

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 23, 2024 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in a regular meeting on Monday, September 23, 2024, at 6:00 p.m. in the Multipurpose Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Chairman Jason Chappell, Vice-Chairman Jake Dalton, Teresa McCall, and Chase McKelvey. Commissioner Larry Chapman was traveling out of the country and unable to attend. County Manager Jaime Laughter and Clerk to the Board Trisha Hogan were also present. County Attorney Julie Hooten participated remotely via Zoom meeting software.

Media: Jon Rich – *The Transylvania Times*

There were approximately 40 people in the audience.

CALL TO ORDER

Chairman Jason Chappell presiding declared a quorum was present and called the meeting to order at 6:01 p.m.

WELCOME

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

PUBLIC COMMENT

The public comments represent the speakers' opinions or points of view.

Jayne Mallwitz: Ms. Mallwitz expressed disappointment over seeing yard signs in Transylvania County that feature a slogan associated with the U.S. Communist Party. She also addressed the issue of hate speech, sharing a recent experience in which an unknown individual directed hateful and slanderous comments toward her on Facebook. She urged others to consider the impact of their words on social media, reminding everyone that real people are on the receiving end. Ms. Mallwitz stated that she intended to take action regarding the incident and called on everyone to reflect on the importance of respectful dialogue.

Cara Bradshaw: As a member of the Brevard Transylvania Housing Coalition and Community Impact Director at the Sharing House, Ms. Bradshaw shared the story of a resident deeply affected by the affordable housing crisis. This lifelong resident of Transylvania County lost her husband during the COVID-19 pandemic, could no longer keep up with mortgage payments, and had to live out of her car—a situation she never thought she would face. Ms. Bradshaw emphasized that last year's housing study found one in four county households are cost-burdened, with 106 families facing eviction and 45% of renters struggling with housing costs. There is an urgent need for all types of housing, including workforce housing, deeply affordable rentals, and permanent supportive housing. While this is a national crisis, Ms. Bradshaw believes Transylvania County can lead with unique solutions. Nationally, only 6.4% of housing built from 2018 to 2022 was affordable to households earning less than 80% of the area median income. The private market prioritizes high-end housing, which excludes low- and moderate-income households. Ms. Bradshaw noted that affordable housing neither reduces property values nor

increases crime, and investing in it reduces costs related to emergency healthcare, law enforcement, and social services. Stable housing also supports student success by reducing absenteeism. Having personally experienced the benefits of affordable housing, Ms. Bradshaw underscored its importance. She highlighted the coalition's work, which includes addressing displacement in Rosenwald, providing legal support to tenants at risk, and engaging faith communities. Ms. Bradshaw expressed appreciation for Planning and Community Development Director Jeff Adams, a significant asset to the coalition. She invited the Board to join their "Housing for All: A Community Tour" on October 10 to explore affordable housing challenges, witness successes, and collaborate on solutions.

Steve Keate: Mr. Keate addressed the push to increase affordable housing in Transylvania County, noting that special interest groups have highlighted a shortage through various anecdotes. While he supports expanding the county's housing supply, he questioned how "affordability" can truly be defined, as it depends on individual circumstances and lifestyle choices. Mr. Keate voiced concerns about government intervention in this area, stressing that America's commitment to free-market capitalism has built a prosperous society where individuals make choices based on their self-interest, which determines prices. He cautioned that government subsidies for affordable housing could burden taxpayers, potentially prioritizing the needs of subsidized renters over homeowners already struggling with property taxes. Instead, he encouraged the Board to focus on creating conditions for a healthy housing market by attracting high-paying jobs through economic development and infrastructure efforts, along with providing zoning and permitting flexibility. He reminded everyone that "there are no free lunches, only trade-offs."

Ed Snipes: As a member of the Brevard Transylvania Housing Coalition, Mr. Snipes explained that their work on affordable housing begins with helping people rebuild their lives and transition into stable housing. The coalition helps individuals regain self-sufficiency, often surprising volunteers with the range of people they serve—some struggling with addiction or mental health issues, but many working one or two jobs and still unable to make ends meet. Mr. Snipes emphasized the coalition's partnerships with organizations like The Haven to provide temporary housing and support a path to permanent housing. They work to keep people off the streets by providing meals and a safe place to sleep. He noted that it is easy to make assumptions about those facing housing instability, but in reality, people's situations are complex. While some may make poor choices, there remains an urgent need for affordable housing options for everyone in the community.

Madeline Offen: A 30-year resident of Transylvania County, Ms. Offen expressed her commitment to creating a community where her children can one day afford to return. As a member of the Transylvania County Housing Coalition, she works alongside a dedicated group to ensure safe, affordable housing for all residents. She encouraged the Board of Commissioners to join them in this mission. Ms. Offen noted the county's urgent housing crisis, explaining that fair market rent for a two-bedroom home is \$1,128, requiring an income of \$45,000—\$20,000 more than the salary of a local firefighter. A recent search showed no two-bedroom apartments for less than \$1,550 and even one-bedroom apartments starting at \$1,500. This situation makes it impossible for essential workers, such as firefighters, teachers, servers, and retail employees, to afford housing in the county. Acknowledging Transylvania County's appeal, she emphasized the need for proactive action to make it affordable for all residents. Ms. Offen called for the County's support in securing the 84 units promised in the Dogwood grant, expanding infrastructure, and leveraging community development block grants, home investment funds, and public-private partnerships. The housing coalition remains committed to building a community for everyone. Ms. Offen urged the Board to join them in this effort.

AGENDA MODIFICATIONS

There were no agenda modifications.

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

CONSENT AGENDA

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

The Board approved the following:

AUGUST 2024 DISCOVERY, RELEASE, & MONTHLY SETTLEMENT REPORT

Per N.C.G.S. § 105-312 (b), the Tax Administrator must see that all property not properly listed during the regular listing period be listed, assessed, and taxed. The Tax Administrator shall file such reports of discoveries with the Board of Commissioners. Per N.C.G.S. § 105-381 (b), the Tax Administrator must provide a monthly report to the Board of Commissioners of the actions taken by the Tax Administrator on requests for release or refund, which shall be recorded in the minutes. For August 2024, tax dollars released totaled \$8,155.54 and refunds issued amounted to \$1,970.20. The Board approved the August 2024 Discovery, Release, and Monthly Settlement Report as submitted.

REQUEST TO CLOSE TAX ADMINISTRATION OFFICE ON DECEMBER 6TH FOR EMPLOYEE TRAINING

Tax Administrator Jessica McCall requested permission to close the Tax Office on December 6, 2024, from 8:30 a.m. to 5:00 p.m. to conduct staff training on the upcoming reappraisal so that staff can provide the best customer service to taxpayers. The Board approved the request to close the Tax Administration Office on December 6, 2024, from 8:30 a.m. to 5:00 p.m. for employee training and instructed staff to post and publish public notice.

REQUEST BY COMMUNICATIONS TO ATTEND OUT-OF-STATE TRAINING

Transylvania County utilizes Southern Software for its public safety software, including Computer Aided Dispatch, Mapping Display System, Mobile Data Information System, and others. The Communications Director requested permission for himself and five Telecommunicators to attend the Southern Software annual users conference in Myrtle Beach, SC in October. They will attend courses specific to the software used by the County and learn about updates, new features, and functionality improvements to these products that will improve overall utilization of the software resulting in enhanced public safety efforts for the citizens and visitors in Transylvania County. The department's budget includes travel and training funds for this purpose. The Board of Commissioners requires prior approval for out-of-state travel. The Board approved the request for out-of-state travel as submitted.

HEALTH DEPT BAD DEBT WRITE-OFF

The Department of Public Health Bad Debt policy identifies the process for handling aging accounts with no payment activity greater than 180 days. Pursuant to this policy and the unanimous vote of the Board of Health, Public Health Director Elaine Russell recommended the write-off of bad debts totaling \$384.52 from July 1, 2023, through December 31, 2023. Account balances greater than \$50 will be forwarded to the NC Debt Setoff Program for potential collection (\$254). The Board approved the write-off of \$384.52 in bad debt as submitted.

PRESENTATIONS/RECOGNITIONS

UPDATE FROM YOUTHVOICE DELEGATE

Liam Transue, a student at Brevard High School, represented the Boys and Girls Club and 4-H at the NC Association of County Commissioners Conference in Forsyth County this past August. He shared insights

from the experience, explaining how he learned about the County Commissioners' role in managing budgets and allocating tax funds. During the conference, participants played a simulation game called *Bottom Line*, where they used chips as money to make funding decisions and weigh tax options, mimicking the responsibilities of a Commissioner. Liam noted that some participants acted as news reporters covering these mock meetings, and it was eye-opening to see how news coverage can sometimes be inaccurate. A highlight for Liam was attending the NCACC dinner, where he heard from an author discussing "next generation theory," which explores how each generation's upbringing influences their behavior and outlook. He also attended a ceremony recognizing public service contributions. Liam expressed gratitude to the County Commissioners for the opportunity to attend.

UPDATE ON TRANSPORTATION PROJECTS

The Board of Commissioners requested an update on funded and scheduled transportation projects in Transylvania County. Vicki Eastland, Rural Planning Organization Coordinator with the Land of Sky Regional Council, and Troy Wilson, District 1 Engineer for NC Department of Transportation Division 14, provided the update, focusing on major projects, bridge replacements, and projects listed in the State Transportation Improvement Program (STIP). The presentation highlights are summarized below:

Who is the Land of Sky Rural Planning Organization (RPO)?

- Housed at Land of Sky since its inception in 2003.
- The RPO represents Transylvania County, and the rural areas of Buncombe, Haywood, and Madison Counties.

NC Department of Transportation (NCDOT) Division 14, District 1

- North Carolina is divided into 14 transportation divisions.
- Division 14 comprises 10 counties and three Districts.
- Transylvania County is in District 1, along with Henderson and Polk Counties.

State Transportation Improvement Plan (STIP)

- Transportation projects are programmed within the STIP.
- The STIP is a 10-year plan that outlines the funding and scheduling of transportation projects.
- Updated every two years.
- Current STIP covers 2024-2033.
- Draft 2026-2035 due to release in January 2025.

How is the STIP Developed?

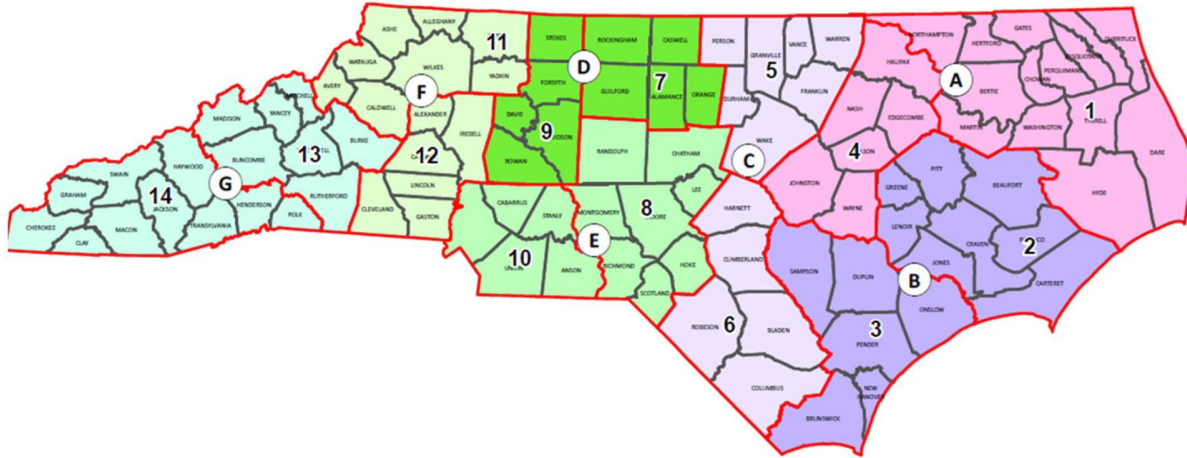
- The STIP is developed by a process called Prioritization in which the majority of funding decisions are made for Transportation Improvement Projects.
- The Strategic Transportation Investments Law (STI), codified into law in 2013, mandates the process.
- Metropolitan Planning Organizations (MPOs), RPOs, NCDOT Divisions, and Local Partners collaborate to develop and prioritize projects across the State to efficiently use transportation funds to enhance infrastructure while supporting economic growth and local needs.
- Funding is allocated to projects based on three tier levels: Statewide Mobility, Regional Impact, and Division Needs.

Tiers and Percentage of Funding Explained

- Statewide Mobility
 - 40% of funds.
 - Projects compete across the State (examples are I-26 and I-40).
 - There are no Statewide Mobility eligible projects in Transylvania County.
- Regional Impact
 - 30% of funds.
 - Projects compete in Region G (examples are US 64, NC 178, and shielded roads).

- Transylvania County is located in the second lowest population area therefore this region receives the second lowest portion of this percentage of funding.
- Division Needs
 - 30% of funds.
 - Projects compete within respective Divisions (examples are Everett Road, transit, pedestrian, and bike).

Statewide, Regions, and Divisions



Current Funding Outlook

- Draft 2026-2035 STIP funding availability for selecting projects from prioritization.
- Values are as of May 17, 2024, and will change due to, but not limited to, updated project cost estimates for projects in the current STIP.
- Region G has a negative \$191 million balance based on the current STIP projects and the cost increases for all those projects.
- Division 14’s available funding is negative \$35 million (based on information received today).

STI Funding Category	Funding Availability
Statewide Mobility	\$1,033M
Region A (Divisions 1 & 4)	-\$228M
Region B (Divisions 2 & 3)	-\$32M
Region C (Divisions 5 & 6)	\$992M
Region D (Divisions 7 & 9)	\$458M
Region E (Divisions 8 & 10)	-\$471M
Region F (Divisions 11 & 12)	\$8M
Region G (Divisions 13 & 14)	-\$191M
Division 1	-\$19M
Division 2	-\$85M
Division 3	-\$54M
Division 4	\$24M
Division 5	-\$107M
Division 6	\$126M
Division 7	\$184M
Division 8	\$113M
Division 9	-\$15M
Division 10	-\$108M
Division 11	\$40M
Division 12	-\$72M
Division 13	-\$52M
Division 14	\$51M

Projects Current Under Construction

- Federal Highways Division requires that North Carolina's STIP cannot be in the red financially.
- Thus, these project schedules are expected to shift, but it is unknown how much.

LOS RPO, NCDOT Division 14, Transylvania County, Construction Updates, September, 2024

County	TIP#	Route	Location Description	Completion Date	Revised Completion Date	Completion Percent
Transylvania	R-5794I, U-5104	US-64	US 64 BUS S. CALDWELL ST APPROXIMATELY 70 FEET SOUTH OF INT WITH BRACKEN LN, US 64 FROM JUST WEST OF BREVARD ACADEMY	6/25/2023	10/21/2023	84%
Transylvania	R-5799	US-64	INTERSECTIONS OF US-64 / US-276 (HENDERSONVILLE HWY), AND US -64 / NC-280 (ASHEVILLE HWY).	5/14/2027		17%
Transylvania		US-64	RESURFACING ON US 64 (ROSMAN HWY) AND VARIOUS SECONDARY ROUTES THROUGHOUT TRANSYLVANIA COUNTY	10/15/2023		85%
Transylvania		SR 1309	BRIDGE NO. 63 OVER WEST FORK OF FRENCH BROAD RIVER ON SR 130 9 (SILVERSTEEN ROAD)	5/15/2025		71%
Transylvania	HA-0002	SR 1615	SR 1615 (MOUNTAIN INDUSTRIAL DRIVE) ROAD EXTENSION IN JENNINGS INDUSTRIAL PARK	10/19/2024		73%
Transylvania	EB-5858	US 276	PEDESTRIAN BRIDGE ACROSS DAVIDSON RIVER	4/11/2025		39%

Projects in Development with Construction Funds

- R-5763, SR 1540 Wilson Road, from SR 1504 (old Hendersonville Hwy) – US 276
 - Right of Way 95% complete with four parcels remaining.
 - Clearing to begin in various locations this fall/winter.
 - Let for bids in September 2025
- R-5800, US 64/276 (Asheville Hwy) Fortune Cove Road – N. Caldwell Street
 - Right of Way 38% Complete with 21 parcels settled.
 - Let for bids in October 2026.
- HN-0031 Intersection Improvement US 276 Cascade Lake Road.
 - In design.
 - Let for bids in the fall of 2026.
- Hart Road
 - Ready to begin Right of Way negotiations.
 - Currently in the permitting process.
 - In the final review from all the necessary regulatory agencies.
- Several Bridge replacements throughout the county
 - Tanasee Gap Road over Tucker Creek.
 - Solomon Jones/YMCA Camp Road over Walker Creek.
 - Old Turnpike Road over French Broad River.
 - Everett Road over French Broad River (four timber bridges).
- Construct Multi-Use Path (Estatoe Trail) from Cashiers Valley Road – Silversteen Drive.
 - Connect to the existing path (Silversteen – US 64 and sidewalk on Cashiers Valley Road).
 - In design.
 - Let for bids in the spring of 2025.
- Ecusta Trail
 - In design.
 - Let for bids in the spring or summer of 2026.
- HS-2014AC
 - Install traffic signals with pedestrian signals on US 276/Gallimore Road.
 - Fall of 2024.
- HS-2414G
 - Install a rapid flashing beacon at the crosswalk of Ecusta Road/Veterans Way.
- Pedestrian crossing at Strauss Park and Hospital Drive

Projects in Development Without Construction Funds

- R-5865 US 276, Pisgah National Forest gateway to Avery Creek Trail
 - In design.
 - Not funded for construction.
- R-5882 US 64 S. Broad/S. Caldwell
 - Improve intersection.
 - Not funded for construction.
- R-5919 US 178 East Main Street) to Middlefork Road
 - Modernize roadway.
 - Not funded for construction.

Ms. Eastland and Mr. Wilson concluded their presentation and opened the floor for comments and questions.

Chairman Chappell inquired about the State's approach to applying for federal resiliency funds, asking whether applications are submitted by individual projects or as a group. Ms. Eastland explained that the State has pursued both options to maximize federal funding opportunities, citing the Wilson Road project as a key example of a project that could qualify for resiliency funds. Chairman Chappell requested that Ms. Eastland keep the Commissioners informed about the application process so the County can engage in advocacy efforts to improve its chances of receiving funds. Ms. Eastland agreed, noting that the RPO also plans to submit letters of support.

Commissioner Dalton asked about the currently unfunded US 178 project to Middlefork, specifically whether plans include raising part of the road out of the floodplain. Ms. Eastland confirmed that the road would be raised where feasible.

Chairman Chappell also acknowledged the members of the County's Transportation Advisory Committee in attendance.

MONTHLY CAPITAL UPDATE

The Board of Commissioners requested that the County Manager provide monthly updates during regular meetings on the status of capital projects.

The Manager updated the Board on capital projects, highlighting the following:

- There are currently over \$150 million worth of projects in development, underway, or planned.
- Approximately \$30 million in grant funding has been allocated, excluding broadband funding that is directly benefiting local providers. No local tax dollars are being used for these projects.

Fix Transylvania County Schools – Step One: Investment in Capital Projects at All Nine Schools

- Nine schools will benefit from the recently released five-year funding plan, which includes:
 - Financing through a combination of bond sales and cash.
 - Eight major project scopes will be funded by the bonds.
 - Projects covering renovations, repairs, major systems replacements, and safety upgrades.
- The first bond sale is scheduled for October, with funds available in November, and the timeline remains on track.
- To complete the bond sale, the County must submit documentation on finances, economic development, growth trends, and related data; staff are currently preparing this information.
- Last week, County staff participated in bond rating calls with Standard & Poor's and Moody's. The County expects to receive its rating soon, marking its first in over 20 years. This rating will support the bond sale and help secure favorable market rates.
- The Manager and Superintendent agreed to issue requests for qualifications to gather responses from architects, allowing major renovation projects to begin as quickly as possible.

Create Jobs and Safe Community – New Space for Growing Businesses and Upgrading Public Safety

- **EMS Main Station:** A ribbon-cutting ceremony occurred last week, and the facility is now open.
- **Sylvan Valley Industrial Building Phase 2:** Earthwork is underway for a 40,000 sq. ft. addition to the existing 60,000 sq. ft. facility, currently managed by the Alliance. This new space will be available for lease to businesses, helping offset construction costs.
- **Hart Road Flood Mitigation:** Design and right-of-way acquisition are in progress. A grant extension may be required. The County partnered with NCDOT, applying for the grant and contracting with NCDOT for the work.
- **New Courthouse:** The architect is finalizing programming details. Staff will present programming and construction options to refine cost estimates.
- **Library Amphitheater:** An architect has been secured and the project is moving forward.

Protect Transylvania Natural Resources – Clean Water, Sanitary Sewer, Solid Waste Disposal, and Restore Streambanks

- **Water and Sewer Access:** The US 64 project is now complete.
- **Rosman Burlingame System:** The engineering study has been completed.
- **Water and Sewer System Interconnection:** The emergency interconnection project between the Town of Rosman and the City of Brevard is out for bids.
- **Landfill Expansion:** Bids for a new landfill cell will open on August 30 to extend the landfill's lifespan, with construction expected to finish by July 2025.
- **Streambank Restoration:** Streambank restoration projects, resulting from damage after Tropical Storm Fred, are nearing completion.

Protect – Focus on Infrastructure

- Grant funds received must be allocated to water, sewer, or stormwater projects, with all projects requiring funder approval. The grant administration process is time sensitive, with strict spending and completion deadlines if projects are approved.
- While the County does not directly provide water and sewer services, it has actively secured funds to support the County's broader interests. This funding benefits the Town and City through new customer revenue and enhances housing and economic development opportunities for the County overall.
- Over the past four years, the County has received or helped secure \$49,377,600 in grant funds.
- The County's in-kind contribution to managing these grants is \$1 million (estimated at 5%), covering staff time for project management, financial processing, grant oversight, and reporting.

The Manager shared updates on water and sewer initiatives across the County: (additional notes below)

Year	Project	Benefits	Cost	Funding Source	Notes
2014	Countywide Future Water Needs Assessment	City/Town/County-information for future demand and options for meeting water needs		County funded and managed	Complete
<i>Cancelled: 2021</i>	<i>Falling Waters Extension</i>	<i>City- new customer revenue County- housing</i>		<i>\$150,000 County; \$150,000 City</i>	<i>Both City and County committed funds to support LITECH application for housing.</i>

2022	Upper Transylvania Water Preliminary Engineering Report	Town- known cost for future expansion County- Groundwork for future expansion to support housing and economic development	\$50,000	County- \$2,500 In-kind for project and grant management Grant- Dogwood Housing Infrastructure	Complete: Burlingame Water System Preliminary Engineering Report
Cancelled: 2023	Wilson Road Sewer Extension	City- new customer revenue County-preserve housing to be lost with Wilson Road improvements, housing, economic development.	\$4,373,000	NCDOT offered \$2,397,000 in lieu of relocating those losing apartments; County, TEA, City identified grant opportunities	Existing grants not available. City notified NCDOT they were not pursuing project funding
2025	Design and Permitting of Water Intake	Town/County-secures water access	\$1,545,037	County- \$77,000 In-kind for project and grant management Grant- NCDEQ At-Risk	

Year	Project	Benefits	Cost	Funding Source	Notes
2025	Extension of Water/Sewer to Pisgah Labs	City- new customer revenue for water and sewer County-support existing economic development expansion, economic development, and housing	\$5,000,000	Grant- Brevard has applied for RDA grant. County approved City request for 20% grant match up to \$650,000 in September 2023	Pending grant decision
2022-2023	US 64 water and sewer from Gaia Herbs back to Rosman	Town- new water and sewer customer revenue County- housing and economic development, existing business Town / City- allows interconnection	\$4,286,463	County- \$215,000 In-kind for project and grant management Grants- ARC, DOC, NCDEQ At-risk	*Funding initially slated for Dogwood Housing grant, but other funds needed to be spent within a tighter time. Dogwood approved using alternate funds. Complete

2024-2025	Water Interconnect	City/Town/County-secures water sharing for both systems	\$738,100	County-\$37,000 In-kind for project and grant management Grant- NCDEQ At-Risk	Out to bid
2023-2024	Watershed Study and Permitting	City/Town/County-secures water quality for future water sources for all parties	\$385,000	County-\$19,000 In-kind for project and grant management Grant- NCDEQ At-Risk	Work underway

2024-2029	TBD- City choice on allocation.	City/County	\$13,000,000	2023 State Budget	Funds secured through joint advocacy. Currently \$352,000 submitted to State for wastewater to upgrade Preliminary Engineering Report
2024-2029	TBD- County to fund strategic projects w/Town or City	Town/County	\$10,000,000	2023 State Budget	Funds secured through joint advocacy with projects to be determined
2024-2029	TBD- Town choice on allocation	County/Town/City	\$10,000,000	2023 State Budget	Funds secured through joint advocacy with projects to be determined
Total Grant Funds County Received or Assisted :			\$49,377,600		

- **Countywide Future Water Needs Assessment:** New water intakes require watershed protection, which impacts local development.
- **Falling Waters Extension:** The LITECH application was not funded.
- **Upper Transylvania Preliminary Engineering Report (PER):** This project, part of the Dogwood grant, is complete. Due to State fund spending deadlines, the County used State funds for portions of this project with Dogwood's approval. The remaining Dogwood funds will be redirected to other County projects.
- **Wilson Road Sewer Extension:** This project aimed to preserve homes impacted by the Wilson Road expansion. The County identified funding opportunities, and NCDOT offered \$2.4 million for relocation costs that it would have incurred otherwise. However, the City of Brevard could not pursue project funding within NCDOT's deadline, leading to its cancellation.
- **Design and Permitting of Water Intake:** This project is progressing to secure future water access.

- **Water/Sewer Extension to Pisgah Labs:** Staff awaits results on the City of Brevard's RDA grant application.
- **Watershed Study and Permitting:** Document preparation is underway, with updates expected soon.
- **Water and Sewer Infrastructure Funding from the 2023 State Budget:**
 - \$13 million for the City of Brevard: The City has submitted a \$352,000 request for a preliminary engineering report on wastewater upgrades.
 - \$10 million for the Town of Rosman: The County has not received updates on the Town's project submissions.
 - \$10 million for the County: County staff continue to request asset inventories and capital improvement plans from the City and Town to better advocate for future funding and ensure efficient use of State funds, which have a typical five-year spending deadline and require NCDEQ approval.

The Manager concluded by noting that the County has directly or indirectly secured over \$49 million in grant funding over the past four years, significantly enhancing infrastructure to support housing, economic development, and public health (water and sewer).

Chairman Chappell opened the floor for Commissioner discussion.

Commissioner Dalton noted that the Manager's report did not include \$7 million allocated to solid waste infrastructure, pointing out that this funding is still part of the County's infrastructure investments, though unrelated to water and sewer. The Manager added that landfill operations generate leachate, which must be treated at the water treatment plant, creating a direct connection between solid waste and wastewater treatment. This solid waste infrastructure project is fully funded at \$7 million.

Commissioner McCall asked whether all the funds mentioned are designated specifically for the County, City, or Town projects in specific categories. The Manager confirmed, explaining that some funds come directly from the State budget or agencies like the NCDEQ's At-Risk Fund, the Appalachian Regional Commission (focused on economic development), and the NC Department of Commerce. She highlighted a strategic approach to combining different funding sources. For example, the US 64 project integrated funds from various interests, as infrastructure improvements support multiple needs, including economic development and housing. Additionally, the County secured the Dogwood grant even before receiving State funds, allowing it to maximize the use of those dollars in the current funding timeline.

Commissioner McCall emphasized that the County cannot redirect these funds for other uses at its discretion, though grants sometimes allow limited flexibility with funder approval. The Manager confirmed, noting that funders must approve any use of funds within their specific guidelines, including deadlines and project categories. Once approved, projects must meet funder expectations to ensure reimbursement or avoid any potential clawbacks on advanced funding.

Commissioner McCall asked what would happen if the \$33 million allocated by the State to the City, County, and Town for water and sewer projects were used for other purposes without approval. The Manager explained that the County would not even reach the audit stage, as the funds are disbursed on a reimbursement basis. Without project approval, the County could not draw down or be reimbursed for those funds. She added that \$33 million equates to 66 cents on the County tax rate.

Commissioner McCall noted that Commissioners frequently receive questions suggesting the County is holding onto millions in unused funds. She clarified that grant funds come with strict usage requirements, which the County must follow. The Manager confirmed this point, emphasizing that grant-funded projects must align with the funders' specific requirements.

Commissioner Dalton commented on the Wilson Road sewer extension, asking how many affordable units the County would lose due to the project's cancellation. The Manager estimated a loss of 32 units,

adding that this follows the roughly 120 affordable rental units lost after Tropical Storm Fred, resulting in a net decrease in affordable housing over the past two years.

Commissioner Dalton recalled that the County had funds ready to move forward with the project to preserve those units. The Manager confirmed that NCDOT had provided funding, and the County was exploring additional economic development grants to serve Sun Development on Wilson Road. By combining NCDOT's relocation funds with transportation project funding, the County aimed to extend sewer service to the area.

Commissioner McKelvey asked about the time limit for allocating, approving, and spending the \$33 million in State funds. The Manager clarified that, unlike ARPA funds, these grants typically have a five-year spending window. However, delays in programming these funds could lead to increased State scrutiny. She explained that annual audits on State and federal funds require the County to document all received grant funding, expenditures, and any unspent funds. If funds remain unused, the respective agencies may follow up to understand the reasons for the delay in spending.

Chairman Chappell thanked the Manager for highlighting these collaborative projects, emphasizing the partnership between the County, City, and Town. He acknowledged that public discussions sometimes create a misconception that the County is not active in these efforts, but numerous projects demonstrate the County's commitment to working with its local partners. He noted that discussions on these projects often occur in monthly meetings with the City, and Commissioners regularly attend Town meetings to foster collaboration. Advocacy at the State level is also crucial, as evidenced by a recent visit from Senator Corbin, who met with County officials to discuss an economic development project. Chairman Chappell also highlighted the significant workload these projects place on the County Administration, the County Manager, and the Finance Office. He pointed out that managing \$50 million in funds requires extensive oversight, with some grants demanding full-time attention. He expressed his appreciation for the staff's efforts in managing these responsibilities. The Manager agreed, adding that while bringing this funding into the County is rewarding, as it benefits all residents, it requires substantial administrative effort and management.

COUNTY'S AFFORDABLE HOUSING EFFORTS

The County Manager provided an update on the County's initiatives to address affordable housing, including grant utilization, the ongoing housing study, and partnerships with agencies like the Land of Sky Regional Council and the Asheville Regional Housing Consortium. She emphasized that affordable housing efforts are closely linked to infrastructure, noting that growth in housing and economic development depends on strong transportation, water, and sewer systems. The Manager reviewed current initiatives in affordable and workforce housing, the limitations faced by local government, and potential future opportunities. She noted the County's longstanding involvement in housing support, although these efforts are not always visible to the public. The purpose of this update was to increase awareness of the County's sustained and evolving role in addressing housing needs.

County Role in Housing

The Manager noted that while the County is essential to addressing the housing shortage, it cannot resolve the issue alone. It involves the local government, private sector, and nonprofit organizations playing a unique role.

Private contractors need to operate profitably, which relies on an available workforce and a viable market. Nonprofits are often closely connected to individuals working to secure stable housing and are skilled in fundraising, leveraging funding sources that may not be accessible to the private sector or government. Local governments, however, face strict limitations on the use of public funds, especially in North Carolina, where statutes define their role in housing development.

Local government can most readily invest in infrastructure, such as water and sewer, as it serves the entire community. However, these infrastructure projects are often less visible, making it challenging for the public to see the direct link between groundwork on utilities and the eventual creation of new housing

units. The Manager highlighted that each of these sectors must bring their strengths to the table if sustainable solutions are to emerge.

Terms and Baseline – 2021 Data

The Manager explained federal and state guidelines for affordable housing, noting that it is defined federally as housing costs not exceeding 30% of a household's income. In North Carolina, "low-income" households are defined as those earning up to 60% of the area's median income, while "low-to-moderate income" includes households up to 80%. Workforce housing is not defined by State statutes but generally includes households earning between 80-120% of the median income.

Using 2021 income data, the Manager illustrated income thresholds at 60% and 80% of the median income, emphasizing that North Carolina statutes limit local government investment in housing projects primarily to households at or below 60%. While local governments can support projects with some units for those in the 60-80% range, the overall income served must average below 60%.

The Manager also highlighted specific tools available under North Carolina's housing authority statutes, allowing local governments to support affordable housing through land use restrictions, regulatory powers, and subsidies. However, these tools come with restrictions that they primarily serve households earning 60% or less of the median income, limiting broader assistance to those in the workforce housing category.

What is a Pro Forma?

A pro forma is a detailed financial analysis used to evaluate the feasibility of a development project by forecasting its revenues, expenses, and potential profitability. For affordable housing projects, a pro forma includes all anticipated revenue sources—such as tax credit equity, rental income, and other financial leverage—broken down by unit to estimate the project's total income potential. On the expense side, a pro forma accounts for various development costs: fees for design, site evaluation, permits, taxes, insurance, land acquisition, financing, legal services, and reserves. For a project to proceed, available funding and financing are needed to offset these development costs. Private developers use pro forma to ensure profitability, whereas nonprofit developers aim to break even. Establishing a pro forma can be challenging for local governments, especially when financial limitations or site-specific issues arise.

One particular issue in Transylvania County is the limited footprint where Low-Income Housing Tax Credits (LITECH) can be effectively applied. Many essential services, like grocery stores and pharmacies, are concentrated in a small area within the City of Brevard, affecting a project's "walkability" score—a factor in qualifying for LITECH funding. This lack of widespread accessibility limits the scope of viable development areas and affects pro forma outcomes for affordable housing projects.

Another critical factor in affordable housing pro formas is operating costs primarily funded through rental revenue. In Transylvania County, the Fair Market Rent (FMR)—used to set limits on rental assistance vouchers—does not accurately reflect actual rent costs. Unlike Asheville in Buncombe County, which gets direct FMR assessments from HUD, Transylvania County's FMR is estimated based on Asheville's, even though Transylvania County's rent and home prices are often higher. This discrepancy impacts the long-term financial sustainability of affordable housing projects, as projected revenue from rents may fall short of actual operating costs.

Fair Market Rent Set by HUD

Since 2018, Transylvania County has been actively advocating for a more accurate Fair Market Rent (FMR) assessment, recognizing that the federal methodology does not adequately reflect the unique housing market conditions in the area. The County has participated in numerous public comment periods each year when the federal government prepares to issue the FMR and has even escalated the issue to higher levels, including through discussions with Mark Meadows' (former Congressman) office and HUD representatives in Washington, DC. However, despite these efforts, the federal policy on FMR has remained unchanged, leaving the County to explore alternative solutions.

To challenge the current FMR, Transylvania County pursued a survey approach that would meet HUD's stringent requirements. However, with a \$200,000 budget, the County could not secure a firm capable of gathering sufficient renter data using landline phone surveys—a necessary component for HUD approval. Despite these challenges, the County continued to partner with regional organizations, such as Western North Carolina Source (formerly WCCA) and Clemson, to address the FMR issue.

Additionally, the County partnered with WNC Source in advocacy efforts, including formal appeals funded by the Dogwood Trust. These partnerships and continuous advocacy have been essential to bringing attention to the disparity between the actual rental market and the federally set FMR, highlighting the ongoing struggles for affordable housing in Transylvania County.

Existing County Property RFQ and DFI Work

In 2019, the County explored using its property creatively to address affordable housing needs. The County issued an RFQ for a 14-acre parcel near the Animal Shelter, offering the land at a nominal rent for a 50-year lease. However, the County received only one proposal, which revealed the project's financial challenges—specifically, the developer required an additional \$1 million to make it viable. This response underscored the difficulties in creating a financially feasible proforma for affordable housing.

Additionally, the County collaborated with the City of Brevard and the Development Finance Initiative (DFI) in 2017 and 2018 to assess affordable housing potential on publicly owned land in downtown Brevard. The evaluation revealed significant barriers to feasibility. Structured parking added prohibitive costs per unit, and existing building height restrictions further complicated development. These limitations rendered the publicly owned downtown properties unworkable within the affordable housing proforma.

HOME Funds

HOME funds, which are federal funds aimed at affordable housing, were previously managed by the County's Planning and Community Development department. However, managing these funds effectively presented challenges, especially given the limited expertise and capacity to optimize their use. In response, the County partnered with the Housing Assistance Corporation (HAC), based in Henderson County, to better support the administration of HOME funds. HAC has leveraged the County's allocation from the Housing Consortium for projects, focusing on housing rehabilitation. The County continues to support HAC's applications for HOME funds through letters of endorsement, allowing for ongoing improvements in affordable housing options.

Rehabilitation has emerged as a primary strategy for preserving existing housing units. However, HOME funds come with strict requirements. For instance, rehabilitation projects must bring units up to code without exceeding 50% of the property's value, and property owners must meet specific income thresholds. These layered requirements often restrict the pool of eligible participants. Other funding sources, such as Dogwood grants, have also contributed to housing rehabilitation projects within Transylvania County, adding flexibility to these efforts.

COVID Impacts and Tropical Storm Fred

During the COVID pandemic, many residents faced challenges in paying rent and utilities. In response, the County collaborated with the Sharing House and the Town of Rosman to provide \$120,000 in rental and utility assistance. Additionally, the County awarded a grant to Habitat for Humanity to support septic installations for a single-family home project. Though not public infrastructure, it fulfilled a critical housing infrastructure need. The County also extended support to the Sharing House for a further round of rental and utility assistance. The County pursued special COVID-related Community Development Block Grant (CDBG) funds by partnering with a grant writer and the Sharing House, though it did not secure these funds.

In August 2021, Tropical Storm Fred caused extensive damage across the County, affecting over 120 homes, with some sustaining total or near-total losses. The aftermath presented an unexpected opportunity, allowing the County to submit a letter for an additional point on Low-Income Housing Tax

Credit (LITECH) projects. This additional point proved crucial: in 2022, the County received a local tax credit award, highlighting how competitive and impactful these points are in securing LITECH funding.

Infrastructure – Water, Sewer, Broadband

Infrastructure—such as water, sewer, and broadband—is essential for supporting housing development. Over the past four years, the County has secured or helped the Town and City receive \$50 million in external funding for water and sewer projects. While the County does not manage water and sewer systems, it plays a vital role in bringing these funds to benefit the entire area. This support not only aids housing but also boosts economic development. Although the County does not directly profit from these improvements, the Town and City gain tax revenue and additional revenue for their water and sewer systems, strengthening these essential services.

Broadband is also a key focus, with the County collaborating with the North Carolina Department of Information Technology (NCDIT) to bring in around \$15 million in outside funds. This investment has significantly reduced the number of homes without high-speed internet, with about 1,000 homes still needing access. Additional grant opportunities are on the horizon to close this gap. By expanding access to water, sewer, and broadband, the County is equipping nonprofits and private entities with the infrastructure they need to advance housing projects, underscoring that infrastructure is foundational for progress in housing and beyond.

ARPA Advantage Dogwood Grant

The Dogwood Health Trust's ARPA Advantage Grant has provided the County with critical support for infrastructure-related projects, specifically those that can facilitate housing development. Dogwood's grant funded a range of studies, including preliminary engineering reports and a housing plan, which are essential for accurately estimating project costs and securing further funding.

With Dogwood's flexibility, the County is reallocating part of the \$2 million grant. The initial project, which aimed to provide infrastructure to support 84 future housing units, has been completed at the County's end, additional work will be needed to see the units materialize. Dogwood is allowing the County to redirect funds from this grant towards upcoming projects, which may focus on further infrastructure improvements or other strategies outlined in the ongoing housing plan. Dogwood remains actively involved in decision-making to maximize the impact of these funds.

Additionally, Dogwood has invested in other coalition partners in Transylvania County, including multi-year funding for WNC Source to preserve 60 affordable multi-family units, support for The Haven's work in homelessness prevention, and grants for Habitat for Humanity and The Sharing House to create and maintain affordable housing.

Upcoming County Plans on Housing Issues

The County is committed to advocating for housing priorities at both state and federal levels, participating in the North Carolina Association of County Commissioners (NCACC) goals process, and submitting federal goals. Additionally, the County actively engages with representatives, attends legislative meetings, and collaborates with groups like Land of Sky Regional Housing, the Asheville Consortium, and the Local Housing Coalition.

To develop a housing strategy, the County sought input from nonprofit partners to understand the information that would best support their future roles in housing. This input helped shape the Request for Qualifications (RFQ) for the County's housing plan. The plan will include a sample proforma tailored to Transylvania County's unique economic factors, helping identify financial targets to make housing projects feasible.

Recognizing that infrastructure is foundational to housing, the County will continue supporting water, sewer, and broadband investments. In addition, the County will pursue a site analysis of current and potential infrastructure capacities, including the asset inventories from the Town of Rosman and the City of Brevard, to guide future projects.

The County is strengthening ties with the private sector, including recent efforts to involve the Transylvania Home Builders Association in housing discussions. This engagement brings invaluable perspectives on housing costs and market conditions, enriching the County's understanding of private-sector needs and constraints.

The County plans to apply for NC IMPACT's new program, aiming to form a dedicated core team to learn about state resources and understand the roles of local governments, nonprofits, and the private sector. If selected, this team would facilitate knowledge sharing and strategic planning across stakeholders, potentially opening up new funding avenues and bolstering the County's housing efforts.

Through these multifaceted initiatives, the County aims to address immediate housing needs while setting a foundation for long-term development and community collaboration.

County Role in Housing

In concluding her presentation, the County Manager emphasized the collaborative nature required to address the housing shortage. Each sector's contribution is essential to a successful solution. The Manager reiterated that the County cannot solve the housing issue on its own, despite being actively involved and committed. Progress requires collaboration with each partner. In particular, she highlighted the upcoming opportunity with NC IMPACT, which will demand open communication and support among all stakeholders to make meaningful strides. This approach calls for a spirit of partnership rather than criticism, where the strengths and resources each entity can bring to the table are both recognized and appreciated. The County remains steadfast in its role and encourages a supportive, cooperative environment as the community collectively works towards solutions.

The Manager then opened the floor for comments and questions from the Commissioners.

Commissioner McCall expressed deep appreciation for the Manager and County staff, acknowledging the extensive and challenging work they have undertaken on the housing issue. She highlighted the presentation's first slide, which clarified the County's role in facilitating infrastructure to support future growth. Commissioner McCall commended the Manager for providing comprehensive information that addresses many questions, dispels misinformation, and showcases the County's efforts. She embraced the concept of collective effort, noting that resolving the housing shortage requires contributions from all sectors. Reflecting on the City of Brevard's hard work to increase housing availability, she observed the persistent obstacles they face, despite their dedication to the cause. Commissioner McCall was grateful for the commitment shown by everyone working on behalf of the County's citizens, recognizing their diligence in navigating and addressing the barriers to achieving housing goals.

NEW BUSINESS

ISSUANCE OF GENERAL OBLIGATION SCHOOL BONDS

County staff are working closely with the Local Government Commission (LGC), financial advisors, and bond counsel to facilitate the sale of the General Obligation School Bond. To stay on track for an October bond sale and November closing, the Board of Commissioners must adopt several key documents.

The Board must adopt an official resolution authorizing the issuance of up to \$51 million in General Obligation School Bonds. This first tranche will fund projects specified in Scopes of Work 1-8, as presented in the August 26 capital update.

The Board must also adopt a resolution to hold a public hearing on extending the Bond Order. Initially approved by voters on November 6, 2018, the Bond Order is currently effective until November 6, 2025. On September 10, 2024, the LGC approved the County's request to extend this authorization by three years to November 6, 2028. The County aims to issue a second tranche before this deadline. Following the Board's September 23 meeting, the Clerk will issue a Notice of Public Hearing on the extension.

Lastly, the Board may adopt Post-Issuance Compliance Policies to guide the County in meeting its continuing disclosure obligations under SEC Rule 15c2-12. Finance Director Meagan O'Neal will present this policy separately for Board review.

These actions are essential to ensure compliance and progress in the bond sale process.

Commissioner Dalton moved to adopt the official bond resolution and the resolution calling for a public hearing on the bond order extension, seconded by Commissioner McCall and unanimously approved.

RESOLUTION #27-2024

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF
TRANSYLVANIA, NORTH CAROLINA PROVIDING FOR THE ISSUANCE OF NOT TO
EXCEED \$51,000,000 COUNTY OF TRANSYLVANIA, NORTH CAROLINA GENERAL
OBLIGATION SCHOOL BONDS**

WHEREAS, the Bond Order hereinafter defined has been adopted, and it is desirable to make provision for the issuance of the bonds authorized by said Bond Order;

WHEREAS, the County of Transylvania (the "*County*") desires to issue its General Obligation School Bonds, Series 2024 in an aggregate principal amount not to exceed \$51,000,000 (the "*2024 Bonds*");

WHEREAS, the County requests that the Local Government Commission of North Carolina (the "*Local Government Commission*") sell the 2024 Bonds through a competitive sale;

WHEREAS, copies of the form of the following documents relating to the transactions described above have been filed with the County and have been made available to the Board of Commissioners of the County:

1. the Notice of Sale for the competitive sale of the 2024 Bonds (the "*Notice of Sale*"); and
2. a Preliminary Official Statement with respect to the 2024 Bonds (the "*Preliminary Official Statement*").

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Transylvania, North Carolina (the "*Board*") as follows:

Section 1. For purposes of this Resolution, the following words will have the meanings ascribed to them below:

"*Bond Order*" means the Bond Order authorizing \$68,000,000 General Obligation School Bonds, adopted by the Board on July 23, 2018, and approved by the voters of the County at a referendum duly called and held on November 6, 2018.

"*Code*" means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations proposed or in effect with respect thereto.

"*County*" means the County of Transylvania, North Carolina.

"*Federal Securities*" means, to the extent permitted by the General Statutes of North Carolina, as amended, (a) direct obligations of the United States of America for the timely payment of which the full faith and credit of the United States of America is pledged; (b) obligations, the timely payment of the principal of and interest on which is fully guaranteed as full faith and credit obligations of the United States of America (including any securities described in (a) or (b) issued or held in the name of the trustee in book-

entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of a trustee and are not subject to redemption or purchase prior to maturity at the option of anyone other than the holder; (c) any bonds or other obligations of the State of North Carolina or of any agency, instrumentality or local governmental unit of the State of North Carolina which are (i) not callable prior to maturity or (ii) as to which irrevocable instructions have been given to the trustee or escrow agent with respect to such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified, and which are rated by Moody's, if the bonds are rated by Moody's, S&P, if the bonds are rated by S&P and Fitch Ratings, if the bonds are rated by Fitch Ratings, within the highest rating category and which are secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) or (b) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; (d) direct evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in (a) held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in (a), and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated; or (e) any other obligations permitted under State law for the defeasance of local government bonds.

"Finance Officer" means the County's Finance Director or any successor to the function of the County's statutory finance officer, or her designee.

"Fitch Ratings" means Fitch Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation for any reason no longer performs the functions of a securities rating agency, *"Fitch Ratings"* will refer to any other nationally recognized securities rating agency other than Moody's and S&P designated by the County.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns and, if such corporation for any reason no longer performs the functions of a securities rating agency, *"Moody's"* will be deemed to refer to any other nationally recognized rating agency other than S&P and Fitch Ratings designated by the County.

"Pricing Certificate" means the certificate of the Finance Officer delivered in connection with the issuance of the 2024 Bonds which establishes the final principal amount, the final maturity amounts, the payment dates, the provisions for redemption and other terms of the 2024 Bonds consistent with the pricing of the 2024 Bonds and this Resolution.

"Projects" means the capital costs of constructing, improving, renovating and equipping school facilities, including but not limited to improvements at Brevard High School, Rosman High School and Rosman Middle School, and acquiring land or rights-in-land required therefor.

"S&P" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, its successors and their assigns and, if such corporation for any reason no longer performs the functions of a securities rating agency, *"S&P"* will be deemed to refer to any other nationally recognized rating agency other than Moody's and Fitch Ratings designated by the County.

"Tax Certificate" means the Tax Certificate executed by the County related to the 2024 Bonds.

"2024 Bonds" means the County's General Obligation School Bonds, Series 2024 authorized under the Bond Order.

Section 2. The County will issue not to exceed \$51,000,000 in total aggregate principal amount of its 2024 Bonds. The final principal amount will be set forth in the Pricing Certificate.

Section 3. The 2024 Bonds shall be dated as of their date of issuance and pay interest semiannually on April 1 and October 1, beginning on April 1, 2025, unless the Finance Officer establishes different dates in the Pricing Certificate. The 2024 Bonds are being issued to provide funds (1) to finance the capital costs of the Projects pursuant to and in accordance with the Bond Order and (2) to pay the costs of issuing the 2024 Bonds.

Section 4. The Board has ascertained and hereby determines that the average period of usefulness of the capital projects being financed by the proceeds of the 2024 Bonds is not less than 20 years computed from the date of issuance of the 2024 Bonds.

Section 5. The 2024 Bonds are payable in annual installments on April 1 in each year beginning April 1, 2025, and ending on April 1, 2044, on an approximately level principal basis, unless otherwise established in the Pricing Certificate. The Finance Officer, in consultation with the Local Government Commission, is hereby authorized and directed to determine the amount of the annual installments related to the 2024 Bonds. The 2024 Bonds may be sold as term bonds and, if so, will be subject to mandatory sinking fund redemption as set forth in the Pricing Certificate.

Section 6. The 2024 Bonds are to be numbered from “R-1” consecutively and upward. All 2024 Bonds shall bear interest from their date at a rate or rates which shall be hereafter determined on the sale thereof computed on the basis of a 360-day year, constituting twelve 30-day months.

Section 7. The 2024 Bonds are to be registered as to principal and interest, and the Finance Officer is directed to maintain the registration records with respect thereto. The 2024 Bonds shall bear the original or facsimile signatures of the County Manager or the Chairman of the Board and the Clerk to the Board or their respective designees.

Section 8. The 2024 Bonds will initially be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, Jersey City, New Jersey (“DTC”), and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the 2024 Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC. Interest on the 2024 Bonds will be payable to DTC or its nominee as registered owner of the 2024 Bonds in immediately available funds. The principal of and interest on the 2024 Bonds will be payable to owners of 2024 Bonds shown on the records of DTC at the close of business on the 15th day of the month preceding an interest payment date or a bond payment date. The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

If (a) DTC determines not to continue to act as securities depository for the 2024 Bonds or (b) the Finance Officer determines that the continuation of the book-entry system of evidence and transfer of ownership of the 2024 Bonds would adversely affect the interests of the beneficial owners of the 2024 Bonds, the County will discontinue the book-entry system with DTC in accordance with the rules and procedures of DTC. If the County fails to identify another qualified securities depository to replace DTC, the County will authenticate and deliver replacement bonds in accordance with the rules and procedures of DTC.

Section 9. The 2024 Bonds maturing on or before April 1, 2034, will not be subject to redemption prior to maturity. The 2024 Bonds maturing on and after April 1, 2035 will be subject to redemption prior to maturity, at the option of the County, from any moneys that may be made available for such purpose, either in whole or in part on any date on or after April 1, 2034, at the redemption price of the principal amount of 2024 Bonds to be so redeemed, plus accrued interest to the redemption date. Different redemption provisions may be established by the Pricing Certificate.

If less than all of the 2024 Bonds are called for redemption, the County shall select the maturity or maturities of the 2024 Bonds to be redeemed in such manner as the County in its discretion may determine and DTC and its participants shall determine which of the 2024 Bonds within a maturity are to be redeemed in accordance with its rules and procedures (or if the 2024 Bonds are not in book-entry, the County will determine by lot); provided, however, that the portion of any 2024 Bond to be redeemed shall be in principal amount of \$5,000 or integral multiples thereof and that, in selecting 2024 Bonds for redemption, each 2024 Bond shall be considered as representing that number of 2024 Bonds which is obtained by dividing the principal amount of such 2024 Bond by \$5,000. Whenever the County elects to redeem 2024 Bonds, notice of such redemption of 2024 Bonds, stating the redemption date, redemption price and any conditions to the redemption and identifying the 2024 Bonds or portions thereof to be redeemed and further stating that on such redemption date there shall become due and payable on each 2024 Bond or portion thereof so to be redeemed, the principal thereof, and interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue, shall be given not less than 30 days nor more than 60 days before the redemption date in writing to DTC or its nominee as the registered owner of the 2024 Bonds, by prepaid certified or registered United States mail (or by such other means as permitted by DTC's rules and procedures), at the address provided to the County by DTC, but any failure or defect in respect of such mailing will not affect the validity of the redemption. If DTC is not the registered owner of the 2024 Bonds, the County will give notice at the time set forth above by prepaid first class United States mail, to the then-registered owners of the 2024 Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the County. The County will also mail or transmit by facsimile or in electronic format a copy of the notice of redemption within the time set forth above (1) to the Local Government Commission (2) to the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access ("*EMMA*") system or other electronic format as prescribed by the MSRB.

If at the time of mailing of the notice of redemption there is not on deposit money sufficient to redeem the 2024 Bonds called for redemption, such notice may state that it is conditional on the deposit of money for the redemption on the date of redemption as set forth in the notice. Any notice, once given, may be withdrawn by notice delivered in the same manner as the notice of redemption was given.

If moneys sufficient to pay the redemption price of the 2024 Bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the County, or on the County's behalf, in trust for the registered owners of the 2024 Bonds or portions thereof to be redeemed, interest on the 2024 Bonds or portions thereof called for redemption shall cease to accrue, such 2024 Bonds or portions thereof shall cease to be entitled to any benefits or security hereunder or to be deemed outstanding, and the registered owners of such 2024 Bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest thereon to such redemption date. If a portion of a 2024 Bond shall have been selected for redemption, a new 2024 Bond or 2024 Bonds of the same maturity, of any authorized denomination or denominations and bearing interest at the same rate shall be delivered for the unredeemed portion of the principal amount of such 2024 Bond.

Section 10. The 2024 Bonds and the provisions for the registration of the 2024 Bonds and for the approval of the 2024 Bonds by the Secretary of the Local Government Commission are to be in substantially the form set forth in Appendix A hereto.

Section 11. The Finance Officer, or her designee, is hereby authorized to execute a Tax Certificate with respect to the 2024 Bonds in order to comply with Section 148 of the Code and the applicable Income Tax Regulations thereunder.

Section 12. The Finance Officer is hereby directed to create and establish a special fund or account (the "*Project Fund*") and may establish separate accounts or subaccounts within the Project Fund to track the expenditures related to each of the Projects. The Finance Officer will deposit the proceeds from the sale of the 2024 Bonds in the Project Fund to be used to pay the capital costs of the Projects and costs of issuance of the 2024 Bonds in accordance with the Bond Order.

The Finance Officer will invest and reinvest any moneys held in the Project Fund as permitted by the laws of the State of North Carolina and the income, to the extent permitted by the Code, is to be retained in the Project Fund and applied with the proceeds of the 2024 Bonds as permitted by the Bond Order, as directed by the Finance Officer. The Finance Officer will keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom so as to satisfy the requirements of the laws of the State of North Carolina and to assure that the County maintains its covenants with respect to the exclusion of the interest on the 2024 Bonds from gross income for purposes of federal income taxation.

Section 13. Actions taken by officials of the County to select paying and transfer agents, and a bond registrar, or alternate or successor agents and registrars pursuant to Section 159E-8 of the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, are hereby authorized and approved.

Section 14. The Local Government Commission is hereby requested to sell the 2024 Bonds through a competitive sale to the bidder whose bid results in the lowest interest cost to the County, determined on the basis of the true interest cost method or such other basis as may be determined by the Local Government Commission.

Section 15. The Chairman of the Board, the County Manager, the Clerk to the Board and the Finance Officer, or their respective designees, individually and collectively, are hereby authorized and directed to cause the 2024 Bonds to be prepared and, when they shall have been duly sold by the Local Government Commission, to execute the 2024 Bonds and to turn the 2024 Bonds over to the registrar and transfer agent of the County, if any, for delivery through the facilities of DTC to the purchaser or purchasers to whom they may be sold by the Local Government Commission.

Section 16. The form and content of the Notice of Sale and the Preliminary Official Statement together with the final Official Statement related to the 2024 Bonds are in all respects authorized, approved and confirmed, and the Chairman of the Board, the County Manager, the Clerk to the Board and the Finance Officer, or their respective designees, individually and collectively, are authorized, empowered and directed to execute and deliver the Official Statement in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to the Chairman of the Board, the County Manager, the Clerk to the Board and the Finance Officer seem necessary, desirable or appropriate, their delivery thereof to constitute conclusive evidence of the approval of the Board of any and all changes, modifications, additions or deletions therein.

Section 17. The Chairman of the Board, the County Manager, the Clerk to the Board, the Finance Officer and the County Attorney, or their respective designees, individually and collectively, are authorized and directed to execute and deliver for and on behalf of the County any and all additional certificates, documents, opinions or other papers and perform all other acts as may be required by the documents contemplated hereinabove or as may be deemed necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 18. The County agrees, in accordance with Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”) and for the benefit of the beneficial owners of the 2024 Bonds, to provide as follows:

- (1) by not later than seven months after the end of each fiscal year to the MSRB in an electronic format as prescribed by the MSRB, the audited financial statements of the County for the such fiscal year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the County for such fiscal year to be replaced subsequently by audited financial statements of the County to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each fiscal year to the MSRB, (a) the financial and statistical data as of a date not earlier than the end of such fiscal year for the type of information included in the tables under the captions “**THE COUNTY--DEBT INFORMATION**” and “**--TAX INFORMATION**” (excluding information on overlapping or underlying units) in the Official Statement and (b) the combined budget of the County for the current fiscal year, to the extent such items are not included in the audited financial statements referred to in clause (1) above;

(3) in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the 2024 Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (e) substitution of any credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2024 Bonds or other material events affecting the tax status of the 2024 Bonds;
- (g) modification of the rights of the beneficial owners of the 2024 Bonds, if material;
- (h) call of any of the 2024 Bonds for redemption other than mandatory sinking fund redemption, if material, and tender offers;
- (i) defeasance of any of the 2024 Bonds;
- (j) release, substitution or sale of any property securing repayment of the 2024 Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the County;
- (m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (n) the appointment of a successor or additional trustee, or the change in the name of a trustee, if material;
- (o) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflect financial difficulties.

(4) in a timely manner, notice of the failure by the County to provide the required annual financial information described in (1) and (2) above on or before the date specified.

For purposes of this undertaking, “*financial obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term “*financial obligation*” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The County agrees that its undertaking under this Section is intended to be for the benefit of the registered owners and the beneficial owners of the 2024 Bonds and is enforceable by any of the registered owners and the beneficial owners of the 2024 Bonds, including an action for specific performance of the County's obligations under this Section, but a failure to comply will not be an event of default and will not result in acceleration of the payment of the 2024 Bonds. An action must be instituted, had and maintained in the manner provided in this Section for the benefit of all of the registered owners and beneficial owners of the 2024 Bonds.

All documents provided to the MSRB as described in this Section shall be provided in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB. The County may discharge its undertaking described above by providing such information in a manner the SEC subsequently authorizes in lieu of the manner described above.

The County may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County, but:

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the County;
- (2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;
- (3) any such modification does not materially impair the interest of the registered owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the registered owners of a majority in principal amount of the 2024 Bonds at the time of the amendment.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Section terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2024 Bonds.

Section 19. Those portions of this Resolution other than Section 18 may be amended or supplemented, from time to time, without the consent of the owners of the 2024 Bonds if in the opinion of nationally recognized bond counsel, such amendment or supplement would not materially adversely affect the interests of the owners of the 2024 Bonds and would not cause the interest on the 2024 Bonds to be included in the gross income of a recipient thereof for federal income tax purposes. This Resolution may be amended or supplemented with the consent of the owners of a majority in aggregate principal amount of the outstanding 2024 Bonds, exclusive of 2024 Bonds, if any, owned by the County, but a modification or amendment (1) may not, without the express consent of any affected owner of 2024 Bonds, reduce the principal amount of any 2024 Bond, reduce the interest rate payable on it, extend its maturity or the times for paying interest, change the monetary medium in which principal and interest is payable, or reduce the percentage of consent required for amendment or modification and (2) as to an amendment to Section 18, must be limited as described therein.

Any act done pursuant to a modification or amendment consented to by the owners of the 2024 Bonds is binding on all owners of the 2024 Bonds and will not be deemed an infringement of any of the provisions of this Resolution, whatever the character of the act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent has been given,

no owner of a 2024 Bond has any right or interest to object to the action, to question its propriety or to enjoin or restrain the County from taking any action pursuant to a modification or amendment.

If the County proposes an amendment or supplemental resolution to this Resolution requiring the consent of the owners of the 2024 Bonds, the County shall cause notice of the proposed amendment to be sent to each owner of the 2024 Bonds then outstanding by first-class mail, postage prepaid, to the address of such owner as it appears on the registration books (or by such other means acceptable to the registered owner); but the failure to receive such notice by mailing by any owner, or any defect in the mailing thereof, will not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal office of the County for inspection by all owners of the 2024 Bonds. If, within 60 days or such longer period as shall be prescribed by the County following the giving of such notice, the owners of a majority in aggregate principal amount of 2024 Bonds then outstanding have consented to the proposed amendment, the amendment will be effective as of the date stated in the notice.

Section 20. Nothing in this Resolution precludes (a) the payment of the 2024 Bonds from the proceeds of refunding bonds or (b) the payment of the 2024 Bonds from any legally available funds.

If the County causes to be paid, or has made provisions to pay, on maturity or on redemption before maturity, to the owners of any of the 2024 Bonds the principal of such 2024 Bonds (including interest to become due thereon), and premium, if any, on the 2024 Bonds, through setting aside trust funds or setting apart in a reserve fund or special trust account created pursuant to this Resolution or otherwise, or through the irrevocable segregation for that purpose in some sinking fund or other fund or trust account with an escrow agent or otherwise, moneys sufficient therefor, including, but not limited to, interest earned or to be earned on Federal Securities, then, to the extent permitted by law, such 2024 Bonds shall be considered to have been discharged and satisfied, and the principal of such 2024 Bonds (including premium, if any, and interest thereon) shall no longer be deemed to be outstanding and unpaid; provided, however, that nothing in this Resolution requires the deposit of more than such Federal Securities as may be sufficient, taking into account both the principal amount of such Federal Securities and the interest to become due thereon, to implement any such defeasance.

If such a defeasance occurs and after the County receives an opinion of a nationally recognized accounting or verification firm that the segregated moneys or Federal Securities together with interest earnings thereon are sufficient to effect a defeasance, the County shall execute and deliver all such instruments as may be necessary to effect such a defeasance and desirable to evidence such release, discharge and satisfaction. The County shall make provisions for the mailing of a notice to the owners of the 2024 Bonds that such moneys are so available for such payment.

Section 21. If any one or more of the agreements or provisions herein contained is held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or for any reason whatsoever is held invalid, then such covenants, agreements or provisions are null and void and separable from the remaining agreements and provisions and will in no way affect the validity of any of the other agreements and provisions hereof or of the 2024 Bonds authorized hereunder.

Section 22. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 23. This Bond Resolution is effective on its adoption.

READ, APPROVED AND ADOPTED this the 23rd day of September 2024.

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

RESOLUTION #28-2024**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF TRANSYLVANIA, NORTH CAROLINA CALLING A PUBLIC HEARING ON PROPOSED EXTENSION OF GENERAL OBLIGATION BOND ORDER**

WHEREAS, the Board of Commissioners of the County of Transylvania, North Carolina (the “Board of Commissioners”) previously adopted the following bond order of the County of Transylvania, North Carolina (the “County”), which order was for the following purpose and in the following maximum amount:

\$68,000,000 of bonds to pay the capital costs of constructing, improving, renovating and equipping school facilities, including improvements at Brevard High School, Rosman High School and Rosman Middle School, and acquiring land or rights-in-land required therefor;

WHEREAS, such bond order was approved by the voters on November 6, 2018, and is currently effective until November 6, 2025;

WHEREAS, the Local Government Commission entered an order approving a proposed extension of the maximum time period for issuing bonds under the bond order described above at its meeting on September 10, 2024;

WHEREAS, it is necessary, as a condition to the consideration and adoption of an extension of such bond order, to hold a public hearing on the extension of the bond order in the manner required by the Local Government Bond Act;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF TRANSYLVANIA, NORTH CAROLINA, AS FOLLOWS:

Section 1. Call for Public Hearing. Pursuant to and in satisfaction of the requirements of the Local Government Bond Act, the Board of Commissioners hereby calls for a public hearing on October 14, 2024 at 4:00 p.m., or as soon thereafter as practicable, in the Multi-Purpose Chambers in the Administrative Building located at 101 S. Broad St., Brevard, North Carolina 28712, concerning the extension of the bond order as described in this Resolution. Anyone who wishes to be heard on the question of whether the maximum time period for issuing bonds under such order should be extended from seven years to 10 years after such date may appear at the public hearing. The Clerk to the Board of Commissioners of the County will cause a notice of the public hearing to be published once in a qualified newspaper of general circulation within the County no fewer than six days prior to the public hearing.

Section 2. Effective Date. This Resolution is effective on the date of its adoption.

READ, APPROVED AND ADOPTED this the 23rd day of September 2024.

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

ADOPTION OF CONTINUING DISCLOSURE POLICY

Finance Director Meagan O’Neal presented this item to the Board. Governments or governmental entities (Issuers) issuing bonds must meet specific continuing disclosure standards outlined in continuing disclosure agreements (CDAs, also called continuing disclosure certificates or undertakings). Issuers enter into CDAs at the time of bond issuance to enable their underwriters to comply with Securities and Exchange Commission (SEC) Rule 15c2-12.

This rule, which is under the Securities Exchange Act of 1934, sets forth certain obligations of underwriters to receive, review, and disseminate official statements prepared by issuers of most primary

offerings of municipal securities, underwriters to obtain CDAs from issuers and other obligated persons to provide listed event disclosures and annual financial information continuingly, and broker-dealers to have access to such continuing disclosure to make recommendations of municipal securities in the secondary market.

Subject to limited exceptions, when bonds are issued and publicly offered, the Issuer enters into a CDA. Under these contractual agreements, the Issuer commits to provide to the marketplace certain financial information and notices of listed events. The Issuer will file, or cause to be filed, necessary items under the CDAs in a searchable electronic format at the Electronic Municipal Market Access (EMMA) portal.

Issuers should have a clear understanding of their specific reporting responsibilities as detailed in their CDAs concerning financial information/operating data and the listed events. If the Issuer has determined that certain financial information and operating data are material and must be included in its official statement, its CDA should require that such information be updated annually. Issuers should work with their bond counsel, disclosure counsel, internal counsel, municipal advisor, if applicable, and underwriter (collectively the Financing Team) to determine the appropriate financial and operating information to be included in a CDA. Before execution, CDAs should be discussed with the issuer's bond counsel, disclosure counsel, internal counsel, and municipal advisor to ensure a full understanding of the Issuer's obligations, including the applicable filing deadlines contained within the CDA.

Ms. O'Neal highlighted the following elements of the proposed Continuing Disclosure Policy:

- Purpose, Responsibility, Securities Subject to Continuing Disclosure, Obligations, Control, Recordkeeping and Review, Continuing Education
- Continuing Disclosure Obligations include timelines of reporting, documents required in reporting, and what occurrence of events require a continuing disclosure notice (there are currently 16). A few discussed in detail with our bond counsel included:
 - Call of any of the securities, other than mandatory sinking fund redemptions, if material, and tender offers.
 - Rating changes.
 - The incurrence of a Material Financial Obligation of the County or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Material Financial Obligation.
- A financial obligation will be considered "material" for purposes of continuing disclosure obligation if it exceeds \$5 million.
- Continuing Education – The County will continue to consult regularly with its bond counsel and financial advisor regarding the continuing obligations and any changes to the Rule.

Ms. O'Neal recommended the Board approve the Continuing Disclosure Policy as established with guidance from bond counsel with the firm Parker Poe, and reviewed by Ms. O'Neal, as well as the County Manager.

Commissioner Dalton moved to approve the Continuing Disclosure Policy as presented, seconded by Commissioner McKelvey, and unanimously approved.

DUKE ENERGY DISASTER RESPONSE GRANT

Emergency Services Director Kevin Shook requested Board approval to accept a Duke Energy grant aimed at enhancing local disaster response capabilities. Transylvania County Emergency Services (TCES) connects citizens and emergency agencies across the county, working to ensure effective responses and successful outcomes in emergencies.

The grant will fund a DEN XL case, which will improve communication during incidents where commercial carrier services are limited. The case provides telephone services for command posts, backhaul for real-time weather and mapping, and a direct link to the Emergency Operations Center/911. It

supports data devices like cell phones, radios, mobile data terminals, and field mapping software, integrating seamlessly with existing equipment to avoid additional costs.

Commissioner Dalton moved to accept the Duke Energy grant, seconded by Commissioner McKelvey. The motion was unanimously approved.

Commissioner Dalton also inquired about the status of a \$1 million federal grant for radio replacements. The County Manager confirmed that staff have completed the necessary paperwork and are awaiting final federal approval. The funds are earmarked for Transylvania County, pending formal grant processing.

CITY OF BREVARD PATHWAYS TO REMOVING OBSTACLES TO HOUSING (PRO HOUSING)
FEDERAL GRANT APPLICATION LETTER OF SUPPORT

The County Manager and Planning and Community Development Director Jeff Adams presented a request from the City of Brevard for a letter of support for its \$3.9 million PRO Housing federal grant application. The grant, if awarded, would fund infrastructure and staffing to support local housing initiatives.

The City seeks Board support for the following commitments:

- An in-kind match of Planning and Health Department staff time.
- Funding for the Azalea Community Project (\$1,839,231).
- Funding to extend sewer services to a Habitat for Humanity project (\$636,000).

The City's application, part of a second round of nationwide PRO Housing funding, aims to secure essential infrastructure for the Azalea/Rhododendron neighborhood and Habitat for Humanity's housing project. The federal program provides \$100 million in total, with approximately 30 awards expected.

In 2020, the City of Brevard collaborated with the Land of Sky Regional Council and the Transylvania County Health Department to apply for a Community Development Block Grant Infrastructure project. This project aimed to extend sewer services to the Azalea/Rhododendron extra-territorial jurisdiction (ETJ) area to address environmental risks from failing septic systems. Although funding was not awarded at that time, the City has since passed an ordinance amendment allowing sewer extensions to the ETJ, laying the foundation for future development.

The current PRO Housing grant application, now before the City Council, requests \$6 million to support two major initiatives:

1. Sewer Extension for the Azalea/Rhododendron Neighborhood – Estimated cost: \$4.8 million.
2. Endowment for the City's Housing Trust Fund – Targeted at approximately \$1.1 million (subject to change).

The City is requesting \$1.8 million in matching funds from Transylvania County. The City will provide an additional estimated match of \$837,000 in labor and grant administration.

The City of Brevard submitted a funding request to the Board on September 9, specifically seeking support for infrastructure funding tied to the PRO Housing grant. With an application deadline of October 15 and a requirement to publish the draft by September 24, this item was added to the Board's agenda to ensure timely consideration.

In 2023, the Board approved an in-kind match for Planning Department staff services in a previous support letter. Planning Director Jeff Adams does not anticipate any issues with continuing this commitment. However, the City's new request also seeks an in-kind match from the Health Department. Since the Health Department was not previously involved, the County Manager recommended excluding their in-kind match from this support letter.

The City of Brevard requested \$3 million from the County's ARPA (American Rescue Plan Act) funds to support infrastructure for the PRO Housing project. County staff clarified that all ARPA funds are

currently committed, and reallocating any of these funds would require approval from the North Carolina Department of Environmental Quality (NCDEQ). For ARPA funds to be used, the County must ensure that a complete project is funded or that adequate additional funding is available to secure project completion. The County Manager noted that there may have been some misunderstanding about available funding sources for this project.

To support infrastructure planning for housing and economic development, County staff has requested a list of capital needs from both the City of Brevard and the Town of Rosman. Last year's State budget allocations provided \$13 million to the City, \$10 million to the Town, and \$10 million to the County for capital improvements, subject to NCDEQ project approvals. The City has already allocated \$352,000 toward a Preliminary Engineering Report (PER) for the wastewater treatment plant.

The Manager informed the Board that currently, no cash funding is available to commit without going through approval processes with funders. A cash match would require reallocating unbudgeted county funds, which are already designated for other capital needs. Staff recommended that the County continue to encourage the City and Town to submit their Asset Inventory Studies and Capital Improvement Plans. This information will support the Commissioners in future funding decisions and advocacy efforts. A County capital planning workshop is scheduled for late 2024/early 2025 to review updated figures from education and courthouse capital projects, providing an opportunity to consider how the County's \$10 million allocation might benefit the City or Town.

The request for an in-kind match from the Health Department had not been discussed previously. Since Environmental Health's role is statutorily limited, any involvement would need to be reviewed by the Health Director and the Board of Health to determine potential contributions and staff availability.

Staff recommended the Board approve an in-kind match for Planning Department staff time and issue a letter of support, as provided in 2023. Planning Director Jeff Adams prepared two draft letters in anticipation of the Board's approval.

Commissioner McCall inquired about the possibility of using the State-allocated \$33 million for projects beyond water and sewer, noting that any such change would require State approval. The County Manager confirmed that the current State budget specifies these funds solely for water and sewer projects.

Commissioner Dalton added that the County had previously sought more flexible language in the State budget but was unsuccessful. He emphasized the importance of the Azalea Drive project, given the ongoing issues with failing septic systems in that community. The Manager agreed, highlighting that previous attempts to secure funding for this project, including a CDBG grant, were unsuccessful.

Commissioner McCall then asked if the City had submitted a grant application specifically for Azalea. The Manager confirmed that the City applied in the fall of 2023, though the grant was not approved at that time. This current application is a resubmittal with a tight deadline for submission.

Commissioner McCall moved to approve the in-kind match of Planning Staff time and issue a letter of support as was provided in 2023, seconded by Commissioner Dalton, and unanimously approved.

Commissioner McCall raised additional questions about the Health Department's potential in-kind match, noting that Environmental Health is currently backlogged. She asked if the Board could revisit the in-kind match request at a later date if the Health Director and Board of Health determine they can participate, or if the request was too time-sensitive. The County Manager clarified that while the Health Department's role does not need to be listed in the current application, they could still participate in the project later if they have the capacity and a role that aligns with statutory requirements. This approach allows time to vet the request without limiting the Health Department's potential involvement. The Board is not being asked to approve the Health Department's in-kind match at this time.

GALLIMORE ROAD SEWER PROJECT AND CITY OF BREVARD EASEMENT REQUEST

The County Manager introduced an important project involving a City of Brevard pump station along Gallimore Road. To complete the project, the City requires a 40-foot easement along the County's property line. In exchange, the City has offered a free sewer tap for the County's property.

During this time, the Cindy Platt Boys and Girls Club began a \$7.5 million expansion, which aims to serve 25% of the County's school-aged children. Midway through the expansion, project engineers discovered that the City's records on the sewer line's location and depth were inaccurate, halting progress. The required re-engineering and construction to address this would add over \$400,000 to the project budget. Without these funds, the expansion cannot be fully completed.

In response, County staff arranged a meeting with the project engineers and the City of Brevard to explore solutions. The affected sewer line currently serves about 30% of the City's customers, making it a critical infrastructure component. This line could also support future development of County property.

County staff noted that the US 64 water and sewer line project was completed under budget, and NCDEQ is currently reviewing its closeout. This frees up funds, which could potentially be reallocated. While the interconnect project is still out for bids and may need some of these funds, it is unlikely to require the entire amount saved.

Staff identified the Gallimore Road sewer project as a fitting recipient for \$370,000 of the US 64 project savings, as it aligns with the spending deadline and fits within budget constraints. NCDEQ has indicated approval for reallocating funds to support the Gallimore Road improvements.

The Boys and Girls Club, whose engineers have already begun design work for the expansion project, has agreed to contribute the engineering portion for the sewer line improvements. NCDEQ has accepted this proposal.

The City of Brevard is prepared to take ownership of the improved sewer line but requires an additional 20-foot easement connecting to the 40-foot easement along the County's property line. County staff verified with NCDEQ that the project can accept the Boys and Girls Club's donated engineering work and use part of the savings from the US 64 project, meeting all expenditure and timeline requirements.

County staff recommended that the Board of Commissioners approve both the easement requests and the funding for construction. The benefits are substantial:

- The County gains a free sewer tap and improved future sewer access.
- The Boys and Girls Club can proceed with its expansion, which serves a significant number of local children.
- The City will obtain upgraded sewer lines and necessary easements, formalizing infrastructure currently without recorded easements.

This arrangement is a "win-win-win" for the County, the City, and the Boys and Girls Club.

Chairman Chappell noted that this project exemplifies the County's collaborative efforts with local partners to optimize resources and funding received by local government entities, benefiting the entire community.

Commissioner McKelvey moved to approve the easement request, and the funding needed for construction, seconded by Commissioner Dalton and unanimously approved.

Commissioner Dalton referenced a recent issue on Railroad Avenue where the City of Brevard misidentified infrastructure, incurring a \$400,000 expense. He asked if the City is conducting studies to prevent similar problems in the future. The Manager confirmed that both the City of Brevard and the Town of Rosman received grant funds for asset inventories, which are intended to help identify and assess the condition of existing infrastructure. These studies will aid in future capital improvement planning.

County staff have not yet reviewed the studies in detail, but the Manager noted that various methods, including cameras and depth-detection technology, could be used for mapping underground infrastructure, depending on available grant funding.

GOALS FOR 2024-25 NCACC FEDERAL LEGISLATIVE AGENDA

The NC Association of County Commissioners (NCACC) is gathering input from counties to shape the 2024-25 federal legislative agenda. The goal submission process is structured to allow for ample input and discussion on issues impacting North Carolina counties at the federal level.

Submission Process:

- Counties can submit their proposals through an online portal by Friday, October 4, at 5:00 p.m.
- Each goal proposal should include contact details, goal language, and background information explaining the necessity of the goal, historical context (if available), and other relevant details.

Approval and Review Process:

- In October, the NCACC Board of Directors will review all submitted goals and approve a finalized package.
- This approved package will be presented for a vote at the Legislative Goals Conference in Raleigh on November 14-15.

In preparation for the NCACC's federal legislative agenda, the Board of Commissioners was invited to contribute input on pressing federal issues that directly impact North Carolina counties. Past goal submissions have included the following proposals.

- Fair Market Rent Methodology: Advocating for more accurate assessments that reflect real rental costs in local markets.
- PILT (Payment in Lieu of Taxes) Funding: Seeking full or increased funding for counties with federal lands to compensate for lost tax revenue.
- School Resource Officer Funding: Proposing full federal funding for School Resource Officers (SROs) in all schools or reimbursement for counties already funding these positions.
- Opposition to Government Shutdowns: Opposing shutdown legislation due to its financial impact on local governments.
- Prevention Program Funding: Requesting federal support for preventive measures, including drug addiction and mental health programs, allowing communities to focus on prevention rather than response.
- Support for the Stepping Up Initiative: Backing this jail diversion initiative, which provides cost savings by diverting those with mental illnesses from the criminal justice system.
- Broadband as a Utility: Advocating for federal recognition of broadband as an essential utility, crucial for infrastructure and economic growth.
- Fully Funded Mandates: Calling for an end to unfunded mandates that burden local governments with federal program costs.

The staff requested that Commissioners submit their proposals to NCACC by October 4, ensuring timely consideration of local priorities in the upcoming legislative agenda.

The Board reached a consensus to resubmit the previous goal submissions for the NCACC's federal legislative agenda. Commissioners were encouraged to email any additional goals to the Manager and Clerk to the Board for consideration.

MANAGER'S REPORT

The Manager reported the following:

- Roof replacement and maintenance work continue at the County Administration building through September. Access to the chambers may be limited via the courtyard at times. Staff will share updates in advance of meetings in the chambers.

- Brevard earned 2nd place in the *Blue Ridge Outdoors 2024* Top Adventure Towns Contest. Clark Lovelace, Executive Director of TC Tourism Development Authority, expressed gratitude to everyone who voted, noting this recognition highlights Brevard's adventure-loving spirit.
- Animal Services has issued a countywide alert regarding raccoons testing positive for distemper, which is contagious to pets. Pet owners are urged to ensure vaccinations are up to date.
- Console and communications tower upgrades are currently underway to enhance the 911 Center.
- The Library is hosting a variety of events for all ages, including a concert series at the amphitheater, mental health training with Vaya Health, a suicide prevention seminar by TCStrong, yoga sessions, story time on Tuesday mornings, and the Friends of the Library Book Sale during the second week of October.
- The Tax Office now offers online occupancy tax payments. Staff are also preparing an FAQ for property owners regarding the upcoming revaluation process.
- The Tag Office continues to experience steady traffic, with its reputation for friendly, efficient service attracting visitors from neighboring counties.
- The Food and Nutrition Team at DSS received the highest customer service rating possible in a recent state evaluation, with strong positive feedback from customers.
- DSS reports 1,500 county residents enrolled in Medicaid expansion, with 99% now enrolled in a health plan that provides additional benefits.
- The IT Department is collaborating with several departments to boost customer service. Key updates include software improvements in Environmental Health for better access to permits, upgraded public computers at the Library to support ADA accommodations, and new outdoor Wi-Fi installations around all county buildings, in partnership with Maintenance.
- Open enrollment for the Senior Health Insurance Information Program (SHIIP) starts in October. For assistance, contact Cooperative Extension at 884-3109.
- The Carolina Cruiser, Congressman Edwards' mobile office, will be stationed at the Transylvania County Courthouse on Tuesday, September 24, from 2:00 to 3:30 p.m., with staff available to meet constituents and provide casework support.
- The Atlanta Regional Office of the US Census Bureau is seeking members of the community to join their Field Representation applicant pool.
 - Applicants selected for Field Representative positions will have their home as their Duty Station, will be required to travel throughout their local area to conduct Census surveys, and will be reimbursed for mileage.
 - They do not work on Decennial Census operations.
 - Staff placed copies of their recruitment brochure in the foyer of the Commissioners' Chambers.
- In response to social media inquiries regarding EMS presence at football games and EMS turnover and vacancy rates, the County compiled the following data:
 - Historically, County EMS has not staffed football games. Occasionally, an ambulance from the Rescue Squad might have been present. State Athletic Association guidelines require either an athletic trainer or a first responder at games. Transylvania County Schools (TCS) meets this requirement by providing both. County staff have followed up with TCS and the Rescue Squad about a recent incident to offer support.
 - Practices in other counties:
 - Buncombe County: Provides a first responder or athletic trainer at all games.
 - Haywood: Uses an athletic trainer or first responder; a rescue squad ambulance is available but cannot transport, requiring EMS for transport.
 - Henderson: Provides an athletic trainer and pays the Rescue Squad for a manned ambulance at games.
 - Rutherford: Athletic trainers and EMTs are present, with EMTs contracted through EMS at \$150/hour, stationed under a tent, and dispatched if transport is needed.
 - The County's EMS team has maintained a vacancy rate of 7% or lower over the past year, with an 11.5% voluntary turnover rate. Reasons for the turnover included three

employees who took full-time jobs elsewhere but continued part-time, two retirements, two medical/injury-related departures, and two terminations for cause.

- For context, the American Ambulance Association reports a national voluntary turnover rate of 26% for paramedics in 2022, with EMT turnover rates even higher, highlighting that the County's turnover is below the national average.
- In July, the Board voted to hold a referendum on a new quarter-cent sales tax, increasing the sales tax rate from 6.75% to 7%, IF approved by the voters AND enacted by the Board. The Board also instructed staff to develop educational materials for the benefit of the public. Copies of the educational materials have been placed in the foyer for the public. The County is not allowed by statute to name its intent on the ballot, but Commissioners' discussions reveal the intent is to use the funds on capital projects.
- Superintendent Fletcher and the County Manager met last week to initiate terms for an interlocal agreement governing bond projects. They plan to finalize the agreement soon and have agreed to issue a joint RFQ for architects for the renovation projects. The RFQ process is expected to take 6-8 weeks.
- Staff met with Dogwood for an update on the housing grant. Dogwood is pleased with the progress of the housing study and looks forward to the final plan later this year.
- On Tuesday, the Manager will guest lecture for a Western Carolina MPA class. This outreach doubles as an opportunity for workforce recruitment, as a recent job candidate mentioned remembering a past class lecture.
- There is an extra week between this meeting and the next one, scheduled for October 14.
- The school bond sale is proceeding on schedule.
- The County is experiencing delays in responding to public records requests due to high administrative workload, particularly with the upcoming bond sale.
- The Manager will be a panel guest at the "How Childcare Impacts WNC's Workforce" forum hosted by the Land of Sky Regional Council on Wednesday from 1:15 p.m. to 4:00 p.m., highlighting the County's GetSet and early childhood initiatives.
- Severe weather is expected later this week, potentially causing high winds and flooding. Citizens are encouraged to sign up for emergency alerts on the County's website or follow Emergency Services on Facebook.

Commissioner McCall sought clarification on the provision of EMS services at high school football games, questioning if other counties' school systems contract these services rather than county governments automatically providing them. She referenced how school systems previously contracted law enforcement at games before school resource officers were placed in schools. The Manager confirmed that, typically, it is the school systems contracting with rescue squads or first responder agencies rather than relying on county government services. She explained that the information shared in her report was directly gathered from athletic directors in neighboring counties, with the Assistant County Manager personally contacting each to verify their practices.

Chairman Chappell added that he had recently spoken with other regional leaders, who shared high praise for the County Manager, highlighting her expertise across various domains.

PUBLIC COMMENT

Sam Edney: Mr. Edney thanked the Board for moving forward with the bond sale, noting that this step was crucial for supporting the schools, whose students have deserved improved resources for years. He encouraged the Board to continue prioritizing and fully funding the schools' needs.

Cassie Broshears: Ms. Broshears expressed concerns about transparency and public access to information. She referenced previous meetings, where she noted that Commissioners and the County Manager frequently suggested that "the public does not understand" certain processes. She emphasized that voters should have clear avenues to understand local government decisions, including attending meetings, reviewing minutes, and accessing records. Ms. Broshears cited an example from the September 9 meeting, where the Manager reported that Dogwood-funded projects were either completed or underway.

However, she found no record of specific decisions involving funds directed to agencies like WNC Source and The Haven in the meeting minutes. She explained her frustration with the County's response to her public records requests, which had been deferred due to ongoing bond work. Ms. Broshears urged the Board to enhance transparency, making it clear that fiscal responsibility is inherently tied to accessibility and transparency for the public. She concluded by asking the Board to prioritize the community's needs and respect the public's right to information, rather than framing inquiries as misunderstandings.

COMMISSIONERS' COMMENTS

Commissioner McCall expressed her deep appreciation for the County's EMS team, sharing her recent experience with their professionalism and compassionate care when they assisted a family member. She praised their dedication and encouraged citizens to take precautions ahead of the approaching storm.

Chairman Chappell congratulated the local youth cheerleading teams, the Termites and Midgets, who performed exceptionally at regional championships. He also commended EMS staff for their continuous hard work, ensuring public safety. Addressing concerns about public records, Chappell reassured that all requests would be handled promptly and mentioned the Board's exploration of software to improve transparency. He highlighted the challenges faced by local officials regarding privacy laws that restrict sharing certain information, especially related to personnel matters, emphasizing that there is often more to a story than what can be publicly shared.

Commissioner McKelvy thanked the Board of Education and school staff for a recent tour of all nine schools, which highlighted the pressing facility needs beyond the two high schools. He noted that the bond funds alone would not be sufficient for all necessary repairs and upgrades and emphasized the Board's commitment to improving school facilities comprehensively. McKelvy praised the joint efforts of both Boards and underscored the importance of pride in the community's schools. He concluded by expressing gratitude to the public for their engagement through a lengthy meeting.

Chairman Chappell moved to enter into a closed session per N.C.G.S. § 143-318.11 (a) (5) To establish, or instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange or lease, following a 10-minute recess, seconded by Commissioner McKelvey and unanimously approved.

CLOSED SESSION

Per N.C.G.S. § 143-318.11 (a) (5) To establish, or instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange or lease, a closed session was entered into at 8:56 p.m. Present were Chairman Chappell, Commissioners Dalton, McCall, and McKelvey, County Manager Jaime Laughter, Michael Goforth with High Country Engineering, Information Technology Director Nathanael Carver (for It support), and Clerk to the Board Trisha Hogan. County Attorney Julie Hooten participated remotely via Zoom meeting software.

The Board instructed the County Manager as its negotiating agent on the potential acquisition of real property.

Chairman Chappell moved to leave the closed session, seconded by Commissioner Dalton, and unanimously carried.

OPEN SESSION

Chairman Chappell moved to seal the minutes of the closed session until such time that opening the minutes does not frustrate the purpose of the closed session, seconded by Commissioner Dalton, and unanimously approved.

ADJOURNMENT

There being no further business to come before the Board, **Chairman Chappell moved to adjourn the meeting at 9:31 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