

**MINUTES**  
**TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS**  
**May 31, 2007- REGULAR SESSION AND GENERAL ACCOUNT OF CLOSED**  
**SESSION**

The Board of Commissioners of Transylvania County met in regular session on Thursday, May 31, 2007 at 7:00 p.m. in the large courtroom of the Transylvania County Courthouse.

Commissioners present were Lynn Bullock, Chairman Jason Chappell, David Guice, Darlye Hogsed and Vice-Chairman Kelvin Phillips.

Staff members present: County Manager Artie Wilson, County Attorney David Neumann, Board of Elections Director Judy Matthews, Veterans' Services Coordinator Frank Pearsall, Recreation Director Rick Pangle, Health Director Steve Smith, Library Director Anna Yount, Communications Director Kevin Shook, Finance Director Gay Poor, Tax Assessor/Collector David Reid and Clerk to the Board Trisha McLeod.

Media: *Times News*: Jonathan Rich  
*Transylvania Times*: Derek McKissock

There were approximately 15 people in the audience.

**CALL TO ORDER**

Chairman Jason Chappell presiding called the meeting to order at 7:00 p.m.

**WELCOME**

Chairman Chappell welcomed everyone to the meeting and explained why the meeting had been changed to this date.

**PUBLIC COMMENT**

There were no comments from the public.

**AGENDA MODIFICATIONS**

Chairman Chappell requested to remove Transportation Committee from Item V Appointments and directed the Clerk to advertise for appointments to this committee.

**Commissioner Phillips moved to approve the Agenda as modified, seconded by Commissioner Bullock and unanimously approved.**

## CONSENT AGENDA

### MINUTES

Minutes from the May 14, 2007 Regular Meeting and the May 15, 2007 Special Meeting were approved.

### FACILITIES USE REQUESTS

The use of the Courthouse lawn by Mr. Benson Galloway on Sundays in June and July from 12:30 p.m. – 1:30 p.m. was approved.

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

## APPOINTMENTS

### JHPC

**Commissioner Guice moved to reappoint Connie Kay Hughes to a full term, seconded by Commissioner Hogsed and unanimously approved.**

**Commissioner Phillips moved to appoint Dawn Jiles-McCall to fill the expired term of Jan Osborn, seconded by Chairman Chappell and unanimously approved.**

**Commissioner Guice moved to appoint James Whitt to fill the expired term of Nilsa Lobdell, seconded by Commissioner Phillips and unanimously approved.**

**Commissioner Hogsed moved to nominate Pat Childress as Chair of the JHPC, seconded by Commissioner Phillips and unanimously approved.**

### WORKFORCE DEVELOPMENT BOARD

**Chairman Chappell moved to reappoint Marshall Welch, seconded by Commissioner Bullock and unanimously approved.**

## NEW BUSINESS

### OVERVIEW OF FY 2007-2008 BUDGET

The Manager distributed the FY 2008 Budget Message to the Commissioners for their review. The proposed budget for the General Fund is \$43.3 million, \$2.6 million more (6.4%) over last year's approved budget. The Tax Assessor has estimated a tax base of \$3.96 billion for FY 2008, \$165 million more than last year, which will generate roughly \$900,000 in added tax revenue for the County.

State budget analysts project sales tax revenues to increase by 3.6%. The NCACC recommends counties budget growth in sales tax revenue at 3% for Articles 40 and 42. The NCACC suggests counties to project Article 39 growth according to the counties' experience. The County estimates a 1% increase in Article 39 taxes.

The County proposes a \$3 per ton increase in the tipping fee for the landfill and a \$0.25 increase in the tipping fee per bag for the convenience centers. The cost of fuel and operating costs necessitate these increases. The County also proposes increasing the single trade fee from \$50 to \$75 in the Building Permitting Department which will help offset increased labor and fuel costs.

The budget includes new revenues from programs instituted by the Sheriff at the jail to help offset the cost for an additional position. The Sheriff estimates that the new commissary program will generate \$30,000 in net revenue. A new medical co-pay program for inmates is estimated to generate approximately \$5,500.

Total expenditures are projected to increase 6.5% or \$2.6 million over last year's budget.

The major increases in expenditures include:

1. Implementation of a Pay Classification Study- effective February 2008; estimated cost of implementation is \$.7 million
2. 9 new positions (2 are grant related); (estimated cost \$.4 million); listed in order by priority:
  - Social Worker III (caseload mandates new position)
  - Accountant (provide needed help to the Finance Director)
  - Domestic Violence Investigator (grant related)
  - Environmental Health Technician (grant funded for this year only)
  - Jail Lieutenant (oversee commissary program; jail safety officer; coordinate a new inmate work program; assist in covering shifts and transports; serve as midlevel supervisor)
  - Jail Cook (reduce overtime and part-time now incurred within the department)
  - 2 Emergency Paramedics (make current convalescent crew a 7-day crew working 12-hour shifts)
  - Library Assistance (responsible for oversight of meeting rooms and helping with public computers)
3. Increase Current Spending for Schools by 5.3% or \$.4 million; includes the following:
  - Increase for teachers' supplements
  - COLA increase
  - Increase in utilities cost
  - Increase in SRO pay
  - Increase in retirement cost
  - Increase in healthcare cost
  - Coaching supplement step increase
  - Funds for hazardous chemical removal

Capital spending for the Schools is budgeted at \$1.7 million, \$.1 million higher than the last 5-year average; NOTE: School Capital Reserve Fund has been depleted

4. BCBS indicates a 15% increase in healthcare costs for FY 2008-08 which is an additional increase of \$0.3 million; recommends offsetting \$0.1 million by increasing co-pays and maximum Out-of-Pocket to industry norms and increase dependent rates to employees by 21%
5. Medicaid- Estimated Medicaid cost to the County for FY 2008 is \$1.7 million which accounts for 4.3 cents of the ad valorem tax rate; If the final budget approved by the Legislature does not include the relief proposed by the House, the County will have to fund another \$.2 million to make up for the shortfall.
6. Operational capital for the County is budgeted at \$.9 million; includes the following:
  - Replacement of 13 vehicles (7 in Sheriff's Department; Ambulance; 2 for Health Department; 1 for Building Permitting, Communications, Solid Waste; Bookmobile)
  - Lease of 911 Switching Gear; funds to come from 911 Surcharge and the Wireless Fund
7. Building and land improvements; includes the following:
  - Re-pointing of brick at courthouse
  - Repair courthouse along North Broad Street
  - Start of Public Safety Facility, Animal Shelter and renovation of the 3<sup>rd</sup> floor of the DSS building
  - Borrow \$7.8 million to meet long term needs of the Administrative Office of the Schools, County space and courthouse security; estimated annual debt service is \$1.0 million per year

The County estimates to end FY 2007 with a total fund balance of \$29.6 million. \$24.7 million is designated for capital projects. The County has an undesignated fund balance of \$5 million, or 13.5%. The County's goal is 20%.

In order to meet the County's capital needs and fund new positions that will be needed at the new Public Safety Facility and the Animal Shelter, the County recommends a 5 cents tax increase.

#### The Key Issues for FY 2007-08 Budget:

1. Increase in Head Count by 9 Positions	
• Social Worker III	\$45,698
• Accountant	\$60,501
• Domestic Violence Investigator (grant)	\$49,083
• Environmental Health Tech (grant)	\$45,698
• Jail Lieutenant	\$45,837
• Jail Cook	\$28,585
• Two EMS Paramedics	\$82,194
• Library Assistant	<u>\$37,064</u>
	\$394,660

2. Pay Classification Study/Implementation/Merit	\$656,524
3. Health Care Cost Increase & Plan Change	\$204,545
4. School's Request	
• Current Spending 5.3% increase	\$377,726
• Capital Spending \$1.7 million increase	\$1,668,222
5. Medicaid; assumes reduction as in House budget	\$178,784
6. Capital Projects; Borrowing Funds (debt service)	\$1,010,136
7. Ad Valorem Tax Rate increase	\$3,846,272

Commissioners will begin budget workshops on June 4, 2007 at 5:30 p.m.

### BILLS OF INTEREST

Several department heads are concerned about bills that may affect their respective departments.

Library Director Anna Yount addressed the Board. She stated that the House and Senate have recommended decreasing funds to Transylvania County by 5% from the Aid to Public Libraries Fund. Transylvania County received \$98,753 in state aid this year. Ms. Yount explained that the loss of funds would have a negative impact on the library.

Tax Assessor/Tax Collector David Reid addressed the Board. He explained that some of bills introduced in the Legislature discuss assessment caps and circuit breakers. Mr. Reid believes these bills should be studied much further. Mr. Reid is supportive of S1051 which changes the income eligibility to \$25,000, adds exemption for retirement communities and removes the AGI stipulation. He noted that he is opposed to raising the limit to anything higher than \$25,000. Mr. Reid is also opposed to S1309 which changes the revaluation cycle. He thinks counties should make their own decisions when to perform revaluations. However, there is a portion of the bill that he supports which increases the penalties on moving permits, etc. on mobile homes. Mr. Reid is also supportive of H486, increasing benefits for disabled veterans, and H1688, which moves motor vehicle taxes to the DMV.

Communications Director Kevin Shook addressed the Board. He explained that H1755 changes the Wireline Surcharge to \$.70 statewide which currently varies across the state from \$.25 to \$3.00. The intent of the bill is to ensure that everyone pays when they use 911. Currently there is no way to charge for using 911 through other communications devices. Mr. Shook noted that each county would continue to receive at least what they reported receiving in 2006 and any overages will be based upon population. If passed, it would become effective January 1, 2008. The Manager added that the Wireline Surcharge for Transylvania County would increase from \$0.50 to \$.70 but the County is only guaranteed to receive the amount received in the past. Those counties that have been paying \$3.00 are guaranteed to get the same amount as well and their citizens will only have to pay \$.70. He noted that there are good parts of the bill and the NCACC expects this bill will pass.

Board of Elections Director Judy Matthews addressed the Board. She stated that election officials nationwide have been fighting H811. If the bill is passed by the US Congress, all elections offices would require new voting equipment. The bill would also require the Boards of Elections to hire an outside person to hand count all of the ballots, not just a sampling. She noted that the bill is currently delayed.

Commissioners, by consensus, agreed to send a letter to representatives in Raleigh.

#### MANAGER'S REPORT

The Manager stated that the County recently went out for bids for Cell No. 5 at the landfill. The bids are due on June 20<sup>th</sup> and there is a pre-bid meeting on June 6<sup>th</sup> at 1:00 p.m. at the landfill.

Staff is still working on the final documents for the Public Safety Facility and will bring those forth to Commissioners before going out for bids. The construction documents have been approved by the Department of Insurance. Staff is also working with homeowners on Morris Road to get an easement for the sewer.

The new communications tower will be brought to the landfill site on Monday. Staff is currently negotiating a contract with Verizon Wireless.

#### **PUBLIC COMMENTS**

There were no public comments.

#### **COMMISSIONERS' COMMENTS**

There were no comments from Commissioners.

**Chairman Chappell moved to go into Closed Session per NC General Statute 143-318.11 (a) (3) to consult with an attorney, (a) (6) personnel matter and (a) (5) to discuss potential acquisition of real property, seconded by Commissioner Guice and unanimously carried.**

#### **CLOSED SESSION- GENERAL ACCOUNT AND MINUTES**

##### CLOSED SESSION #1 (General Account)

Pursuant to NC General Statute 143-318.11 (a) (3) to consult with an attorney and (a) (6) personnel matter, closed session was entered into at 8:20 p.m. Chairman Chappell, Commissioners Bullock, Guice, Hogsed and Phillips, Manager Wilson, County Attorney David Neumann, Health Director Steve Smith and Clerk to the Board Trisha McLeod were present.

The Commissioners discussed a personnel matter and directed Staff on how to proceed with the issue.

CLOSED SESSION #2

Pursuant to NC General Statute 143-318.11 (a) (5) to discuss potential acquisition of real property. Present were Chairman Chappell, Commissioners Bullock, Guice, Hogsed and Phillips, Manager Wilson, County Attorney David Neumann and Clerk to the Board Trisha McLeod.

Commissioners discussed the potential acquisition of property on Morris Road adjacent to property already owned by the County. The Manager explained that an offer has already been made by another potential buyer and County has a short window to make an offer.

Commissioners discussed their options and offered their thoughts about purchasing the property. After discussion, the consensus of the Commissioners was not to pursue this matter any further.

**Chairman Chappell moved to reenter Open Session, seconded by Commissioner Guice and unanimously carried.**

**OPEN SESSION**

**Chairman Chappell moved to seal the minutes of the first closed session, seconded by Commissioner Phillips and unanimously approved.**

There being no further business to come before the Board, **Commissioner Guice moved to adjourn the meeting, seconded by Commissioner Bullock and unanimously carried.**

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Jason R. Chappell, Chairman  
Board of County Commissioners

ATTEST:

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Trisha D. McLeod  
Clerk to the Board

