Received input from citizens opposed to the implementation of a countywide fire service district tax for funding fire departments, with most of the opposition being expressed at the meetings held in Little River and Quebec

- Input from the meetings in Balsam Grove, North Transylvania, Cedar Mountain, Dunn's Rock, and Rosman indicated they favored a change in the funding method
- At the meeting held at the Quebec Community Center, citizens commented that they pay a larger proportion of the total ad valorem (property) tax but do not receive commensurate services
- At the meeting held at the Williamson Creek Community Center, citizens expressed support of a substation to support services in areas currently rated 9E or 10
- Generally, staff received comments both in opposition to and in support of an alternative funding method
- Staff's general impression is that citizens support some type of funding alternative for fire and rescue services but do not support anything that would harm the fire departments operationally
- Summary based on input received by staff both during the public meeting setting and outside of the public meeting setting (phone call/email/Commissioners' meetings)
- Staff estimated between 200 and 250 citizens attended the public input meetings; members of the local fire departments made up a large percentage of the total attendance
- Staff included letters from each fire department chief in the Board of Commissioners' agenda packet, as well as one from the City Manager on behalf of the City of Brevard

#### *Options for Consideration*

1. Fund fire protection in FY 21 consistent with the FY 20 Budget - combination of service district tax rates and fund balance (use of Unassigned Fund Balance not recommended by staff)
2. Return to funding fire and rescue services solely from the individual fire tax rates
3. Implement a countywide fire tax rate for fire and rescue services
4. Fund fire and rescue services through ad valorem (property) tax
5. Combination of individual service district tax rates and implementation of countywide district overlay service district to support/supplement fire and rescue services
6. Combination of individual service district tax rates and ad valorem tax to support/supplement fire and rescue services
7. Consider redistricting (merger) of fire districts and/or contracting with alternative providers

#### **Fire District Funding Consistent with the FY 20 Budget – Combination of Service District Tax Rates and Fund Balance**

- Provides opportunity for Board of Commissioners to instruct staff to continue working with fire chiefs to identify a funding method that is acceptable to the County and various fire departments
- Staff concerned with continued drawdown of Unassigned Fund Balance and does not recommend again for FY 21; may consider using Assigned Fund Balance from FY 20 two-cent capital tax increase for one year
- Opportunity to engage a consultant with experience negotiating and developing a strategic and sustainable fire and rescue funding plan
- Consider freezing FY 21 fire department budgets at FY 20 approved amount, excluding capital, while staff continues to work with fire chiefs to develop an acceptable funding method
- Provides Board of Commissioners, staff, and fire department chiefs the opportunity to evaluate citizen input in developing a fire and rescue service funding program
- Opportunity to evaluate budget process, standardized funding, low wealth department supplement, grant program, and capital replacement program
- Possible consideration of utilizing existing individual district reserves to supplement FY 21 budget
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings

Service District	1 Cent	5.0 Cent FT	District Reserve Balance as of 7/1/2019	*FY21 Budget	Alt. Revenue
Sylvan Valley II	\$88,860	\$444,300	**\$289,663	\$423,384	(\$20,916)
Rosman	\$46,457	\$232,335	\$80,277	\$636,925	\$324,313
Little River	\$51,394	\$256,970	\$43,942	\$479,110	\$163,198
Connestee	\$95,669	\$478,345	\$60,476	\$784,350	\$245,529
Cedar Mtn	\$14,069	\$70,345	(\$1,508)	\$193,100	\$122,755
Lake Toxaway	\$165,912	\$826,650	\$24,583	\$864,609	\$10,466
Balsam Grove	\$9,010	\$45,550	\$30,239	\$100,207	\$24,418
North Transylvania	\$12,675	\$63,375	\$30,771	\$221,151	\$101,426
					***\$992,105

\*FY 21 Budget = FY 20 Budget minus capital

\*\*\$289,663=Board of Commissioners has been setting aside funds for substation in Sylvan Valley II

\*\*\*\$992,105=one cent ad valorem (property) tax equates to \$590,000; approximately \$1.68 cents required to collect \$992,105 (amount of revenue Board would have to come up with to fund departments)

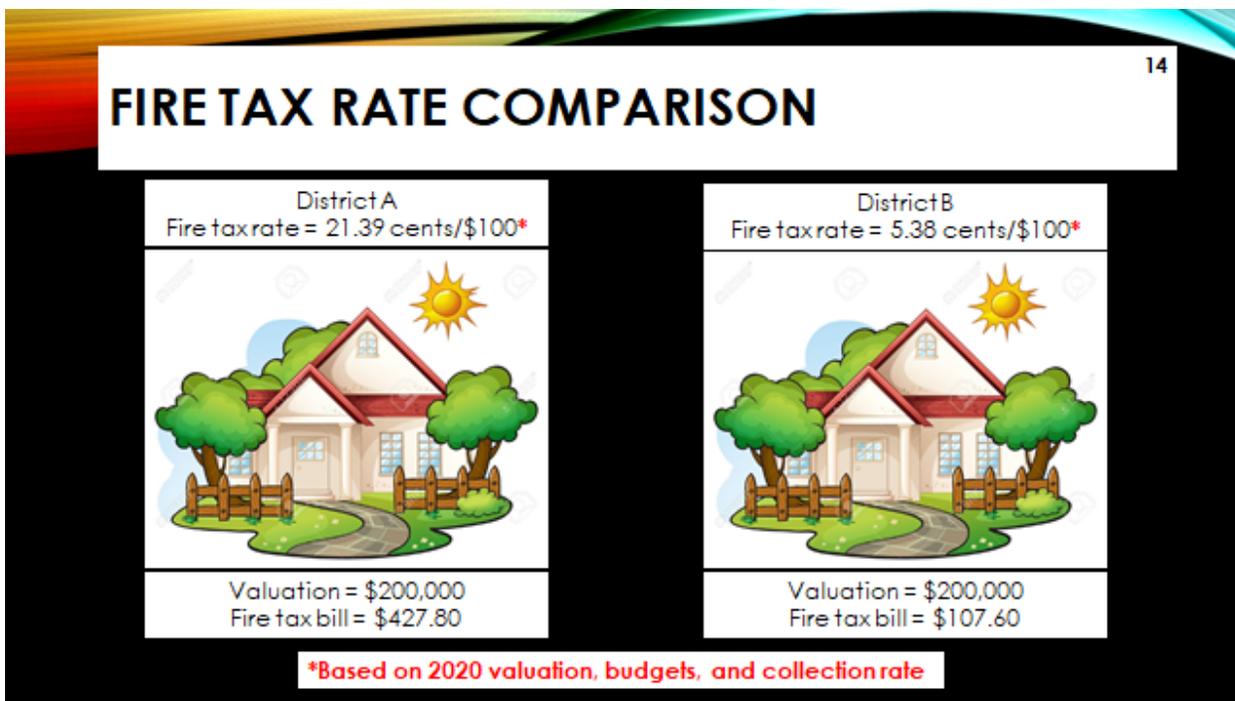
#### Return to Funding Fire and Rescue Services Solely from the Individual Fire Tax Rates

- Unsustainable method for service districts with low property valuations
- Input from citizens at various meetings requested consideration of alternative funding options
- Input included opposition to countywide fire service district tax rate
- Return to wide range in fire service district tax rates countywide (using FY 20 data, rates range from 5.38 cents/\$100 valuation to 21.39 cents/\$100 valuation)
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings
- Significant fire service district tax rate increases in most districts (six of eight districts will experience a fire tax rate increase ranging from 2.82 cents to 15.89 cents based on FY 20 budget and property valuations)

#### FY 2020 Fire Budget Data

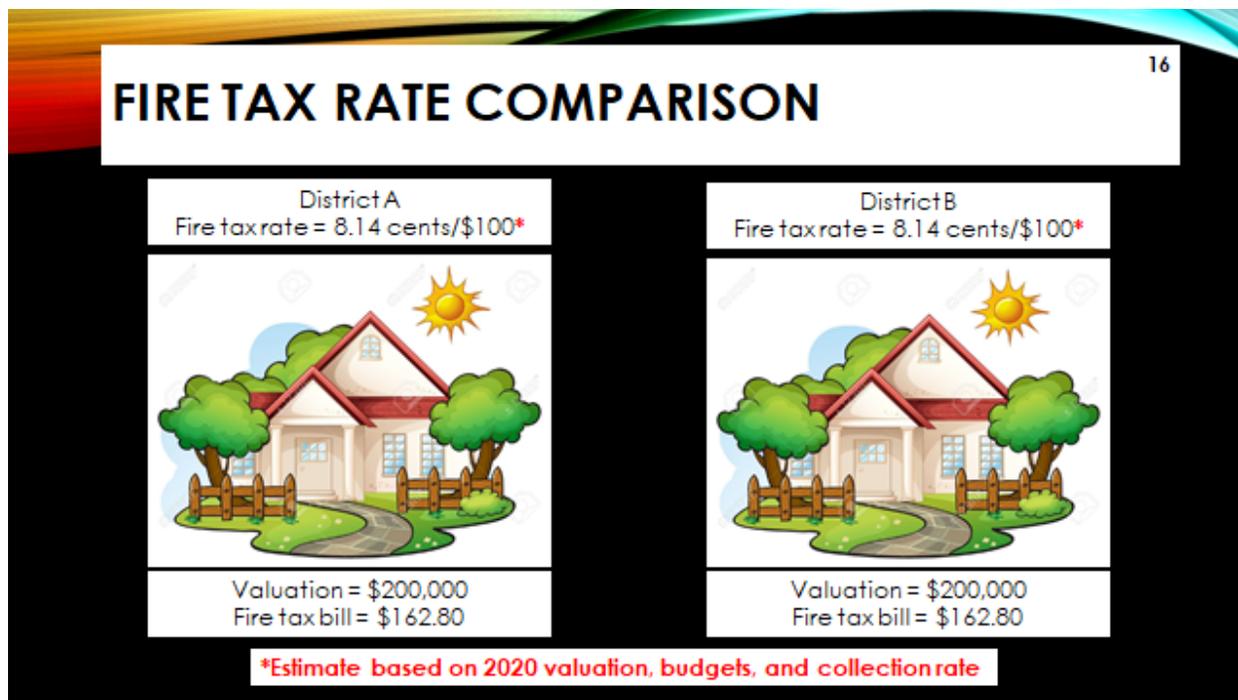
District	Budget	Tax Rate	Rate Change	Revenue from Fire Tax	\$Fund Balance	Rate w/o FB Grant
Sylvan Valley II	\$488,730	5.5 cents	0.00 cents	\$488,730	\$0.00	5.5 cents
Rosman	\$664,925	5.5 cents	8.81 cents	\$255,566	\$409,359	14.31 cents
Little River	\$532,110	5.5 cents	4.56 cents	\$282,666	\$249,444	10.06 cents
Connestee	\$796,350	5.5 cents	2.82 cents	\$526,181	\$270,169	8.32 cents
Cedar Mtn.	\$193,100	5.5 cents	8.22 cents	\$77,381	\$115,719	13.72 cents

Lake Toxaway	\$892,609	5.5 cents	0.12 cent	\$892,609	<b>\$0.00</b>	<b>5.38 cents</b>
Balsam Grove	\$100,207	5.5 cents	<b>5.70 cents</b>	\$49,554	<b>\$50,653</b>	<b>11.12 cents</b>
North Transylvania	\$271,151	5.5 cents	<b>15.89 cents</b>	\$69,714	<b>\$201,437</b>	<b>21.39 cents</b>



### Implement a Countywide Fire Tax Rate for Fire and Rescue Services

- Input from citizens both in favor and opposed to a countywide service district
- Time required to meet statutory requirements for establishing a new countywide service district
- Sustainability by addressing funding consistent with other County-funded services
- Separates revenue and operational efficiency; contract for response district instead of service district
- Reduces workload on Tax Administration and Finance Department
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings



### Fund Fire and Rescue Services through Ad Valorem (Property) Tax

- Input from citizens in favor of this option
- Citizens living within City limits pay taxes that support fire protection in the City; however, the Rescue Squad provides medical first response (majority of calls for service) and specialized rescue which is funded by the County
- This is the current method for funding medical first response in City limits and Sylvan Valley II
- Transparency (consider a fund balance for fire rescue services)
- Reduces workload on Tax Administration and Finance Department
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings
- Ad valorem tax option provides more flexibility annually in that funds designated by the Board of Commissioners can be changed
- Separates revenue and operational efficiency; contract for response district instead of service district
- Using the FY 20 budget, property valuation and current collection rate, would require an ad valorem rate increase of 6.85 cents/100 valuation, per the Finance Department

### Combination of Individual Service District Tax Rates and Implementation of Countywide District Overlay Service District to Support/Supplement Fire and Rescue Services

- Time required to meet statutory requirements for establishing a new countywide overlay service district
- Input from citizens recommended this option
- Ability to support/supplement service districts with low property valuations
- Consistent cost for fire and rescue services countywide while maintaining established individual districts
- All fire departments continue to serve their community which was overwhelmingly favored in the input meetings

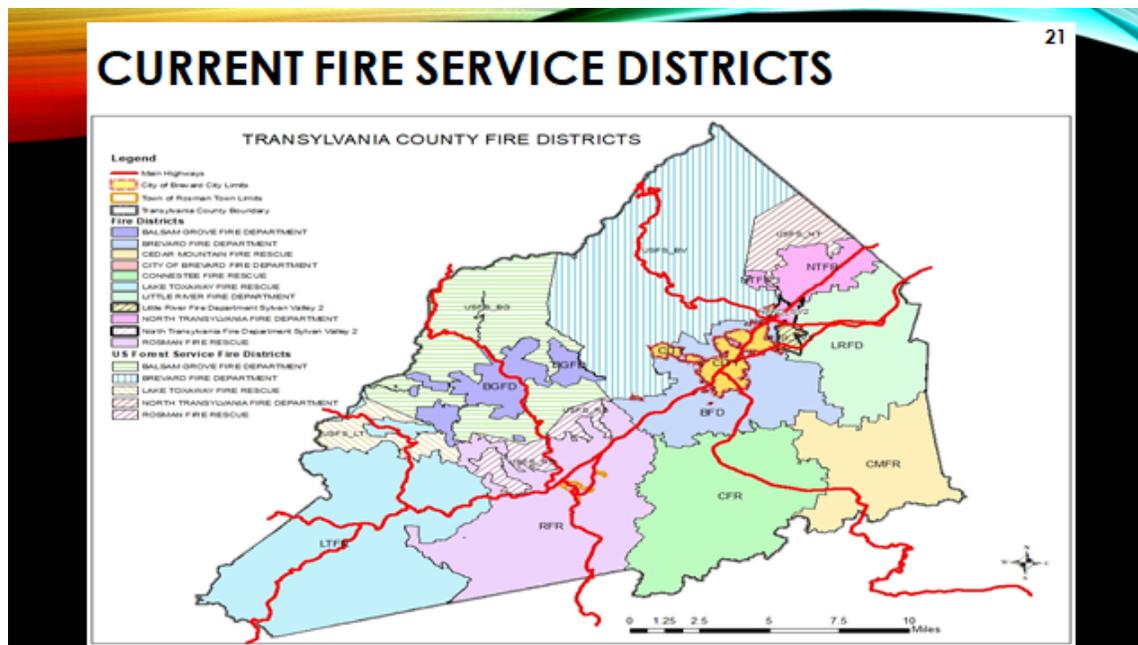
- Overlay service district rate, excluding City of Brevard, using FY 20 fire budgets, property valuations, current tax collection rate and 5.5 cents individual fire tax rates would require approximately 2.25 cents/\$100 valuation

#### **Combination of Individual Service District Tax Rates and Ad Valorem Tax to Support/Supplement Fire and Rescue Services**

- Input from citizens recommended this option
- Ability to support/supplement service districts with low property valuations
- Citizens in City limits pay taxes that support fire protection in the City; however, the Rescue Squad provides medical first response (majority of calls for service) and specialized rescue that is funded by the County
- This is the current method for funding medical first response in the City limits and Sylvan Valley II
- Consider a fund balance for fire rescue services
- Consistent cost for fire and rescue services countywide while maintaining established individual districts
- Ad valorem tax option provides more flexibility annually in that funds designated by the Board of Commissioners can be changed
- Using FY 20 fire budgets, property valuation, the current tax collection rate, and 5.5 cents individual fire tax rates, the ad valorem tax rate would increase approximately 2 cents/\$100 valuation

#### **Consider Redistricting (Merger) of Fire Districts and/or Contracting with Alternative Providers**

- Input from citizens was consistently in support of current fire departments within each district
- Evaluating possible service district merger/realignment could improve operational efficiency (will require negotiations with existing providers and potential fire and rescue providers)
- Time required to meet statutory requirements
- Impact on existing fire departments in districts that are merged or contracted to another provider (ISO rates, existing equipment, volunteers in district)
- Potential for division among fire departments
- Could result in fewer larger districts with substation
- Note: Below is a map of the current fire district boundary lines
  - If creating fire districts today, would not draw districts in this way
  - Districts were established independently of each other; never a plan to establish districts in a comprehensive way
  - Not isolated to Transylvania County; fire districts established in this manner in counties across the State



This concluded the formal presentation.

Chairman Hawkins opened the floor for discussion, noting the complexity of this issue and the unlikelihood of the Board to take action during this meeting.

Commissioner Lemel recalled concerns expressed by some citizens during the input meetings and she wanted to make sure it was understood that the concerns were about specific ratings impacting their home insurance costs and potential response times and had nothing to do with the current services being provided. This was a concern expressed by some citizens who live very close to one fire department, yet are served by another response district. Mr. McNeill noted that some citizens have requested to be moved into different districts for various reasons, one being that a district has a substation, and moving them into that district would lower their insurance rating.

Commissioner Lemel addressed the concern from some citizens regarding the ad valorem tax percentage paid. Attendees at the meeting held in Quebec argued that citizens living west of NC 215 pay 60% of the property taxes in Transylvania County but do not receive equal services. According to the Finance Department, citizens in Lake Toxaway pay 25.6% of the property taxes in Transylvania County. Citizens in Balsam Grove pay 1.4%. Citizens in Rosman pay 7.2%. This is far short of the 60% claim. Mr. McNeill confirmed the same.

Commissioner Lemel noted that the establishment of the various fire departments was organic and occurred over a lengthy period. Departments were created as the population grew. Mr. McNeill added that history shows previous Boards of Commissioners approved various resolutions during a period between the 1970s and 1990s establishing various departments. There was never a comprehensive plan in place to establish the fire departments and districts as they are today; they happened sporadically as the need arose.

Commissioner Guice stated that prior to the current year's funding method, it is obvious that some districts were paying extremely higher rates than others. He debunked any public comments made accusing those higher tax districts of not managing their budgets well. He asked Mr. McNeill to explain why the rates varied across the districts. Mr. McNeill stated that fire district tax rates are based on three

factors: budget requests, property valuation within the district, and the tax collection rate. The service districts that typically have higher tax rates are due to lower property valuations. Lower property valuation requires a higher tax rate to collect the minimum amount needed to operate a fire department, all of which have similar operating and equipment needs. In some cases, the tax rate is driven by the size of the district, but not in all cases. For example, North Transylvania and Cedar Mountain districts are small geographically which could mean less opportunity for property valuation. However, Balsam Grove is a large district, but the property valuation is low in that area. The solution is not always found by changing district lines. Mr. McNeill noted that the fire departments have done a good job over the years of evaluating their budgets and doing what is best for the citizens within their respective districts. He agreed with Commissioner Guice and challenged anyone who accused any department of not managing their budgets well. He pointed out that most of the departments have many of the same needs, but the value of a cent on the tax rate varies greatly from district to district, so they are not funded equally. For example, in Balsam Grove one cent on the tax rate brings in only \$9,010, yet they need the same equipment as other departments.

Commissioner Guice noted that if Commissioners return to the funding method in place prior to this year, most of the departments would see a significant tax rate increase (see FY 2020 Fire Budget Data chart). He recalled a citizen's question from the Quebec meeting asking Commissioners to review operations countywide and to consider establishing substations (referring to option 7: consider re-districting/merger of fire districts and/or contracting with alternative providers) and he wondered if this option could be managed in a way that is responsive to the needs of the citizens. He pointed out, as revealed during the public meetings, that citizens are satisfied with the services they receive, and they do not welcome any changes that would harm the fire departments. Many of them were angry that the Board was even considering making a change to the funding method. He felt it was because most of the attendees were directly involved with their local fire department in some way. He pointed out that the Board of Commissioners represents all the citizens of this County, and the 200+ citizens who attended were not a fair representation of the entire County. Commissioner Guice did not diminish the fact that this is a complex issue. Therefore, he was not ready to decide on any option at this time, and he wanted time to continue studying the options so he could contribute to making the right decision.

Commissioner Lemel stated it is apparent that this is a challenge for several districts. Unfortunately, she felt like North Transylvania has been vilified for moving the Board into a study of this issue when, in fact, the problem is countywide and should be examined because of the burden on citizens. She stressed it is not just a North Transylvania problem. She urged citizens to consider this holistically and not as a single issue. She no longer wanted to see North Transylvania vilified because it is a countywide problem.

Commissioner Chappell noted that based on public feedback, he had asked for consideration of the last option which calls for possible redistricting or a merger of districts. He asked Mr. McNeill to review the time constraints tied to meeting the statutory requirements for some of the options. Mr. McNeill informed Commissioners that to establish a countywide service district or an overlay district, there is a requirement for a report to be completed and presented to the Board of Commissioners. The report must be placed on file with the Clerk to the Board for a minimum of four weeks. Once it is placed in the Clerk's office, all citizens/property owners within the district (essentially everyone outside the city limits of Brevard) are sent a mailing with the information and given 30-days' notice of a public hearing. Once a public hearing is held, the Board of Commissioners may then move forward with a decision. This entire process could take up to eight weeks. To change service district lines or merge departments, similar procedures apply, but they are not countywide. Changing response districts, while keeping the service districts the same, does not require the public hearing process. The statutory requirements are dependent on the direction Commissioners wish to go.

Commissioner Chappell asked how a change in service districts might impact insurance ratings. He asked if the changes would be effective with the new service district or during the next insurance evaluation. Mr. McNeill stated that the district being assumed by another district would take the ISO rating of the new district. The district would then be reevaluated at a future time and be assessed a rating based on the findings. They are normally reevaluated within one year.

Commissioner Cathey asked if a referendum has been considered. The Manager informed him that State law limits those issues that may be put forth for referendum. This issue is not one that is allowed by statutes.

Commissioner Guice asked how option 4 (funding fire and rescue services through ad valorem tax) would impact service and response districts and if a public hearing process was required. Mr. McNeill stated that when a county has a service district, it is within the local governing board's purview to set the rates for those particular districts. Transylvania County is made up of service districts. Should Commissioners decide upon option 4, the existing service districts would remain in place, unless Commissioners decide to abolish them which would require a public hearing process. Otherwise, Commissioners would keep the service districts in place and set the tax rate for each district to \$0.00 with no public hearing requirement. The Board would then fund fire departments using ad valorem tax. Mr. McNeill emphasized that statutes give the Board of Commissioners the responsibility for choosing a funding method for fire protection service and how they want those services to be provided. The Manager pointed out that using the ad valorem method would go in tandem with how the County budget is adopted.

In response to Commissioner Guice, Mr. McNeill explained the difference between options 3 and 4 is that option 3 establishes a countywide service district that excludes the city limits of Brevard. Citizens living within the City would not pay the service district tax. With option 4, the ad valorem, or property tax method, all citizens would pay.

Commissioner Guice stated he read each of the letters from the fire chiefs. It is obvious they are very concerned about this issue and have varied opinions. He felt the Board needed more time to make a decision that Commissioners could be comfortable with.

Chairman Hawkins stated it is important that Commissioners define what is important to them and describe what they want to accomplish. For him, it began with the notion that some of the districts were being taxed unfairly and unsustainably. He worried about the incremental expansion of this project going outside its original scope; however, he has learned that any change from current practice involves things other than tax rates. It was also important to him that the Board not do anything that changes the relationship between fire departments and the communities that they serve.

Chairman Hawkins asked Commissioners to consider having a workshop in the next two to three weeks on this topic only. Commissioner Lemel was supportive of a separate workshop due to the complexity of the issue. Commissioner Guice was interested in hearing about how other counties have addressed the same issue.

Chairman Hawkins inquired about the timeframe in which staff needed a decision from the Board. Mr. McNeill stated it depends on their decision; however, a late March or early April timeframe would prove difficult in trying to establish a new service district.

## APPOINTMENTS

### PLANNING BOARD

The terms of Beecher Allison, Lauren Wise, and Sandy Watson expired at the end of January. All are eligible for reappointment; however, Sandy Watson does not wish to serve a second term. There are several applications on file for the Board's consideration.

**Commissioner Cathey moved to reappoint Beecher Allison and Lauren Wise, seconded by Commissioner Lemel and unanimously approved.**

**Commissioner Lemel nominated and moved to appoint Karen Gleasman, seconded by Commissioner Guice.**

**Commissioner Chappell nominated and moved to appoint Charles Blunt, seconded by Commissioner Cathey.**

Commissioner Lemel pointed out that Sandy Watson was the only woman on the Planning Board out of seven members. Having at least one woman serve on the Planning Board is reasonable given the population of the County. She informed Commissioners that Karen Gleasman was responsible for assisting the County with the discussion and realignment of economic development. She is a very conscientious, deliberate thinker and has shown herself to be a good consensus builder. Commissioner Lemel felt she would be an exceptional member of the Planning Board.

Commissioner Chappell reported that Mr. Blunt has a background in real estate and cattle farming.

Chairman Hawkins commented all the applicants would be good members of the Planning Board.

**The motion to appoint Charles Blunt failed by a vote of 2 to 3, with Chairman Hawkins and Commissioners Guice and Lemel voting against.**

**The motion to appoint Karen Gleasman passed by a vote of 3 to 2, with Commissioners Cathey and Chappell voting against.**

Chairman Hawkins stated his reason for voting for Ms. Gleasman is that he believes gender diversity is important. He felt Mr. Blunt would be a good candidate and hoped there would be an opportunity for him and others to serve in the future.

## OLD BUSINESS

### COURTHOUSE CEILING REPAIR/ENGINEER REPORT AND COST ESTIMATE

Assistant County Manager David McNeill presented this item. On October 27, 2019, staff responded to a report of plaster that had fallen from the ceiling in the stairwell leading to the large courtroom in the Courthouse. Staff secured the area, had it tested for asbestos, and cleaned it up. The County contracted for the removal of the remainder of the plaster in the stairwell. Measures were taken to secure the area to prevent further issues.

In response to the incident and concerns raised by the Administrative Office of the Courts, staff worked with Medlock Engineering to assess other areas in the Courthouse to identify immediate concerns and repair needs to prevent future incidents and ensure the safety of staff and citizens in the building. They recommended some repair work and remediation in the original structure.

- Substantial cracks found above estates office that run the length of the office
  - Recommend installing metal lath to limit potential damage if plaster assembly fails
- Significant cracking throughout 2<sup>nd</sup> floor
- Lack of insulation in roof and ceiling resulting in condensation on the underside of plaster may affect strength of plaster assembly; exacerbated by traffic vibrations
- Significant cracking in plaster ceiling above law library and storage area above jury room
- Failure of plaster assembly has greater potential for damage or injury than 1<sup>st</sup> floor
  - Recommend removal of plaster and installing plywood sheathing or metal lath
- Miscellaneous structural repairs

A quote from Wilson Services to perform the repairs is \$69,326. Staff recommended approval of the repairs as recommended by the engineer, along with 10% contingency for a total project cost of \$76,258.

There was no review of the structure of the former jail section. The structure of the old jail section is much different than the original structure. Maintenance is addressing issues in this area as they replace HVAC systems, etc.

Commissioner Guice pointed out the recommended repairs are focused on the original Courthouse structure which is the oldest part of the building. Mr. McNeill confirmed, noting that the Courthouse is comprised of three sections – the original structure, the middle section, and the old jail. He noted that the stairwell in the middle section is also included in the repairs because of the distance between the plaster and the drop ceiling. The contractor found some additional areas needing repair during his walkthrough as well.

**Commissioner Cathey moved to approve the repairs recommended by the engineer, seconded by Commissioner Guice.** Commissioner Chappell asked if staff intends to work with the Clerk’s office to ensure the work will be as least disruptive as possible. Mr. McNeill said staff is already working on this, noting one of their major concerns is the repair worked needed in the stairwell. They are working with the Fire Marshal to ensure it can be closed temporarily for repairs while still providing safe access for users and employees of the Courthouse. Commissioner Guice asked if the 10% contingency was sufficient. The Manager informed Commissioners that staff normally figures 5% contingency on new construction and 10% for remodels. Staff hopes this amount will cover any unforeseen costs. If not, staff may need to use emergency funds or come back to the Board to request additional funds. Commissioner Guice commented that regardless of the future of this building, these repairs are necessary and must be done as quickly as possible. Chairman Hawkins asked if other contractors were interested in the work. Mr. McNeill stated that this project was treated as an emergency with the work needing to commence quickly. The project will also require work on nights and weekends and the contractor has done similar work for the County in the past. **The motion was approved unanimously.**

## NEW BUSINESS

### APPROVAL OF TAX-EXEMPT LOAN FOR NORTH TRANSYLVANIA FIRE DEPARTMENT

Assistant County Manager David McNeill presented this item. North Transylvania Fire Department included the purchase of a replacement tanker in their FY 2020 budget. The department received competitive bids and contracted with 4 Guys in Pennsylvania for the purchase. The fire department is working with First Citizens Bank in Arden to finalize the financing requirement for a tax-exempt loan. First Citizens requires the County to complete two forms to confirm eligibility for the tax-exempt loan.

The approval of a tax-exempt loan for North Transylvania Fire Department does not obligate the Board of Commissioners to pay for the loan. Approval of the tax-exempt loan will result in an estimated \$10,400 savings over the term of the loan.

**Commissioner Guice moved to approve the tax-exempt loan for North Transylvania Fire Department, seconded by Commissioner Cathey.** Chairman Hawkins asked Mr. McNeill to explain the rationale for purchasing a new tanker. Mr. McNeill has worked with this department for many years. All fire departments have options when considering the replacement of a tanker or engine. North Transylvania has purchased used older equipment many times over the years in an effort to be as fiscally responsible as possible. During the last two budget cycles, staff began discussions with them about solving the issue long-term, instead of buying used equipment every three to five years. A loan was the best option. Commissioner Chappell pointed out that the department can get a loan without the Board of Commissioners' approval, but this action by the Board confirms their tax-exempt status and helps them save more than \$10,000 over the life of the loan. **The motion was unanimously approved.**

#### RECOMMENDED PROJECT SUBMISSIONS FOR NCDOT FUNDING

NCACC Fellow and Interim County Planner Kate Hayes reported that on January 30, 2020, the Transylvania County Transportation Advisory Committee recommended prioritization of potential projects in the State Transportation Improvement Program (STIP). The NC Department of Transportation (NCDOT) prioritizes transportation projects from across the State using data and input from the local division and the local Rural Planning Organization (RPO). Prior to assigning points for local preferences, the NCDOT Division 14 and the RPO are seeking recommendations from Transylvania County. If the Board of Commissioners approves the recommendations from the Transportation Advisory Committee, those projects will then be forwarded to the Land of Sky to be voted on by the Technical Coordinating Committee and then by their Transportation Advisory Committee at the regional level. Ms. Hayes turned the meeting over to RPO Coordinator Vicki Eastland to present the details of the projects.

Ms. Eastland reported that the prioritization process, also known as SPOT, is the process in which most funding decisions are made for transportation improvement projects. North Carolina has a relatively unique process for prioritizing projects that is data-driven and transparent, as mandated by the Strategic Transportation Investments law (STI). As part of the process, MPO's, RPO's and NCDOT Divisions work together with local communities to develop lists with the goal of having an efficient system that also enhances the infrastructure while supporting economic growth and local needs. They try to include projects that will address the needs identified by the local communities.

The process the RPO follows to develop the list is by working with County staff, elected officials, the TAC, as well as the other counties in the Land of Sky region. NCDOT Division 14 may also submit projects. It is preferred that projects are in a locally or regionally adopted plan.

The projects normally come from the Comprehensive Transportation Plan (CTP). The current working CTP was adopted in 2007, but the RPO is working to update it. They also look at locally adopted plans, such as Transylvania County's Comprehensive Plan and newly adopted Bike Plan. The projects from the long-range planning projects will feed into the SPOT prioritization process. Projects that go through the SPOT process successfully and receive funding go into the STIP and then onto project study and implementation.

The Land of Sky RPO can submit 16 projects in each mode: highway, bike or ped, and public transit. Once these projects are scored at the State level, there will be opportunity in the spring of 2021 to provide some local input.

Below is the list of projects approved by the TAC for prioritization. They are seeking Board approval to submit to the RPO.

- NC 280 from Taco Bell to Brickyard Road (SR 1323) –convert existing four-lane roadway to a four-lane divided highway with 17.5’ medians (minimum width), bikeable shoulders, and shared use path; previously submitted project; past proposal stopped at North Transylvania Fire Department, but scores better if limits are extended to the County line [Commissioner Guice was interested in the proposed width for the bikeable shoulders given the speed of that stretch of highway. Ms. Eastland stated the width would probably be 5’. Curb and gutter would also play a part in the width. If the project receives funding, it would be part of the design process. Commissioner Cathey inquired about the amount of condemnation that would be needed for this project, but Ms. Eastland was unaware. That operation falls under NCDOT’s operations. The Manager noted that NCDOT had a significant right-of-way on NC 280 when the road was originally built. There will be input during the design process.]
- Railroad Ave. Extension from US 64 to US 64 at Chestnut Street (SR 1610) improve existing two-lane roadway and construct on new location a two-lane roadway to connect the neighborhoods on the east side of Brevard, including a bike lane, sidewalk, or shared use path
- US 64/Rosman Highway from Clement Road (SR 1337) to the Park and Ride lot past US 178—widen existing two/three-lane facility into a four-lane divided facility, including a shared use path in locally adopted Bike Plan
- Neely Road from US 64 to US 64/276—modernize roadway to ensure roadway meets current NCDOT standards, improve intersections, include curb and gutter, and bike lanes and sidewalks or path to improve safety and reduce congestion
- Old US 64 (SR 1504) from US 64 to Ecusta Road (SR 1512) to modernize roadway, improve intersections, include curb and gutter, and bike lanes, sidewalks or shared use paths
- US 64/US 276/Asheville Highway from the northern terminus of R-5800 at Fortune Cove Road to the Southern terminus of R-5799 at the Pisgah Forest Intersection—modernize roadway, include replacement of two existing bridges crossing the Davidson River, improve select intersections and construct Bike/Ped accommodations based on locally adopted Bike Plan
- Ecusta Road (SR 1512) from US 64 to Old 64 and Old Hendersonville Highway (SR 1504)—modernize roadway, improve intersections, include curb and gutter, and bike lanes, sidewalks, or shared use path [Wilson Road and Davidson River Connector Road projects will put heavier demand on Ecusta Road so improvements for this roadway need to be scheduled.]
- US 64/Rosman Highway from the intersection of South Broad Street and North Country Club Road to Red Sky Knoll—convert existing two-lane left turn lane facility into four-lane divided with 17.5’ median, including bicycle and pedestrian accommodations based on locally adopted Bike/Ped plans
- US 276 from Elm Bend to Wilson Road-modernize roadway, improve intersections and construct Bike/Ped accommodations based on locally adopted Bike/Ped plans
- Everett Farm Road from Old US 64 (SR 1504) to Crab Creek Road (SR 1528)-modernize roadway, improve intersections, and include bike lanes or bikeable shoulder as identified in the locally adopted Bike plan [Commissioner Guice commented that Commissioners have heard concerns from citizens in Little River about the number of cyclists, farm equipment, school buses, etc. traveling on Everett Farm Road. So, this project is important to the community. He asked if the same is being addressed in Penrose on Crab Creek Road coming from Henderson County. Ms. Eastland stated this section of road was not discussed during the conversation, but it can be brought up in future discussions. She noted there were many submittals from the four-county region.]

Ms. Eastland reported that NCDOT is currently experiencing some cash flow issues. It is believed that this round of funding might be lean. To potentially address some short-term needs that might not be funded due to cash limitations, Division 14 would like to submit the following projects separate from the corridor projects, if approved by the Board of Commissioners:

- Intersection of US 276/Elm Bend Road
- Intersection of Neely Road/Park Avenue/Park View Road/Outland Avenue

Commissioner Guice said he has traveled across this State quite a bit over the last several years and he feels that this region struggles with getting the attention it needs to address transportation issues.

Commissioner Guice inquired about the status of Country Club Road. It is one of the worst roads in Transylvania County in terms of conditions. Ms. Eastland stated that NCDOT has Country Club Road scheduled in a project called High Impact Low Cost within the next 12-18 months. They intend to rebuild the roadway, not just repave it.

The Manager noted there are different funding streams available through various organizations like the RPO and Division 14. By being part of this process, there is coordination among the RPO, Division 14, and local staff which is a unique relationship and likely why Transylvania County has benefited from recent projects.

Commissioner Lemel asked if there are ways the County can be better advocates for transportation projects. Ms. Eastland said she believes Transylvania County is in a good position. The State stopped over 900 projects in July. The stoppage for some very important high priority projects in Transylvania County was less than three weeks. Ms. Eastland said she has always worked closely with the division, and they have responded positively with regards to projects here.

Commissioner Chappell asked if the breakout intersection projects were discussed by the TAC. Ms. Eastland confirmed that they were.

**Commissioner Lemel moved to approve the recommendation from the Transylvania County Transportation Advisory Committee to include the two breakout intersection projects and forward their response to the NC DOT and the RPO as part of the STIP 6.0 prioritization process that will be initially voted on by the Rural Planning Organization's Technical Review Committee on February 13<sup>th</sup>, seconded by Commissioner Guice.** Commissioner Cathey asked if the Elm Bend intersection project would be viewed by the State as the County's trying to push through its true desire. Ms. Eastland replied no. Chairman Hawkins reported that the Manager asked NCDOT specifically about the Country Club Road project recently and the response was that there was no funding available and the timeline was unknown. Ms. Eastland stated she confirmed with the programming division in Raleigh that this project has been committed to, but only just delayed. The 12 to 18-month timeframe was the last estimate she received. **The motion was approved unanimously.**

#### LEASE AGREEMENT WITH STATE OF NORTH CAROLINA

Assistant County Manager David McNeill presented this item. He reported that staff responded to an incident concerning a failing retaining wall at the Calvert Convenience Center site. While identifying repair options, staff discovered that the existing site is located on State owned property. Both the County and the State searched for a land use agreement, land transfer, and/or lease agreement for use of the property but found no record of such between the two parties.

County staff worked with State officials to draft a proposed lease agreement. Staff continues to explore options for repair of the existing site and a potential location of an alternative site for a collection center to serve the citizen in that area of the County. Regardless of the future of the existing site, staff recommends execution of the lease to allow County Solid Waste staff to maintain future access to the old Calvert Landfill.

**Commissioner Lemel moved to approve a lease agreement with the State of North Carolina as presented, seconded by Commissioner Chappell and unanimously approved.**

#### BUDGET AMENDMENTS

Finance Director Jonathan Griffin presented the following budget amendments to the Board for approval:

#### **AMENDMENTS TO THE ORDINANCE EXCEEDING \$5,000**

**#15** recognizes and appropriates new revenues from NCDHHS per an agreement addendum executed between the NCDHHS Department of Division of Public Health and the Transylvania County Public Health Department.

**#16** is a request from the Department of Social Services to increase the available budget on Foster Care programs. This is being driven by the Department of Social Services having a higher than anticipated number of children in foster care and a lower list of available foster homes. As of December 31, the Department of Social Services had expended \$160,721 on foster care, compared to \$124,612 throughout the entirety of FY 19 and \$130,041 in FY 18. As these expenditures are reimbursable through federal dollars controlled by the NC Department of Health and Human Services, additional expenses will be covered by a similar increase in revenues. Overall, approximately 90% of these expenditures are reimbursable, so the actual net financial impact to the County is relatively low.

**#17** represents a carryforward of appropriations from prior years for the Health Department's Environmental Health Division. \$42,700 is necessary to continue the implementation and pay the software costs associated with the Environmental Health's purchase of the HealthSpace inspections software. This was a carryforward that was overlooked in the initial planning stages of the FY 20 budget.

**#19** is a request from the Communications department to appropriate \$60,000 of fund balance within the Emergency Telephone System Fund (ETSF). The ETSF is restricted revenues received from the State of North Carolina for the purposes of maintaining a locally controlled 911 system. It is not permissible to expend these funds on anything other than the upkeep, maintenance and general administration of a 911 system. The purpose of these additional expenditures is to extend a contract for hardware maintenance for one year and replace a backup system.

**#20** is recognition and appropriation of new revenues within the Emergency Management Department. Emergency Management staff applied for and received a grant for \$120,000 to purchase two new vehicles and equip them to operate in emergency response scenarios. One of the vehicles, after purchase under the terms of the grant, was given to another western North Carolina county (Madison County).

**#25** is a request from the Department of Social Services (DSS) to increase appropriations to the LIEAP program by \$5,600. Like other DSS programs, these expenses are offset by revenues that come in the form of reimbursements. The slight increase requested is to cover small overages incurred by the department.

**#26** is an adjustment to the budget to complete new procedures implemented by the Finance Department. The Transylvania County Council on Aging approves and sets a budget for the Home and Community

Care Block Grant which provides funding for services for seniors in the County ranging from nutrition programs to adult day care to legal support. Historically, the Land of Sky Regional Council has taken block grant funds from NCDHHS, passed them to the County Finance Department, who would then pay vendors according to the plan adopted by the Council on Aging. For 2020, the projected grants passed through to these organizations was \$323,455. For the 2020 budget, the Finance office sought to improve this process, which led to longer wait times than was necessary between the funds being paid by the Land of Sky Regional Council and being received by the organization providing services. Instead, Finance did not budget for the pass-through at all in 2020 and completed the process to allow Land of Sky to pay providers directly. That said, the Finance Office had to pass through \$19,990 in expenditures (or about 6% of the annual grant amount) before Land of Sky took full control of the process. This recognizes the revenues and expenditures for the reporting in the first month of fiscal 2020.

### **TRANSFERS BETWEEN DEPARTMENTS REQUIRING BOARD APPROVAL**

**#22** transfers the \$2,760,111 approved to implement the Compensation Philosophy and Pay Study Option 1 from the Central Services department, where it was budgeted, to the individual departments. This requires Board approval independently because it encompasses two actions restricted by the Fiscal Control Act:

1. The transfers between departments exceed authority granted to the County Manager by the budget ordinance (\$2,613,111 is being moved between general fund departments)
2. \$147,000 is classified as a transfer to the Solid Waste Fund and only a governing board can facilitate the transfer between funds of a government unit.

**#27** also requires the adoption of a separate second amendment to recognize the \$147,000 in new revenues in the Solid Waste Fund and then appropriate them for the purposes of funding the compensation plan in that fund. This amendment, **#26**, completes implementation of the compensation study.

The amendments recommended for approval have the following financial impacts:

- \$839,966 to the General Fund budget in new revenues and expenditures
- \$147,000 in a transfer from the General Fund to the Solid Waste Fund
- Reduce the fund balance of the Emergency Telephone System Fund by \$60,000

**Commissioner Lemel moved to approve the budget amendments as presented, seconded by Commissioner Chappell.** Commissioner Cathey inquired about the net cost of these amendments. Mr. Griffin reported that the only amendments with net cost is the compensation study which was factored into the FY 21 budget. **The motion was approved unanimously.**

### MANAGER'S REPORT

The Manager reported the following:

- Transylvania County Health Department continues to participate in statewide public health status and pre-planning opportunities in relation to the Coronavirus
- Gaia Herbs/Town of Rosman sewer design engineering RFQ should be released within the next week
- White House hosted the first ever Opportunity Now Summit in Charlotte last Friday
  - Information on Opportunity Zones policy
  - How best to use resource for investment in Opportunity Zone areas
- Save the date for April 9 at 3:30pm for the Kindergarten Readiness Rally as part of GetSet Transylvania

- Transylvania County Emergency Management remains busy with flood concerns that will continue into this week after switching into snow mode over the weekend. Kudos to the Emergency Management Team for managing through the various weather events and for being of service to our citizens; reminded citizens to sign up for emergency alerts and assistance

### PUBLIC COMMENT

Larry Chapman: Mr. Chapman was recently elected to the Board of Directors for the Veterans History Museum of the Carolinas. He announced that the Museum is back open from the holiday hiatus. Hours of operation are Wednesday-Sunday. He encouraged everyone to visit the Museum because it is much more – an educational center, lecture hall, etc. Mr. Chapman noted that the Museum has been getting nationwide recognition. They are currently working closely with the WWII Museum in New Orleans. The Museum has had more than 16,000 visitors. He thanked the County for their support.

David Morrow: Mr. Morrow announced that early voting starts Thursday.

### COMMISSIONERS' COMMENTS

Commissioner Guice thanked Commissioner Lemel for all her work with regard to making presentations and for being the face of the Board at each of the community input meetings on the fire tax. He thanked her and staff for all their efforts to successfully pull off these meetings. Commissioner Lemel thanked him for the recognition and noted that she would be willing to speak at any community center on any local government topic if so desired by the citizens.

**Chairman Hawkins moved to enter into closed session pursuant to NC General Statute § 143-318.11 ((a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged, after a 5-minute recess, seconded by Commissioner Lemel and unanimously carried.**

### CLOSED SESSION

Pursuant to NC General Statute § 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged, closed session was entered into at 6:15 p.m. Present were Chairman Hawkins, Commissioners Cathey, Chappell, Guice and Lemel, County Manager Jaime Laughter, County Attorney Natalia Isenberg, and Clerk to the Board Trisha Hogan.

Commissioners consulted with the County Attorney on a matter protected by attorney-client privilege.

**Chairman Hawkins moved to leave closed session, seconded by Commissioner Cathey and unanimously carried.**

### OPEN SESSION

**Chairman Hawkins 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 Cathey and unanimously approved.**

**ADJOURNMENT**

There being no further business to come before the Board, **Chairman Hawkins moved to adjourn the meeting at 6:40 p.m., seconded by Commissioner Guice and unanimously approved.**

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Mike Hawkins, Chair  
Transylvania County Board of Commissioners

ATTEST:

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Trisha M. Hogan, Clerk to the Board