

**MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 12, 2022 – REGULAR MEETING**

The Board of Commissioners of Transylvania County met in a regular meeting on Monday, September 12, 2022, at 4:00 p.m. in the Multipurpose Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Larry Chapman, Chairman Jason Chappell, Vice-Chairman Jake Dalton, David Guice, and Teresa McCall. Also present were County Manager Jaime Laughter and Clerk to the Board Trisha Hogan. County Attorney John Kubis participated remotely via Zoom meeting software.

Media: *The Transylvania Times* – Jonathan Rich
Brevard Newsbeat – Dan DeWitt

There were approximately 45 people in the audience.

CALL TO ORDER

Chairman Jason Chappell presiding declared a quorum was present and called the meeting to order at 4:05 p.m.

WELCOME

Chairman Chappell welcomed everyone to the meeting and introduced the Commissioners and staff in attendance.

CAPITAL WORKSHOP

CAPITAL WORKSHOP

As part of the regular meeting, the Commissioners held a workshop to receive an update from the Manager and others on the County's capital projects that are on the horizon. The following is a summary of the presentation and the discussion that followed.

Staff formatted the workshop presentation into two parts:

- Part 1: Known capital projects
 - Updated capital sheet from FY 23 Budget discussion
 - Projects that have been identified in plans and studies
 - Projects that have not yet been evaluated or approved
- Part 2: First Tryon Advisors real-time modeling
 - Initial model run
 - Five-year horizon approach model run

Capital Funding Options in North Carolina

- Small to medium projects may qualify for commercial bank loans with typical terms of 10-15 years
- Options for financing major projects are general obligation bonds that require voter approval, limited obligation bonds, USDA loans if applicable to purpose, and revenue bonds for infrastructure or solid waste enterprise fund

- The County last issued bonds in 1998 with a refinance in 2008 and processed the last installment financing in 2015; the County carries little debt currently
- A best practice is to keep a section of the budget dedicated to debt so as old projects are paid off, new projects assume payment
- Pay-as-you-go/cash funding method
 - The strategy employed for some projects since FY 2016
 - The County allocates \$2.4 million to the fund balance
 - Parks and Recreation: Gallimore Road purchase, ninja fitness course, pickleball courts, Recreation Center air conditioning and improvements
 - Economic Development: Sylvan Valley Industrial Building (lease payments), Gaia Herbs sewer line extension
 - Public Safety: Communications upgrades, EMS property purchase
 - The model assumes zeroing out the assigned fund balance for the items and allocating to the capital plan
- Grants and other funds
 - GoldenLeaf, PARTF, ARC, and NC Commerce have all been used in recent years
 - ARPA funds for investment

Projects in Progress

- EMS Base (cash or finance option)
- Town of Rosman water and sewer investment (cash investment with grant funds)
- Sylvan Valley Phase II (cash and grant)
 - Cannot be financed because the County does not own the asset
- Upcoming authorization to permit new landfill cell (cash)
 - The cell has an estimated life span of five years so the permitting and construction are time sensitive

Assumptions (more detail to be provided by First Tryon Advisors)

- Operations workforce challenges to impact the next five years in local government (3%)
- Education operational increases historically have been higher than general government (5%)
- Historically property values have grown 2% per year (next revaluation in 2025)
- Sales tax has been impacted by online sales shifts
 - Model is assuming now stable – 5% projection

Major Capital

- Courthouse (mandated) (current facility late 1800's)
 - Updated costs in 2022, options range from \$44 million to \$57 million
 - Judge Knight's letter of the inadequacy of the facility was received on September 9, 2022
 - A potential alternative to double the square footage at \$25 million near-term with planned expansion later at \$25 million
- Public Safety (mandated)
 - EMS/Sylvan Valley Substation \$2.3 million, with the other half coming from Sylvan Valley District
- Infrastructure (water and sewer) \$52 million assumption
 - 2014 Potable Water Supply Study identified three alternates for water expansion
 - \$40 million to \$50 million for future combined water needs
 - Sewer treatment needs have not been modeled
 - The Town of Rosman – Burlingame system report: \$28.3 million investment needed to serve a wider area in that district
- Education (mandated)

- Assuming \$68 million bond proceeds as expected with Transylvania County Schools
- Assumes \$35 million in additional improvements over eight years spread out as cash
- Blue Ridge Community College requested a replacement campus for \$32 million
- Solid Waste (mandated)
 - Cell closures \$7.5 million (note: current revenues fall short of annual expenses)
 - May delay closure, but will have some operational costs in the meantime
 - Construction for expansion is \$8 million total over seven years but requires \$3.4 million in 2026 for a five-year cell (showing as cash-funded)
- Parks and Cultural
 - Community Park \$9.4 million
 - Multi-generational center \$22.4 million
 - Branch library \$2.6 million
- Other community requests – not studied at the County level
 - Conestee Fire Station \$11 million included for modeling purposes
 - Built-in cash line item to address other fire/rescue agency needs for modeling purposes
 - Champion Pool – not included in the model and no estimate on future needs
 - Library exterior upgrades – Library Foundation fundraising for \$400,000 for amphitheater improvements

Capital Built in as Annualized Cash Investments

- Education (mandated)
 - \$35 million over eight years in addition to the bond
- Public Safety (mandated)
 - Communication towers \$1.5 million
 - Maintenance schedule/updates on public safety systems
- Maintenance investments (necessary investments)
 - Roof replacements
 - Parks and Recreation ADA and safety improvements
- Equipment/vehicle replacement schedules (necessary investments)
 - Solid Waste
 - Transit

Note: At their previous meeting, the Board discussed the current year’s capital outlay for Transylvania County Schools. Because it has some impact on considerations in the financial model, the Manager asked Finance Director Jonathan Griffin to present further information on the School System’s capital outlay request during the workshop portion of the agenda. The Board will be asked to take action later in the meeting.

Transylvania County Schools - Capital Outlay Request

- On July 21, 2022, the County received a request from Transylvania County Schools Finance Officer Gabrielle Juba concerning recent action taken by the Board of Education regarding its capital outlay fund
- The Board of Education’s request was to swap County-funded projects and use the Public School Building Capital Fund (lottery) instead, and then use the dollars freed up by the lottery to fund additional local projects
- The Board of Commissioners reviewed the request along with an alternative proposal from staff and tabled consideration to this meeting, with feedback to staff of the Board’s desire for a plan to fully fund Transylvania County Schools’ capital projects
- FY 2022 original budget

- Furniture, fixtures, and equipment are fully funded
- Vehicles fully funded
- Building projects with a value of less than \$50,000 fully funded
- Changes
 - Increasing funding for computer equipment
 - Funding the capital repair/replacement line
 - Funding all projects greater than \$50,000
 - Budget change: \$1,060,000
- Staff proposal would fully fund the School System's capital requests for FY 2023
 - This proposal would spend more on the school capital needs than the proposal from the Board of Education
 - It uses \$620,000 in non-recurring funding (primarily sales tax dollars set aside in prior years that Transylvania County Schools did not request from the County)
 - Still uses the \$200,000 application fee for Pisgah Forest Elementary School roofs (the new lottery account)
 - The remainder comes from the General Fund sales and use taxes
- Budget impacts (legal changes in spending)
 - General Fund amendment of \$1.1 million to account for changes in the General Fund sales tax allocation and the Public School Building Capital Fund Pisgah Forest Elementary roof/window leak
 - Education Capital Fund amendment of \$620,000 to distribute authorized projects
- Financial impacts (net cost)
 - The current estimate of sales taxes for education capital is about \$2.4 million
 - If the sales tax projection is accurate, around \$600,000 in non-recurring funds (equates to approximately one cent on the property tax rate)
 - Preserve lottery balances for strategic discussion on future use; these funds can be used to pay debt
 - Not necessarily a cash impact because the procedure involves reimbursing the School System for large projects

This item is on the agenda for the Board's action following the conclusion of the workshop portion of the meeting. The Board's decision will impact the capital model, particularly when using cash balances. Tryon Advisors will be demonstrating the model during the capital workshop.

The Finance Director prepared two handouts for the Commissioners: a chart showing the Board of Education's proposal versus the County staff's proposal on funding the projects, and a list of prior year projects. Some of the capital repairs on previous capital lists were not specific and allocated as a lump sum, so staff recommended using those unspent funds from prior years to fund these projects. Funding for projects over \$50,000 is allocated by project and remains on the County's books until the School System seeks reimbursement. The staff's recommendation ties the unspent funds to projects and subsequent reimbursement upon completion.

Chairman Chappell noted that the Commissioners received an email from Board of Education Chairwoman Tawny McCoy prior to the start of the meeting with the estimates on the roof repair. The Board of Education received the estimates just today as well.

The Manager turned the meeting over to Tryon Advisors to run the initial model, as well as a second demonstration that included staff suggestions. Not all projects with master plans or studies (i.e., Silvermont Master Plan, Bike and Pedestrian Plan, sewer needs, etc.) were included in the initial model run. Tryon Advisors reviewed only the major capital projects that are currently included in the model.

David Cheatwood of Tryon Advisors, with assistance from running the Excel-based model by Charles Habliston, reviewed the fiscal impact of capital projects on the County's funds. Tryon Advisors has presented the model to the Board previously and they continue to revise and update it as the County receives new financial information from audits and budgets, new assumptions on growth, etc.

The model builds in the County's historical, as well as projected, revenues, expenditures, and fund balance. Tryon Advisors then plugged in the County's capital improvement plan and other projects under consideration. From a timing perspective, changes sometimes occur with projects or the costs of the projects, particularly in the current economic environment. The model is dynamic and interactive in that projects can be turned on or off or shifted to another year to determine the fiscal impact.

One of the high-level assumptions in the model is the use of property tax revenue coming in annually. In FY 2020, the Board of Commissioners increased its property tax by 12.5 cents resulting in a tax rate of 63.6 cents per \$100/valuation, primarily to pay the anticipated debt service on the general obligation school bond and the courthouse project. The County's most recent revaluation occurred in FY 2022 and the County adjusted the property tax downward to 60.33 cents. The model assumes that the 60.33 cents tax rate is maintained throughout the projection period. Of the 60.33 cents, 12.3 cents are allocated for capital projects with the remaining 48 cents for general fund operating expenses.

Operating Fund

Overview

Before looking at the capital projects and their funding impact, Mr. Cheatwood reviewed some of the high-level assumptions regarding the County's primary revenues and expenditures. Almost 90% of the County's general fund revenues come from property and sales taxes and they are the main drivers of revenue growth assumptions used in the model.

General Fund Revenues

In FY 2021, the County generated \$38.6 million in property tax revenue. Over five years, property tax revenue grew by 7.3 cents, which includes the property tax increase. The tax base grew by 2.4% per year. For FY 2022, property tax revenues are estimated at slightly over \$41 million. The model assumes a growth rate of 2% over a five-year projection period.

In FY 2021, the County received \$12.2 million in sales tax revenue which is an 11% average annual growth over the five years. In the last couple of years, sales tax revenue has increased statewide. Sales tax revenue is estimated at \$13.3 million for FY 2022. The model assumes a 5% growth rate over the next couple of years, then it is dialed back to 2%. The growth rate assumption is aggressive in the near term given current trends.

For the projection period FY 2023-2027, the model assumes that general fund revenues grow at 5% over FY 2022 and then 2.5% thereafter due to dialing back the sales tax assumptions.

General Fund Expenditures

About 75% of the County's general fund expenditures fall into three categories: Education (30%), Public Safety (30%), and Human Services (18%).

The model assumes that Education expenditures will grow 5% per year. The County has experienced greater growth and more pressure on these expenditure line items. The model also assumes a growth rate of 2.5% in Public Safety and 2% in Human Services. Overall expenditures are expected to grow 2.5% each year, which is in line with the projected revenues. From a budgeting standpoint, the County historically operates at a breakeven basis annually, with a surplus in certain years.

General Fund Transfers

Historically, the County has transferred between \$500,000 and \$1 million from the general fund to the Solid Waste Fund annually. The model assumes this practice will continue. The other transfers include 12.3 cents dedicated to capital projects.

Fund Balance

The general fund has different designations of the fund balance: non-spendable, restricted, committed, assigned, and unassigned. They all have different meanings and uses. The focus is usually on unassigned fund balances because these funds can be used for any purpose. In FY 2021, the County's last audited year, the unassigned fund balance was just under \$6 million which equates to 10% of general fund expenditures. The assigned fund balance for capital projects is a healthy figure. A portion of it will be transferred to the capital projects fund to allocate to certain capital projects. On a projection basis, the model assumes the County will not generate a large surplus each year.

Capital Projects Fund

Overview

The capital improvement plan includes \$330 million in identified projects. Most notable are the \$68 million in school bond projects, \$57 million for a new courthouse, \$52 million in identified water and sewer projects, \$32 for a new community college, parks and recreation needs totaling \$32 million, and various other line items.

The initial run of the model assumes that of the \$330 million, \$250 million will be debt funded, i.e., school projects, courthouse, community college, and water and sewer. The smaller projects, as well as projects like the landfill expansion that are not great financing projects, would mostly be funded by cash/pay-as-you-go.

Funding Scenario

Tryon Advisors made certain assumptions on the debt-funded projects based on timing and interest rates. For instance, they assumed the general obligation bonds for the schools and the debt on a new courthouse would be issued in FY 2024.

Counties have limited debt options in North Carolina. They include general obligation bonds, limited obligation bonds, and installment financing. For the general obligation bond option, counties pledge their taxing power to pay the debt. Unlike the GO bond, counties must pledge the asset with other types of financing options. The debt service is subject to an annual appropriation by the governing board during the budget process.

The model assumes the courthouse debt will be in the form of a USDA loan. These types of loans are managed as limited obligation bonds, but the bondholder/buyer/financer is the USDA. The model assumes a loan period of 35 years at an interest rate of 3%. Interest rates have risen over this calendar year so some of the capital items have assumed a higher interest rate to account for the rate increase.

Most debt service options in North Carolina are limited to 20 years, with some exceptions, like water and sewer. Various terms and interest rates have been noted in the model, as well as timing. The bulk of the timing for certain capital projects occurs over the next five-year period.

Proposed Debt Service

The County will be transitioning from currently having extremely low outstanding debt to borrowing over \$250 million over the next several years. Projects with estimated costs, borrowing terms, and interest rate assumptions that are currently turned on in the model result in a debt payment of \$500,000 annually. If all projects in the model were turned on, the debt would jump upwards of \$17 million which is not feasible.

Resulting Impact

Based on all assumptions, the County will fund the \$330 million in identified projects with a combination of debt and cash. The general fund unassigned fund balance is unaffected by all the capital projects because they assume all the capital projects and debt service related to those will be funded from the capital projects fund.

The unassigned fund balance rose slightly every year in the general fund due to the operating revenue and expenditure growth assumptions. The capital projects fund balance will grow over the next couple of years due to the allocation of 12.3 cents in property tax. Until the pay-as-you-go projects and debt service come due on all the debt identified, the model indicates the fund balance quickly having a negative balance in the capital projects funds by 2027.

Conclusions

Based on these assumptions and the existing revenue streams and operating expenditures, the County would not be able to fund all of the projects on the time horizon. This led Tryon Advisors to look at alternative scenarios. They collaborated with the County Manager and Finance Director to consider a second scenario that involved modifying project costs, shifting timelines, and changing funding assumptions.

Model Run Suggestions

For the second scenario model run, the Manager encouraged the Board to focus on the next five years, specifically identifying their priorities and noting that project management would be limited based on current staffing levels. This also helps to determine whether the cost projections prove to be conservative. If projects are moved further out on the timeline, the more at risk the County is of being wrong in the assumptions. Narrowing the focus gives the Board time to review the solid waste enterprise fund and fire and rescue funding model, both of which are partially funded by the general fund. The Manager stated that the Board would have to commit to delaying projects to future years, unless the County were to receive funding from unexpected sources through the Legislature, grants, etc. She also encouraged the Board to focus on the mandated functions and utilize the ARPA funds as revenue loss to invest in these projects, along with \$500,000 being allocated from the State this year. The Manager suggested the Board consider doing a comprehensive building condition evaluation for all the partner fire and rescue agencies to understand their future building needs.

While several projects were removed from the second scenario model run, the Manager wanted to ensure the Board continued to plan for them.

The second scenario model run assumes the following:

- Financing of the EMS Base to free up cash for Solid Waste cell expansion which is a time-sensitive project
- FY 2024 bond sale for Transylvania County Schools - \$68 million
- The new courthouse project is divided into two phases: \$25 million in FY 2025 with a second phase in future years
- \$3.4 million cash for Solid Waste cell expansion in FY 2025 (agenda item under New Business)
- \$32 million for Blue Ridge Community College in 2028
- Includes communication towers, roof replacements, etc.
- Includes \$35 million cash over eight years for school annual capital
- Removes assumed fire and rescue agencies cash building assumption
- Does not account for reserving assigned fund balance reserves to Parks and Recreation and Economic Development (\$3 million total that would be reallocated)

The Manager shared another alternative that could include modifying the courthouse to a single project and the financing of \$25 million to meet the school's needs in a future year.

2nd Scenario

Tryon Advisors presented a trimmed-down version of the debt-financed projects in the second scenario. They turned capital projects on that the Board would consider for funding and adjusted the timing for some projects. They turned projects off that are not being considered for debt financing or cash and removed some projects from the model altogether.

The second scenario mirrored the bullet-pointed list presented by the Manager:

- \$68 million General Obligation Bond for high school and middle school projects for financing in FY 2024
- Revised courthouse assumptions from \$57 million to a two-phased approach: \$25 million debt issuance in FY 2025 and another \$25 million debt issuance in FY 2032
- The model did not consider water and sewer needs at this point
- Blue Ridge Community College campus delayed from FY 2024 to FY 2028 at \$32 million
- Removed parks and recreation projects: community park and multi-generational center
- EMS Base included at \$5 million in FY 2023
- Projects for proposed fire district debt issuance and other fire district needs totaling \$11 million were turned off

As reported at the beginning of the workshop, the original modeling assumed the County would issue debt totaling more than \$250 million. The second scenario reduced the amount to \$170,000 and assumed that all these projects would flow through the capital projects fund, leaving the unassigned fund balance the same. The committee fund balance still becomes slightly negative, but not until FY 2030 as compared to the earlier projection of FY 2027. With the two funds combined, the fund stays positive for the next 10+ years. Although the fund balance would go below the target rate of 25% of general fund expenditures, the second scenario is a potentially feasible approach to funding the larger capital needs.

Mr. Cheatwood reported that with financing the County must obtain a credit rating which is a primary determinant of the interest rate. Credit rating agencies focus on a county's fund balance level. Having a fund balance totaling at least 25% of general fund expenditures achieves a higher rating which is the rationale behind the County maintaining this percentage.

The Manager added that the projects that were turned off in the model remain important and the County will remain committed to achieving them. The second scenario model run helps the Board focus on the projects that should be completed first. She pointed out there are many factors that could influence the timeframe, such as unexpected tax base growth, the cost of debt issuance, construction costs, etc. The Board currently subsidizes the fire department and the solid waste enterprise fund from the general fund, so the Board could consider a different funding model to free up general fund tax dollars for other capital projects.

The Manager called for comments and questions from the Commissioners regarding the second scenario and whether they wanted to consider other alternatives. Next is a summary of the discussion that ensued.

Commissioner McCall inquired about whether the figures were based on current rates. Mr. Cheatwood responded that they were but with some cushion.

Referring to the school capital improvements shown in the model as cash-funded, the Manager offered a scenario to meet the additional \$35 million identified in other campus needs that involved maintaining the

current annual allotment for capital and financing \$25 million. As part of the general fund, the County currently contributes \$1 million to \$1.2 million per year for capital.

Commissioner Chapman shared his concerns about completing the courthouse project in two phases, especially with the known deficiencies of the current facility. He preferred the Commissioners commit to constructing a building that is going to last. (For modeling purposes, Tryon Advisors turned on the \$57 million to show the courthouse project in its entirety.)

Commissioner Guice shared the same concerns, especially after receiving the letter regarding the inadequacies of the current facility from Judge Knight and hearing from the stakeholders and users of the courthouse. This was the first time he had learned about an option to pare down the project using a phased approach and he did not believe the stakeholders would support that option. He stated that a tax increase would be necessary to take care of the County's mandates, such as providing a courthouse. The Manager noted the purpose of this workshop is to provide various scenarios for the Board's consideration and to see in real-time how they impact the County's funds and tax rate.

Mr. Cheatwood pointed out that a 2 cents tax increase in FY 2024 would set the tax rate at \$0.6233 with 14.3 cents being allocated to the capital projects fund. This would get the County close to hitting the target within the 10-year horizon. There are several assumptions and variables to consider when getting past the five years. He suggested a 3 cents tax increase could get the County the \$57 million needed for the new courthouse.

Commissioner McCall said she struggled with determining which projects were the highest priorities particularly since the Board has not had a lot of discussion about some of them and because there remains a lot of unknowns. She agreed that the EMS Base and Courthouse are priorities, and she supported a possible phased approach for the Courthouse, particularly in a recession economy and with unknown construction costs.

Chairman Chappell asked if the model includes the annual capital allotment for the schools along with the bond sale in FY 2024 and financing additional school needs in FY 2027. Mr. Cheatwood confirmed.

In response to a question from Chairman Chappell, Mr. Cheatwood stated that a slightly lower fund balance could result in having a higher interest when financing. In reality, if the fund balance affects a county's credit rating, then it would have an impact on the interest rate.

The Manager pointed out that this exercise is not intended to direct the Board into a single plan. It is aimed toward considering the capital projects that are feasible within the timeframe. The Board would still need to refine its decisions on the courthouse, school projects, etc. but it gives them a starting point on which to focus while planning for future years.

Chairman Chappell was appreciative of staff steering the Board's focus on the functions the County is mandated to provide.

Commissioner Guice referred to the 3% interest shown in the model for the USDA loan and wondered if the County could lock in at a lower interest rate by moving the project along quickly and if so, how a lower interest rate would impact the formula. The Manager pointed out that, similar to the Local Government Commission, the USDA requires design plans to lock in on an interest rate. The earliest the County could have designs ready would be in 2024. Mr. Cheatwood added that the current interest rate is 2.25% but federal loan programs are usually lagging. The interest rates are updated every six months depending on the US Treasury rates. Given how much Treasury rates have gone up, the next reset is expected to be higher, so the model has built in an amount above 2.25%. Additionally, the 2.25% rate is not realistic at this point

because the County cannot lock in the rate without having design plans in place when submitting the application.

The Manager pointed out that the model considers the projects that the Board can accomplish without adjusting the tax rate. If the Board is willing to consider tax increases in future years, those would be factored into the model.

Commissioner Chapman inquired about the school capital list and whether it had changed since the Board of Education last submitted it to the County. He also expressed concern with declining student enrollment. He mentioned that Transylvania County has the greatest number of residents over the age of 65 and thus questioned the need to continue operating nine school facilities. The Manager informed the Commissioners that County staff receive an updated capital sheet from the Board of Education on an annual basis. The Board of Education submits information to the Department of Public Instruction as well.

Chairman Chappell asked whether the County's ability to obtain a USDA loan would be impacted if the Commissioners decided to construct the new courthouse in two phases. The Manager stated that there has always been a risk with USDA loans because the eligibility requirements may change at any time and the allocation from the federal government is made year-to-year. The Board also has the option to issue a limited obligation bond or ask the voters to consider a general obligation bond. Mr. Cheatwood pointed out that the main difference between a USDA loan and a limited obligation bond is the term. The term for a USDA loan can be as long as 35 years. The annual payments would be less, but the County would pay more interest over the term. The Local Government Commission is not required to approve USDA loans, but they must approve other types of financing methods whose terms are typically not longer than 20 years.

The Manager informed the Board that the model considers 2 cents annually being allocated toward the courthouse project. She noted there is currently \$4.8 million in assigned fund balance to allow the Board to pursue the design this year. The Board would need to give directions to staff on the design plan and then staff would proceed with the process of issuing a request for qualifications for architectural services. The design process is likely to take up to 18 months.

Commissioner Chapman suggested, as these discussions continue, that the Commissioners consider the projects that benefit the majority of citizens and have the most impact on quality of life.

Commissioner Guice suggested the Commissioners also factor in the future use of the current courthouse once the new one is built. Maintaining the current courthouse for some use is important to the public. Commissioner McCall agreed, pointing out that the courthouse has been the centerpiece of this County for years and that as a historical site, the County should honor its significance. Commissioner Chapman suggested the formation of a citizen advisory committee to assist the Board with its decision on the best use. The Manager pointed out that the ongoing maintenance and care of that building are not factored into the model.

Commissioner Guice wondered how delaying the Blue Ridge Community College expansion might impact their operations and whether they would remain in Transylvania County. He stressed how important the community college is to the community. For modeling purposes, the Manager asked Tryon Advisors to move up the date of this project to show how it impacts the financial forecast.

Commissioner McCall felt that the community college expansion project warranted further discussion. There has been no formal discussion on finding a new location and what should become of the current campus should the County build a new campus. She also suggested the County consider disposing of assets that become empty due to the cost of maintaining them. Commissioner McCall pointed out that the projected cost of a new campus did not include purchasing land.

Commissioner Guice agreed that further discussion was needed. He stated that the relationship between Blue Ridge Community College and the high school is critical and there is a large percentage of students attending both. For this reason, he felt that when the time comes the right partners need to be at the table to make the best decision.

The Manager stated that the current model indicates the financing for a new community college campus in 2028. Should the Board proceed with financing the construction of a new courthouse in 2024, the earliest the building could be occupied is in FY 2027. In terms of the staff time that goes into planning for a major project like a community college, the Manager estimated it would be 2027 before staff would be prepared, even with the overlapping of the courthouse construction.

Commissioner Guice asked if the estimate of \$32 million for a new community college would hold if it were delayed to 2028. The Manager stressed that one of the reasons staff is encouraging the Board to focus on a few projects is due to the unpredictability of the market and other factors like technology. The modeling should help the Board determine which projects to focus on.

Commissioner Guice asked about the possibility of state funding for courthouse projects. The Manager stated that she submitted the courthouse project along with a list of other capital projects to our state representatives for potential funding opportunities within the state budget. Many courthouses in counties across the state need repair or expansion so there has been some preliminary discussion at the state level about providing funding streams to counties for this purpose. The availability of state funding could factor into the Board's timeline for this project. The Board could also consider a design that includes a phased plan.

Chairman Chappell asked for discussion at a future meeting about the feasibility of a phased approach to the courthouse project and how that would impact financing options. Commissioner McCall agreed and stated that the Board should proceed with the design plans to move this project along.

Commissioner Guice pointed out that previous programming studies indicated a need for a certain amount of square footage in a new courthouse so he was unsure how a phased approach would accomplish meeting that need. He also pointed out that the cost of constructing a judicial facility is higher than constructing a standard office building due to the facility's special requirements related to security. The Manager stated that the phased approach meets the short-term needs while providing more than double the square footage of the existing facility. It also provides a plan for future expansion that adds square footage. The phased approach provides an option for the Board to move forward without enduring the full cost while meeting the most pressing needs. It would not compromise safety and other related factors that are necessary for a secure courthouse. The final decision will rest with the Board.

Commissioner Guice understood the need to use cash for the upcoming landfill expansion. He asked if the model included funds for long-term responsibilities. The Manager stated that the long-term ongoing maintenance costs are factored in using the state formula. Funding for the cell closure has been included but the model includes a scenario for delaying the closure. The expansion, however, is time-sensitive and does not lend itself to financing due to the typical life span of a cell of five years. The Manager pointed out that managing solid waste will continue to be a challenge so it will be important for the Board to discuss the funding stream for the enterprise fund.

Commissioner Guice asked if the water and sewer infrastructure were included in the model. The Manager informed the Commissioner that the funding for water and sewer infrastructure is currently turned off in the model. The County does not own any assets. If the Board wanted to consider in the future joining assets with the City of Brevard or the Town of Rosman, then the Board would need to introduce a revenue structure into the model to associate with that service.

Commissioner Dalton asked if the Board would be willing to consider supporting a quarter- or half-cent sales tax and if so, whether it could be factored into the model. He felt that with our strong tourism economy, the sales tax might relieve some of the burden on the taxpayers while still allowing the County to accomplish its goals. Mr. Cheatwood reminded the Commissioners that the sales tax must be approved by referendum. For modeling purposes, he can show how including the tax impacts the funding levels. The Manager informed the Commissioners that the sales tax revenue would be the equivalent of 2 cents property tax, or \$1.5 million. She pointed out that the model indicates that the courthouse project would require 3 cents in property tax. The additional sales tax revenue would reduce the additional property tax needed to 1 cent. She pointed out that the soonest the Commissioners could get the referendum on the ballot is in 2024.

Commissioner Chapman expressed his concern about the growth rate of government and wondered at what point the Board should consider cutting services.

Commissioner Guice responded that the County has very little debt but huge needs that need to be addressed. While some might see the Board's actions as growing government, he felt it was the responsibility of the elected officials to make decisions that are in the best interest of the citizens. He looked forward to having future discussions to chart a path forward to meet the needs of the community.

There was no further discussion and the workshop concluded.

Chairman Chappell moved for a brief recess, seconded by Commissioner Dalton and unanimously approved.

The Board reconvened the meeting at 6:25 p.m.

PUBLIC COMMENT

There were no comments from the public.

AGENDA MODIFICATIONS

There were no agenda modifications.

Commissioner Dalton moved to approve the agenda as submitted, seconded by Commissioner Chapman, and unanimously approved.

CONSENT AGENDA

Commissioner McCall moved to approve the Consent Agenda as submitted, seconded by Commissioner Guice, and unanimously approved.

The following items were approved:

APPROVAL OF MINUTES

The Board of Commissioners met in a closed session on the following dates and the minutes were sealed: January 10, 2022, and July 25, 2022 (2). The Board approved the minutes as submitted.

PROCLAMATION - CONSTITUTION WEEK

September 17, 2022, begins the national celebration of Constitution Week and a weeklong commemoration of America's most important document. A resolution petitioning Congress to set aside September 17-23 annually to be dedicated to the observance of Constitution Week (submitted by the

Daughters of the American Revolution) was signed into Public Law #915 on August 12, 1956, by President Dwight D. Eisenhower. The celebration aims to emphasize citizens' responsibilities for protecting and defending the Constitution, preserving it for posterity, informing people that the Constitution is the basis for America's great heritage and the foundation for our ways of life, and encourage the study of the historical events which led to the framing of the Constitution in September 1787. Commissioner Chapman read aloud the proclamation for the benefit of the public. The Board approved Resolution #28-2022 Proclaiming the Week of September 17-23 as Constitution Week.

**PROCLAMATION #28-2022
CONSTITUTION WEEK 2022**

WHEREAS, The Constitution of the United States of America, the guardian of our liberties, embodies the principles of limited government in a republic dedicated to rule by law; and

WHEREAS, September 17, 2022, marks the two hundred and thirty-fifth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary; and to the patriotic celebrations which will commemorate the occasion; and

WHEREAS, It is the privilege and duty of the American people to commemorate the two hundred and thirty-fifth anniversary of the drafting of the Constitution of the United States of America with appropriate ceremonies and activities; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week;

NOW, THEREFORE the Transylvania County Board of Commissioners does hereby proclaim the week of September 17 through 23 as **CONSTITUTION WEEK** and urges all citizens of Transylvania County to study the Constitution and reflect on the privilege of being an American with all the rights and responsibilities which that privilege involves.

This the 12th day of September 2022.

S://Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

RESOLUTION DECLARING SEPTEMBER 2022 AS PREPAREDNESS MONTH IN TRANSYLVANIA COUNTY

September is National Emergency Preparedness Month. The Brunswick County Board of Commissioners adopted a resolution on September 6 and asked each county in North Carolina to consider adopting the same. This was part of Brunswick County Commissioner Frank William's "100 Counties Prepared" initiative as President of the North Carolina Association of County Commissioners. At the recent NCACC Conference, the inaugural "100 Counties Prepared" training focused on Commissioners and other elected officials learning how to effectively lead during emergencies, knowing where the resources are, and establishing relationships with the appropriate emergency management partners. Brunswick County requested each county forward them an approved copy of their respective resolutions.

The Board approved Resolution #27-2022 Declaring September 2022 as Preparedness Month and directed the Clerk to the Board to forward a copy to the Brunswick County Board of Commissioners.

**RESOLUTION #27-2022
DECLARING SEPTEMBER 2022 AS “PREPAREDNESS MONTH”**

WHEREAS, National Preparedness Month is an observance each September to raise awareness about the importance of preparing for disasters and emergencies that could happen at any time; and

WHEREAS, counties throughout North Carolina have been affected by a variety of emergencies, including mudslides, wildfires, flooding, earthquakes, and the COVID-19 pandemic; and

WHEREAS, the peak period of hurricane season is historically mid-August through October, and September 10 marks the peak of hurricane season; and

WHEREAS, Brunswick County Commissioner Frank Williams recently completed his term as President of the N.C. Association of County Commissioners, which was focused on the *100 Counties Prepared* initiative; and

WHEREAS, several County Commissioners and officials from across the State of North Carolina completed the inaugural *100 Counties Prepared* training, including Transylvania County Commissioner Teresa McCall, which focused on training county commissioners on how to effectively lead during emergencies, compiling resources to assist commissioners during emergency situations, and helping commissioners establish relationships with key emergency management partners; and

WHEREAS, the 2022 theme of National Preparedness Month is “A Lasting Legacy. The life you have built is worth protecting. Prepare for disasters to create a lasting legacy for you and your family;” and

WHEREAS, the Transylvania County Board of Commissioners desires that every household, property owner, and business in Transylvania County be prepared for potential emergencies;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Transylvania County hereby declares September 2022 as Preparedness Month in Transylvania County and encourages all citizens to provide for “A Lasting Legacy” to their loved ones by developing an emergency plan, building an emergency kit, and communicating their emergency plan to all members of their household and/or workplace.

Adopted this the 12th day of September 2022.

S://Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

RESOLUTION DELEGATING REFUND AUTHORITY FOR OVERPAYMENTS OF EXCISE TAX

A refund of overpayment of excise tax must be authorized by the board of county commissioners per SECTION 2.1 N.C.G.S. § 105-228.37:

"(a1) Refunds for Overpayment. – The board of county commissioners may, by resolution, authorize either or both of the county manager or the county finance officer to grant a request for a refund of a tax paid under this Article that is filed within six months after the date the tax was paid. If a refund is granted pursuant to such authority, the refund will be processed in the same manner as if granted by the board of county commissioners as set forth in this section. A taxpayer who requests but is not granted a refund from a county manager or county finance officer may file a written request with the board of county commissioners pursuant to the procedures set forth in this section."

The Board approved Resolution #29-2022 which delegates the refund authority to the County Manager and Finance Director or either of them to grant requests for refund for overpayment of excise tax paid.

**RESOLUTION # 29-2022
DELEGATING REFUND AUTHORITY FOR OVERPAYMENTS OF EXCISE TAX**

WHEREAS, all grantors of interests in real property are required to pay an excise tax to the Register of Deeds of the county in which the real estate is located before recording the instrument of conveyance unless otherwise exempted; and

WHEREAS, on occasion, excise taxes are overpaid due to such actions as recording a deed in the wrong county or mistakenly paying the tax when exempt; and

WHEREAS, N.C.G.S. § 105-228.37 authorizes a board of commissioners to conduct a hearing to determine whether a refund should be granted; and

WHEREAS, N.C.G.S. § 105-228-37 was recently amended by Session Law 2022-50 adding a new subsection authorizing a board of county commissioners to delegate, by resolution, to either or both the county manager or the county finance officer the discretion to grant a request for a refund for overpayments of excise tax paid in accordance with statute; and

WHEREAS, the Board has determined that it is in the best interests of the citizens and residents of the County to delegate this task.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners for the County of Transylvania as follows:

1. That the County Manager and County Finance Officer, or either of them, are hereby authorized to grant requests for refund for overpayments of excise taxes paid in accordance with N.C.G.S. § 105-228.37
2. That the resolution shall be effective upon its adoption.

This the 12th day of September 2022.

S://Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

RESOLUTION OF SUPPORT FOR A REGIONAL ACTION PLANNING GRANT APPLICATION THROUGH THE SAFE STREETS FOR ALL PROGRAM

The Land of Sky Rural Planning Organization's (RPO) Transportation Advisory Committee recently authorized the submission of a grant application to the US Department of Transportation for a regional Safe Streets for All Action Plan that would create a plan to improve roadway safety in Buncombe, Haywood, Henderson, Madison, and Transylvania Counties. It would enable all of the local jurisdictions in the Land of Sky region to pursue implementation funds through the Safe Streets for All program, as needed. The data made available to the RPO, as well as the Metropolitan Planning Organization, shows roadway safety trends in our region moving in unfavorable directions. The Land of Sky would like to see this trend change for the better which will require a lot of work from their many partners. While not required, the Land of Sky strongly felt that a letter or resolution of support from its member counties would illustrate the regional support and make for a more robust application package. The Land of Sky asked for letters or resolutions of support by September 13. The Board approved Resolution #30-2022 Supporting for a Regional Action Planning Grant Application Through the Safe

Streets for All Program and directed the Clerk to forward the resolution to the Land of Sky RPO Coordinator.

RESOLUTION #30-2022
SUPPORT FOR A REGIONAL ACTION PLANNING GRANT APPLICATION THROUGH THE
SAFE STREETS FOR ALL PROGRAM

WHEREAS, the USDOT has developed a new discretionary grant program to address roadway safety through the new Safe Streets for All Program; and

WHEREAS, the Bipartisan Infrastructure Bill has appropriated \$5 billion for the Safe Streets for All Program through FY 2026; and

WHEREAS, the Safe Streets for All Program requires that entities, including local governments, that are interested in utilizing implementation funds through the Safe Streets for All Program have an adopted Action Plan; and

WHEREAS, an Action Plan that covers the French Broad River MPO and Land of Sky RPO region would include Transylvania County; and

WHEREAS, the French Broad River MPO and Land of Sky RPO planning areas have observed an increase in roadway crashes and fatalities;

NOW THEREFORE, BE IT RESOLVED that the Transylvania County Board of Commissioners supports the joint application from French Broad River MPO and the Land of Sky RPO to develop an Action Plan for the region through the Safe Streets for All Program.

ADOPTED this the 12th day of September 2022.

S://Jason R. Chappell, Chairman
 Transylvania County Board of Commissioners

UTILITY EASEMENT AND AGREEMENT BETWEEN COMPORIUM, INC. AND TRANSYLVANIA COUNTY (SOLID WASTE)

Comporium has existing infrastructure to support the Solid Waste facility. Staff presented an agreement between the County and Comporium that allows for infrastructure upgrades and establishes a method for coordination between the two entities. The Board authorized the County Manager to sign the utility easement and agreement with Comporium, Inc. to provide communication upgrades at the Solid Waste Facility.

ORDINANCE DECLARING A ROAD CLOSURE FOR THE VETERANS DAY CEREMONY

The NC Department of Transportation's (NCDOT) Special Event Guidelines stipulate that counties shall pass an ordinance declaring a road closure for a special event. The purpose is so NCDOT can review conflicts and concerns and is neither approving nor denying the event. The Clerk to the Board intends to submit a special use permit application to the City of Brevard to close a portion of Main Street on November 11 for the Veterans Day Ceremony at the Courthouse Gazebo soon. The Board approved an ordinance declaring a road closure for the Veterans Day Ceremony and instructed the Clerk to the Board to send the document and cover letter to the NCDOT Highway Division 14 office for consideration.

Ordinance No. 31-2022

An Ordinance Declaring a Road Closure for the Veterans Day Ceremony

WHEREAS, the Transylvania County Board of Commissioners acknowledges a long tradition of honoring our veterans; and

WHEREAS, the Transylvania County Board of Commissioners established a Veterans Day Committee to plan an annual ceremony at the Courthouse Gazebo on Main Street between Broad and Gaston Streets; and

WHEREAS, the Transylvania County Board of Commissioners acknowledges it requires additional time both prior to and following the event for set up and removal of signs and equipment and one hour for the ceremony.

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of Transylvania County pursuant to the authority granted by N.C.G.S. § 20-169 that they do hereby declare a temporary road closure during the date and times set forth below on the following described portion of a State Highway System route:

Date:	Friday, November 11, 2022
Times:	10:30 a.m. – 12:30 p.m.
Location Description:	Main Street (E Main St/US 276 N/US-276 S) between Broad and Gaston Streets in downtown Brevard (in front of the Transylvania County Courthouse)

This ordinance becomes effective when signs are erected giving notice of the limits and times of the ceremony and implementation of adequate traffic controls to protect participants and to guide vehicles around the event route.

Adopted this 12th day of September 2022.

S://Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

BREVARD FIRE DEPARTMENT AND TRANSYLVANIA COUNTY RESCUE SQUAD CONTRACT REVISION/UPDATE

Transylvania County Rescue Squad served as the primary agency responsible for Medical First Responder for the City of Brevard and Sylvan Valley II areas, with the Brevard Fire Department providing back-up service. During the FY 2023 budget process, the Brevard Fire Department accepted the responsibility of being the primary Medical First Responder, consistent with fire departments countywide, and designated the Rescue Squad as the backup service. This allows the Rescue Squad to focus on specialized rescue services, ambulance response, and providing a driver for County EMS when call volumes are high to ensure the continuation of ambulance services. The Brevard City Council, the Brevard Fire Department, and the Transylvania County Rescue Squad have reviewed and accepted the contractual changes. The Board approved the contractual changes reflecting the Primary and Secondary Medical First Responder roles within the Sylvan Valley II response area.

09/12/2022

APPOINTMENTS

JOINT HISTORIC PRESERVATION COMMISSION

There are two vacancies on the Joint Historic Preservation Commission with the recent resignations of Hannah DeToma and Rebecca Suddeth. Recruitment efforts resulted in applications to fill the vacancies.

Commissioner Chapman moved to appoint Billy Parrish and Andrew Wing to fill the two vacancies on the Joint Historic Preservation Commission, seconded by Commissioner Guice and unanimously approved.

TRANSYLVANIA COUNTY TOURISM DEVELOPMENT AUTHORITY

The Accommodations Owner/Operator position on the Transylvania County Tourism Development Authority is vacant. The TCTDA Board reviewed the applications on file and recommended the appointment of Dana Antonuccio. She operates short-term rental cabins near Gorges State Park, and she has been a contributing member of the Destination Infrastructure Committee this year. There was no recommendation to fill the remaining vacancy at this meeting. The Clerk to the Board has advertised for applications.

Commissioner McCall moved to appoint Dana Antonuccio to the vacant Accommodations Owner/Operator position, seconded by Commissioner Dalton and unanimously approved.

APPOINTMENT OF REVIEW OFFICERS FOR TRANSYLVANIA COUNTY

N.C.G.S. § 47-30.2 requires the Board of Commissioners of each county to designate one or more persons experienced in mapping or lands records management to be appointed as a Review Officer to certify maps or plats presented to the Register of Deeds as complying with all statutory requirements for recording. With recent changes in staffing in the Planning and Community Development department, the list of Review Officers for Transylvania County needs to be updated to reflect current staffing.

Ashley Minery, formerly the Administrative Support Specialist, is now a County Planner. Darby Terrell was recently hired as a County Planner as well. They have both completed the NC Secretary of State's Plat Review Workshop. Allen McNeill, the department director, recently left employment with Transylvania County. The resolution reflects the changes made in this department. The Clerk to the Board will file it with the Register of Deeds upon approval.

Commissioner Guice moved to approve Resolution #32-2022 Appointment of Review Officers for Transylvania County, seconded by Commissioner Chapman and unanimously approved.

RESOLUTION #32-2022

APPOINTMENT OF REVIEW OFFICERS FOR TRANSYLVANIA COUNTY

WHEREAS, Chapter 47-30.2 of the North Carolina General Statutes requires the Board of Commissioners of each county to designate by name one or more persons experienced in mapping or land records management to be appointed as a Review Officer to certify the maps or plats presented to the Register of Deeds as complying with all statutory requirements for recording; and

WHEREAS, the review of statutory requirements is of a technical nature; and

WHEREAS, one of the services that Transylvania County staff provides to the community is a similar technical process for subdivision plat review in order to verify compliance with the County's development regulations; and

WHEREAS, Transylvania County is committed to streamlining the review procedures for proposed developments and subdivisions of land; and

WHEREAS, it appears most efficient for Transylvania County to avoid adding another layer of development review by providing for the certification of statutory compliance for all maps or plats to be presented to the Register of Deeds for recording within the context of subdivision review procedures;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF TRANSYLVANIA COUNTY:

Section 1. The addition of the following persons is recommended to be appointed by the Transylvania County Board of Commissioners to serve as Review Officers for all lands within Transylvania County's planning jurisdiction in order to certify each map and plat presented to the Transylvania County Register of Deeds for recording satisfies the statutory requirements for recording

<u>NAME</u>	<u>POSITION/TITLE</u>
Ashley Minery	County Planner, Transylvania County Planning and Community Development (formerly Administrative Support Specialist)
Darby Terrell	County Planner, Transylvania County Planning and Community Development

Section 2. The removal of the following person as Review Officer for Transylvania County is recommended.

<u>NAME</u>	<u>POSITION/TITLE</u>
Allen McNeill	Director, Transylvania County Planning and Community Development

Adopted and approved this the 12th day of September 2022.

S://Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

OLD BUSINESS

TRANSYLVANIA COUNTY SCHOOLS - CAPITAL OUTLAY REQUEST AND AMENDMENTS

Chairman Chappell pointed out this item was on the Board’s previous agenda and the Commissioners decided at that time to bring it forth for further discussion during the capital workshop with a decision following. The Manager asked Finance Director Jonathan Griffin to brief the Commissioners on this item.

Mr. Griffin informed the Commissioners that the Board of Education has proposed to swap projects by using lottery funds to pay for some projects that were previously funded by the County. The Board of Education would then use the freed-up County funds to pay for new projects. At the previous meeting, the Board of Commissioners asked staff to explore scenarios to fund all of the projects. County staff put forth a proposal to fully fund the entire \$2.9+ million request from the Board of Education.

The County would fund most of the projects from the general fund, with \$600,000 coming from the education capital projects fund. Mr. Griffin shared that \$600,000 of the request is nonrecurring and the County cannot sustain an additional \$2.9 million next year without some changes. These are significant budget amendments that impact the budget. The County will end the year spending more than originally anticipated, but the lottery funds will be preserved for a discussion in the future on strategic use.

To proceed with the request, the Board would need to authorize the amendments to the full capital outlay plan, authorize the Chairman to sign the Public School Building applications, approve an amendment to the Education Capital Fund, and reaffirm their prior policy decision that the County will release funds once staff receives the appropriate documentation. Mr. Griffin recommended the Board proceed with the County staff alternative to fully fund the Transylvania County Schools capital requests.

Chairman Chappell reminded the Commissioners that they received an email from the Board of Education Chairwoman just prior to the start of this meeting with updated costs for the roof repairs.

To clarify the request, Alan Justice, Director of Facilities for Transylvania County Schools, explained that due to timing, fluctuating cost estimates, and other factors, he had to seek a third quote. He requested to combine funds from other projects to fund the roof repairs but noted that the Board's decision to move forward with the bond would impact projects in the near term. The request is to replace three roofs on Rosman High School's CTE Building, including the drains which are the source of the leaks. Mr. Justice pointed out there are eight drains, three of which are in critical need of replacement. He shared that the leaks occurring at Rosman Middle School are coming from the windows due to a flawed design, but he did not recommend funding that project at this time because they would become part of the bond projects.

Chairman Chappell acknowledged Mr. Justice's comments that some of these projects, including fixing leaks, would be taken care of by the bond, but he stated that it would be a significant amount of time before the bond projects would commence, which is the reason the Commissioners wanted to consider alternatives to fund all the requests.

Commissioner McCall moved to reject the three applications submitted by the Board of Education and agree to one application and appropriate unrequested funds in the Education Capital Fund, approve up to \$1.7 million as delineated by staff for the repairs identified, with the caveat of the County being involved with the contract award and progress reports being made to the County 30-45 days and with all permits and inspections completed through the Building Department prior to any work being performed, seconded by Commissioner Chapman. Commissioner Guice stated he was hesitant to support the motion due to the caveat because he was unsure of whether it was normal practice to require reporting on contracts and progress. The Manager informed the Commissioners that current practice involves the school's staff bidding and contracting projects; however, because the County allocates funding by projects over \$50,000, the School System must submit documentation to the County for reimbursement. The motion indicates a new step by which County staff would be involved in establishing contracts and reviewing progress reports every 30 to 45 days. Commissioner McCall clarified that her motion is predicated on the fact that the school capital projects and maintenance are not being completed while building conditions continue to deteriorate. She wanted to be assured that the contracts cover the work that the County Commissioners have approved the funding for. Chairman Chappell was equally concerned about projects being completed so he supported the motion as a method to ensure the work was getting done. Commissioner Chapman also supported the motion and cited his frustration with the Commissioners being blamed for maintenance issues that they have no oversight over. Commissioner Guice pointed out that the statutes delineate the responsibilities between the two entities, but he also wanted to see projects completed so he supported the motion. Commissioner Dalton asked Mr. Justice if he anticipated any delays. Mr. Justice informed the Commissioners that all the projects the Commissioners have allocated funding for are either under contract or in the bidding process, but he would not know about any delays until the projects were ready to commence. **The motion was unanimously approved.**

Commissioner McCall inquired about the cost of repairing the leaky windows, as well as the cost to repair the Brevard High School math wing that floods when it rains. She wanted to know the cost so that the Commissioners could determine if there was funding available to rectify these issues. She acknowledged

Commissioner Guice's comments about the statutes, but she took issue with the County approving funding while buildings are not being maintained.

Chairman Chappell felt it was important to point out that the action taken by the Board significantly increased capital funding for the current year beyond the Board of Education's initial request. He thanked the Commissioners for recognizing the need and directing staff to provide funding alternatives.

NEW BUSINESS

AUTHORIZATION FOR LABELLA TO PROCEED WITH NCDEQ PERMIT TO EXPAND WOODRUFF LANDFILL - PHASE 7

Before calling upon Solid Waste Director Kenn Webb, the Manager referenced the beginning step of moving forward with an investment of \$3.4 million as discussed during the capital workshop. A lot of permitting is required before construction can begin. Staff did not intend to ask the Board to commit to the full construction cost at this meeting, but there is a cost to the Board committing to this expansion project.

Mr. Webb stated that the current landfill will reach capacity in October 2025 based on estimates from the most recent Landfill Capacity Survey in June of this year. Based on the current timeline, the new cell will be permitted and ready for use by August 2025 which provides only a two-month buffer. Due to an increase in volume on a month-to-month basis, the lifespan of the current cell was reduced by 12 months. The volume has since stabilized but remains greater than the average over 20 years. Mr. Webb stressed that it is imperative to maintain the timeline to avoid any overfilling in the currently permitted sections of phases 4, 5, and 6. Many variables factor into the lifespan of a cell.

Regarding the expansion of the landfill, 15A NCAC 13B.1618.c.5 requires that public notice of the public meeting shall be made at least 30 days prior to the meeting, which will include a legal advertisement in the local newspaper and press releases to the local newspaper, radio, and TV. NC Department of Environmental Quality representatives will attend if their schedule allows. LaBella, the consultant, will also have representatives present to answer questions about plans.

Chairman Chappell suggested holding a hearing as soon as possible, preferably at a regular meeting of the Board of Commissioners.

As recommended by staff, **Commissioner Guice moved to authorize the County Manager to sign the Proposal for Professional Consulting Services dated August 11, 2022, titled Phase 7 Expansion - Permit to Construct, and to authorize the Solid Waste Director to arrange for a public meeting at a location and time to be determined for public input on expansion plans and that the public meeting may be part of a future County Commissioner meeting or a standalone meeting and should occur as quickly as possible, seconded by Commissioner Dalton and unanimously approved.**

INVESTMENT PORTFOLIO AND POLICY REVIEW

Finance Director Jonathan Griffin presented this item in response to a request from the Board to summarize and present policies and statistics concerning the County's investment of public funds. The information he presented is a repeat of a written report that he submitted to the Board on August 24, 2022, via email. This is a summary of his report:

- N.C.G.S. § 159-30 places significant restrictions on investment options
- Local government's exposure to default risk (cannot get money back) is significantly reduced by State laws that regulate investment
- Primary risks by counties are market risk and liquidity risk

- Compliance with State laws and policies is reviewed approximately four times per year, twice by Department of State Treasurer staff and twice by the County's audit firm
- County's portfolio statistics
 - 20 US Treasury Notes with values ranging between \$250,000 and \$625,000
 - Total principal is \$7.1 million
 - Maturities between Sept 2022 through June 2027 with an average maturity of 2.4 years
 - Current income is approximately \$70,000 annually
 - The average interest rate is 0.83% (the lowest is 0% with a coupon, highest is 2.25%) which is low because impact of the pandemic
 - Most of the Board's decision-making on investment policy dates to December 2016, although the Board reviewed staff proposals in the past couple of years
 - Use of restricted trusts to manage liabilities (Board deferred decision for more review)
 - Joining a joint mutual fund (NC Investment Pool) (Board approved May 2021)
 - First Citizens is the custodian of the County's investment funds, and per the Board's policy, the County accepts their recommendations
- There are approximately 12 policy decisions a governing board can make in North Carolina concerning investment policies
 - Total amount of investments authorized
 - Number of accounts
 - Use of advisors
 - Trust funds for liabilities
 - State Treasurer options
 - Portfolio diversification
 - Target maturities
 - Disposal procedures
 - Maturity diversification
 - Target rates of returns
- With so many moving pieces, staff do not recommend policy amendments without time to review for unintended consequences
- Staff have not received feedback or guidance from the Board about any desired changes, so the recommendation is no change

Mr. Griffin asked the Board to reaffirm its prior decisions on the County's investment policy. He intended to prepare a fully written policy summarizing and consolidating the Board's previous decisions.

Commissioner Guice moved to reaffirm the Board of Commissioners' prior decisions on the County's investment policy, seconded by Commissioner Chapman and unanimously approved.

MANAGER'S REPORT

The Manager reported the following:

- The Finance Department is busy wrapping up the audit fieldwork this week.
- Work has begun on the water and sewer line project on US 64.
- The EMS Base project was rebid because the County did not receive the required number of three bidders. Staff expect to bring the project forth to the Commissioners in the next couple of months to award the contract so that construction can commence.

PUBLIC COMMENT

There were no comments from the public.

COMMISSIONERS' COMMENTS

Commissioner Guice thanked all those who reached out to him during his recent spinal surgery. It reminded him about the importance of friendships and building relationships. He shared that he is healing well.

Commissioner McCall shared that her thoughts and prayers are with Assistant County Manager David McNeill and his family in their time of loss.

In solemn remembrance of the anniversary of the terrorist attacks on our nation on September 11, 2001, Chairman Chappell read an excerpt from President George W. Bush's address to the public on that day, a day which changed his life and that of thousands of others forever:

"A great people has been moved to defend a great nation. Terrorist attacks can shake the foundations of our biggest buildings, but they cannot touch the foundation of America. These acts shatter steel, but they cannot dent the steel of American resolve. America was targeted for attack because we're the brightest beacon for freedom and opportunity in the world. And no one will keep that light from shining. Today, our nation saw evil -- the very worst of human nature -- and we responded with the best of America. With the daring of our rescue workers, with the caring for strangers and neighbors who came to give blood and help in any way they could."

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Guice moved to adjourn the meeting at 7:18 p.m., seconded by Commissioner Dalton and unanimously carried.**

Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board