

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
October 9, 2018 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Tuesday, October 9, 2018 at 9:00 a.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Chairman Larry Chapman, Mike Hawkins, Vice-Chairwoman Page Lemel and Kelvin Phillips. Commissioner Jason Chappell was absent due to illness in his family. Also present were County Manager Jaime Laughter and Clerk to the Board Trisha Hogan. County Attorney Misti Bass participated remotely.

Media: *The Transylvania Times* – Derek McKissock

There were approximately 25 people in the audience.

CALL TO ORDER

Chairman Larry Chapman presiding declared a quorum was present and called the meeting to order at 9:01 a.m.

WELCOME

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

PUBLIC COMMENT

There were no comments from the public.

AGENDA MODIFICATIONS

There were no agenda modifications from Commissioners or staff.

Commissioner Lemel moved to approve the agenda as presented, seconded by Commissioner Phillips and unanimously approved.

CONSENT AGENDA

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

The following items were approved:

MINUTES

The Board of Commissioners held a special meeting on July 25, 2018 for the purpose of having a conference call with the Local Government Commission to discuss the pre-application for the General Obligation School Bond Referendum. The Board of Commissioners met in regular session on Monday, August 27, 2018. Commissioners approved the minutes as submitted.

PRESENTATIONS/RECOGNITIONS

TRANSYLVANIA COUNTY TOURISM DEVELOPMENT AUTHORITY-FY 2018 ANNUAL REPORT

The Transylvania County Tourism Development Authority (TCTDA) requested to prepare an update for the Board of Commissioners in a report format followed by a Power Point presentation during a regular meeting. Chamber of Commerce and TCTDA Executive Director Clark Lovelace and Market Connections Creative Director Brad Campbell made a presentation to the Board. They primarily focused on FY 18 but also covered the new brand and a look ahead to FY 19. This is a summary of their report:

TCTDA Membership

The TCTDA membership is made up of two accommodations owners/operators, two interested individuals who are not owners or operators of accommodations, and three appointees selected by the Board of Commissioners, Brevard City Council and Brevard/Transylvania Chamber of Commerce, respectively.

Mr. Lovelace introduced staff in attendance: Prentiss Brewer, Tourism Development Coordinator; Sally Burnett, Visitor Center Coordinator; and Brad Campbell with Market Connections. The TCTDA contracts with Market Connections to handle their marketing and advertising.

Historic Metrics

- Nearly \$100 million is generated by tourism in Transylvania County; statistics provided by Visit NC
- Tourism industry accounts for 840 jobs
- Tourism saves Transylvania County residents \$246 in taxes
- Revenue from all accommodations indicates a steady climb
- Accommodations/occupancy tax revenues fluctuate based on seasons, although that trend is starting to change
- Total occupancy revenues for 2017-2018 were \$793, 876, up 12.5% over the prior year, which was a record year; total revenue indicates number of visitors and how much they are paying for accommodations
- The average daily rate (the rate individuals are paying to stay here) is up only 1.2% over the previous year; the assumed primary reason for growth is that more people visited Transylvania County
- Hotel/motel/inn occupancy is down due to 88.6% increase in revenues from Airbnb collections
- Comparing July-August in 2018 to 2016, Airbnb collections have increased by 300%; however, Airbnb only represents one-third to one-half of the short term rental market

Discussion

Chairman Chapman asked how many Airbnb rentals there are in the County and if owners are paying occupancy taxes as required by the ordinance. Mr. Lovelace indicated that the TCTDA's written report has projected the number of short term rentals at 650. This figure was arrived at using a number of different sources. Two different companies prepared studies of short term rental collections in Transylvania County and both estimated the number to be approximately 650. The TCTDA also conducted an internal/on-the-ground study and approximated the same number. Mr. Lovelace reported there are about 430 traditional accommodations. Transylvania County's accommodations market is extremely different than the average market in this regard. Mr. Lovelace reported it is far more likely that Airbnb will have collected occupancy taxes than any of the other short term rentals, due to the fact that Airbnb is a company that is actually collecting the dollars. With other short terms rentals, property

owners are expected to submit the taxes on their own and there is no way to be sure if they are paying them.

Chairman Chapman inquired about the safety of the short term rentals and asked if there were any legal responsibilities or liabilities. The Manager responded that building and fire codes have not kept up well with this type of emerging market. She noted several events that have occurred nationwide that could drive more interest in regulations and minimum standards. Mr. Lovelace added that this market is impacting every community. The debate over the right of individuals over their private property versus the impact on affordable housing, being able to accommodate large groups, etc. is one which most communities are dealing with. Mr. Lovelace noted, for comparison purposes, Henderson County has nearly 1,000 short terms rentals and 2,400 traditional rooms, whereas Transylvania County has 650 short term rentals and 430 traditional rooms. Additionally, a recent article in *The Asheville Citizen Times* indicated Brevard is one of the top 15 highest producing cities for Airbnb in North Carolina. He agreed with the Manager on her assessment that the State Legislature will have to address safety issues with regulations in the near future.

Commissioner Lemel inquired about the impact of short term rentals on traditional hotels. It is known that Transylvania County has not had enough rooms to accommodate the number of visitors coming here and that they are staying in hotels outside of the county. Although a new Holiday Inn Express will be built here in the coming months, she wondered how counties can incent additional hotel rooms. Furthermore, she asked if the need for rooms is being met by a combination of traditional rooms and short term rentals. Mr. Lovelace responded that a SWOT analysis and from his personal contacts with traditional accommodations owners, the new market is a concern for hoteliers. Transylvania County's market definitely needed another hotel property based on our occupancy percentages, average daily rate, etc. However, as stated, most traditional owners are expecting the State Legislature to deal with the issue to some degree.

2017-2018 Highlights

Marketing and Advertising

- Sole purpose of the TCTDA
- State requires that a minimum of two-thirds of the dollars spent by the TCTDA go directly toward marketing and promoting
- Remaining one-third of dollars spent must be spent on tourism, but can be spent on different initiatives
- Most marketing is done outside of Transylvania County
- Utilized radio, television, print, digital, social media; produced collateral (visitor adventure guides; distributed 115,000); monthly Get Out Guide
- Visitor Center visitation is down slightly due to the fact that people are getting their information different ways; five kiosks placed throughout the County; exploring various ways to get information to visitors
- Public relations: biggest challenge is drawing visitors to Transylvania County; however, once they get here, they fall in love with the County because what we have here is second to none
- Sustainability Committee: TCTDA met with leaders of Pisgah National Forest, Dupont State Recreational Forest, and Gorges State Park to learn how to help them because of the rising number of visitors; resulted in creation of Sustainability Committee
 - Implemented waterfall safety initiative
 - Focused on and featured individuals and organizations that are making a difference with the sustainability of our natural resources
 - TCTDA contributed \$20,000 to Pisgah Conservancy for the rebuild of a trail that was impacting a riverbed

- TCTDA is a leader in focusing on areas beyond traditional marketing and thinking about the impact that visitors have on the community

Grants and Partnership Funding

- Ranged from sponsoring Old Time Street Dances to Assault on the Carolinas to new killer bees apiary tours
- Help dozens of organizations each year
- Special grants
 - PARI last year for the total eclipse
 - Partner organizations to assist with their work
 - Sustainability grant for Cantrell Creek Project

Partner Services

- Not a membership-based organization, but feel obligation to assist tourism related partners
- Created Co-Op Campaign because they could negotiate better rates than tourism related businesses
- Advertising opportunities
- Distributed Adventure Guides
- Promoted local events
- Stakeholder Planning Calendar
- Photo Use
- Travel Writer Support

Special Projects

- 5th kiosk at Gorges State Park
- Wayfinding Signs
 - Thanks to Joy Fields in Planning and Community Development for applying for ARC grant funds and spearheading project
 - 11 signs strategically placed throughout the County

Looking Forward

Brand Initiatives Overview: Positioning Brevard, Transylvania County and Land of Waterfalls for the Future

- Recently unveiled new brand and logo
- Process of new brand included in-depth visitor study, comparative study of region, consultation from tourism leaders both locally and at state level
 - Asked visitors by what name they best know us
 - 64% responded Brevard
 - Land of Waterfalls is a big part of who we are and always will be, but confusing to visitors
- Tweaked local brand
 - Transylvania Tourism

Website Redevelopment

- Extremely informative; serves as benefit to locals, not just visitors
- Method of sharing information is different
- Directly tied in with social media networks
- More mobile friendly
- New address/moniker is Explore Brevard

Christmas and Winter Campaigns

- Always spent dollars intentionally in slower times/seasons, knowing there may be a lower return on investment, but also knowing this was the time of year local businesses and the community needed it
- This year created a specific campaign, one for the holidays and one for winter
 - Meeting of locals resulted in Co-Op program just for the holidays
 - Ads in November and December to give holiday boost
 - Will be creating a webpage and sweepstakes for a holiday experience
 - Will also focus on winter and indoor related activities

Strategic Planning

- TCTDA feels they are doing a good job about addressing what is in front of them, but they want to look to the future and determine what tourism in Transylvania County should be
- Enlisted services of Magellan Strategy Group; process just started

Mr. Lovelace announced that earlier this year at the American Advertising Awards in Asheville, the TCTDA's Sustainability Campaign won Best of Show. It was the third of the last nine years that one of TCTDA's campaigns won Best of Show. For a small community in WNC, Transylvania County is much better known, better recognized and more well thought of than most communities our size. This is due to having a great board, staff and a marketing partner in Marketing Connections, as well as a supportive Board of Commissioners that allows them to do what they do. This concluded his presentation.

Chairman Chapman called for questions and comments from the Board.

Commissioner Lemel thought it was important to point out that occupancy tax generated through accommodations saves citizens \$246 in taxes. She asked Mr. Lovelace to explain how occupancy taxes are regulated because at time there has been a misconception that these dollars are undesignated revenues for the County. Mr. Lovelace first pointed out that when anyone spends money in the County on goods and services, a sales tax is applied. Those dollars are remitted to the State and then redistributed back to counties and municipalities. The occupancy tax is special tax that is intended to help counties and municipalities maximize tourism dollars as much as possible. Two-thirds of the funds must go directly toward marketing and promoting tourism, most of which is outside of the State of North Carolina. This help attracts people to our State, thus generating sales tax revenue which is positive for everyone. The other one-third is spent on local initiatives not related to marketing or promoting, but still tourism-related projects, such as grants and special projects. Commissioner Lemel emphasized the direct benefit citizens receive from tourism is the increased sales tax revenue.

Commissioner Hawkins stated it is also important to point out the County collects the occupancy tax funds and then passes the dollars to the TCTDA. It then becomes the sole responsibility of the TCTDA to determine how to spend those funds within the parameters set by the State. The Board of Commissioners has no influence on how the funds are spent, except that the Board appoints several members to the TCTDA. He too felt it was important to clear up any confusion about these funds, noting they are generated by people who stay in hotels and other accommodations.

Mr. Lovelace stated that Visit NC reported that tourism has a positive impact on the State and its communities, evidenced by the amount of revenue produced: \$3.87 million in state tax revenue and \$4.64 million in local tax revenue.

Mr. Lovelace introduced Grant Bullard, TCTDA Chair, who was in attendance. He also recognized Commissioner Hawkins who represents Transylvania County on the TCTDA. On behalf of staff and the TCTDA, Mr. Lovelace expressed appreciation for the County's support.

Chairman Chapman reported he distributes the visitors' guides to the conferences and meetings he attends across the State. Mr. Lovelace said the brochures are updated annually and he thanked Chairman Chapman for his efforts.

SCHOOL BOND FINANCING

Finance Director Jonathan Griffin, along with the Manager, presented information to the Board and for the benefit of the public that showed how the school bond, if passed, will be paid for/financed and the impact to the tax rate. This is a summary of the presentation:

1997 Bond Referendum

- In 1997, Transylvania County voters approved a \$24.3 million school bond
- Bond was issued in multiple series
 - Staggering of bond meant there was a need of approximately \$40 million in revenue over the ensuing 20 years
 - Meant the County did not have to make a full payment upfront
- Payments started off relatively low, scaled up, then went back down to lower payments
- Implemented tax increase from 54 cents to 64 cents, collecting approximately \$2.1 million annually over the course of 20 years
- Able to stagger bonds in 1998 and 1999 due to the purpose of the funding for general school renovations
 - Example: during construction of Pisgah Forest Elementary School, originally budgeted under a 1986 bond, funding shortfalls required that the building be cut short by four classrooms; 1997 bond planned to add back two of those four classrooms

Revaluations

- Property tax revenue is a factor of both the tax rate and the assessed value of real and personal property in Transylvania County
- 10 cents in 1998 generated approximately \$2.1 million in revenue annually
- In 2018, it would have taken 3.6 cents to generate approximately \$2.1 million annually
- As a result, it is not possible to repurpose a tax increase from 1997 to meet the needs of a bond issued in 2019

Escalating Costs of Education

- What happened to the approximately \$2.1 million generated annually in property tax revenue used to make payments on the 1998 and 1999 school bonds?
 - In FY 2002, the Board of Commissioners appropriated an annual sum to the Board of Education in the amount of \$5,555,172 and a sum to pay the debt service on school-related debt of \$2,745,673
 - In FY 2018, the Board of Commissioners appropriated an annual sum to the Board of Education in the amount of \$11,842,443 and \$660,250 to pay debt service on school-related debt
- The smaller payments on school debt have been offset by a sharp increase in the annual appropriation to the Board of Education
- This does not include the appropriation for annual capital spending, only the local current operating expense

2018 Bond Referendum

- On November 6, 2018, voters will vote on a bond referendum with the following question:
 - Shall the order authorizing \$68,000,000 of bonds plus interest 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 and rights-in-land required therefor, and providing that additional taxes may be levied in an amount sufficient to pay the principal and interest on the bonds be approved? YES or NO

The Project

- Rosman High/Rosman Middle and Brevard High major renovations
- Spring 2020 projected start date
- At this time, staff anticipates needing to pursue a full sale of the bond to provide the cash necessary to begin with no interruptions
 - No opportunity to stagger because both projects begin at the same time

Obligation of County Commissioners

- NCGS § 159-13. The budget ordinance; form, adoption, limitations, tax levy, filing. The budget ordinance may be in any form that the board considers most efficient in enabling it to make the fiscal policy decisions embodied therein, but it shall make appropriations by department, function, or project and show revenues by major source
 - (b) The following directions and limitations shall bind the governing board in adopting the budget ordinance:
 - (1) The full amount estimated by the finance officer to be required for debt service during the budget year shall be appropriated.

Revenue Necessary to Pay

- Interest rates at time of sale will be a determinant in the size of the bond payments
- During the process of applying with the State to have this referendum – interest rates influenced the tax rate necessary to pay for the bond if it passes: range of 10.35 cents to 11 cents
- Current estimate is that the first bond payment could be as high as \$6,341,000
- A 10.5 cent increase will provide approximately \$6.1 million in revenue

Level Repayment

- There will be a \$3,400,000 annual payment towards the principal under this repayment schedule every year
- As a result, the amount of interest is due to decline over the course of the loan more quickly than another type of amortization; annual payment due is different and declines over time
 - Example: 2039's final payment under-estimated at \$3,536,000

When Will Payments Begin?

- With a Spring 2019 bond sale, staff anticipates one payment to fall between July 1, 2019 and June 30, 2020
- FY 2020 budget (which will be developed next spring) will need to include some plan for making that payment by law:
 - The tax increase estimated for the bond (approximately 10.5 cents)
 - An appropriation from fund balance (spend savings)
 - A reduction in expenditures (cut the FY 2020 budget, noting that 86% is mandated by State and Federal policy)

Frequently Asked Questions

- How much interest?
 - Approximately \$29,000,000
- Where did the old tax increase go?

- It is funding a different part of the County's FY 2019 education budget
- When will the tax increase need to take effect?
 - July 1, 2019
- What happens if the cost of these projects is more than 68,000,000?
 - The Board of Commissioners will need to decide how they want to pursue the remainder of the financing depending on the cost

This concluded Mr. Griffin's presentation.

The Manager clarified the Board's options for the FY 2020 budget. She stated the Board could appropriate from fund balance for only one year. It will still be necessary to enact a tax increase the following year. Another option is for the County to reduce its expenditures, keeping in mind that out of the \$50 million, only \$7 million is not mandated by State or federal policy. However, those dollars go to fund services such as Parks and Recreation and the Library.

Chairman Chapman pointed out the Board of Education has identified another \$30 million in facility needs that will not be funded by the bond. He inquired about the tax increase that would be required to fund the additional needs. Mr. Griffin responded that 1 cent represents just over \$500,000. He pointed out that during a July conference call, the Local Government Commission recommended setting aside the debt service payments as they roll off to fund other capital needs.

Commissioner Hawkins inquired about the index that is used to establish the base in terms of the sale and repayment of the bonds. Mr. Griffin stated that general conditions on general obligation municipal bonds are used; in other words, any kind of local government debt. The Local Government Commission reported bonds were selling at approximately 3.02% over the summer. As a result and because the Federal Reserve raised interest rates, the County's model was to assume an interest rate of 3.5%. The Manager pointed out another variable is the timing of the sale. Timing could impact a number of things, including the principal due to rising construction costs. Another item staff discovered as they researched the previous bond sale from 1998 is that the last bond sale was phased in, whereas it appears that this one going to be a single draw.

Commissioner Hawkins, following up on Chairman Chapman's question about funding additional needs, stated that the term for borrowing additional funds would be shorter as opposed to funding through a bond structure. Mr. Griffin confirmed, stating that a general obligation bond in North Carolina is capped at 20 years. He informed that counties can fund many options through the private market, but pointed out the shorter term results in higher payments because they condensed over a smaller period of time. The Manager added that when staff issued RFP's to explore financing for projects under \$5 million there were no banks interested in lending for any period more than a 10-year term. In addition, there are limitations in the private market as to how much a local government can borrow, as well as the length of terms. The other form of financing is the Limited Obligation Bond (LOB) which requires construction drawings to be completed before going to sale on the bonds. Similar to the GO bonds, the terms for LOBs can be as high as 20 years.

Commissioner Phillips noted a 10-year or 15-year term would carry far less interest. Mr. Griffin confirmed.

Commissioner Hawkins commented that the construction period for the projects is proposed to be so compressed there would not be enough time for more than bond issuance. With that said, he stated none of the funds will be spent all at once, so he assumed there should be a return on investment on the monies not being spent for a couple of years. He asked if the ROI is expected to be a significant amount. Mr.

Griffin reported the current fund balance is approximately \$30 million and earns about \$400,000 annually in interest. Based on this, he did not expect the ROI to amount to more than one payment.

Commissioner Hawkins reiterated the Manager's point that the Board of Commissioners has been using the debt roll off to fund increases in school current expense, and some capital. Now that the debt is starting to completely roll off, those funds will no longer be available and any increases will be in the form of new taxes or cuts in other spending. The Manager confirmed, and recalled in the spring that staff made a presentation to the Board to show revenues versus expenditures over a 10-year period across different categories and classifications in County government. The presentation indicated that property tax revenue is growing at approximately 2% annually, while expenses in some categories are growing faster than 2%, one of those being education operations. Commissioners were able to accommodate larger increases in education operations with debt roll off payments, but moving forward Commissioners will have to enact a tax increase to fund education expenses that are outpacing growth in revenues.

Chairman Chapman offered statistics generated by the NC Association of County Commissioners with regards to education spending in Transylvania County:

- Transylvania County ranks 4th in the State out of 100 counties in current expense funding per student for FY 17-18; \$3,471 per student
- Transylvania County ranks 23rd highest in teacher supplements; \$3,757; only Buncombe and Henderson Counties are higher (in counties west of I-77)

Chairman Chapman stated that citizens should be proud of the investment being made by Transylvania County in education. With that said, he pointed out a disturbing statistic is that Transylvania County ranks 20th highest in school capital needs. Only Henderson County, west of I-77, has a greater need. Chairman Chapman emphasized the figures indicate that Transylvania County is very supportive of schools. He expressed concern about how the facilities fell into the condition they are in with the amount of funds the County has been allocating for schools compared to other counties across WNC. With that said, he pointed out citizens will have a chance to address the needs with their vote in November. He again emphasized there remains \$30 million in needs that the bond, if passed, will not address. Six other school facilities will not be impacted by the school bond. He said there are hard decisions that will need to be made and those decisions are going to be expensive. Nonetheless, Chairman Chapman wanted to go on record as showing how this Board has supported education over the last several years.

The Manager will make this presentation available on the County website, as well as the presentation from the spring showing spending by category and classification over a 10-year span. She stressed that of utmost importance is that the Local Government Commission advised Commissioners in the joint meeting/conference call in July that they will need to consider, if the bond passes, how to strategically earmark funds for capital out of the debt roll off payments in the future.

Commissioner Hawkins said it will be important to maintain these facilities and ensure the County does not face another such daunting situation.

NEW BUSINESS

PARKS AND RECREATION FACILITY USE AND FEE WAIVER POLICY

Parks and Recreation Director Jared Griffin presented this item. He worked with the former Director Jonathan Griffin to draft a facility use and fee waiver policy for the public and certain user groups. Much of the policy originated from the Commissioners' directive that the Board should not have to review every fee waiver request for the use of parks and recreation facilities.

In their research they found that many departments across local government in WNC did not have policies in place. They used key elements from policies from the City of Asheville and Cabarrus and Mecklenburg Counties to draft a policy that made sense for Transylvania County.

Policy included several key elements:

- Guidance for the public on how to reserve facilities (athletic fields, tennis courts, or indoor facilities at the Recreation Center or Silvermont) and any requirements needed based on facility and event (insurance, for example)
- Prioritization for requests to book facilities if there are multiple requests for the same facility and date and other scheduling priorities based on user group
- Tennis Reservations – addressed several questions and concerns about the ability for the public to reserve tennis courts because of high usage; solution was to ensure at least one court would be open to the public on a first come first serve basis, the other two courts could be reserved through Parks and Recreation; exception would be during tournament matches when all three courts are reserved
- Partners – identified and established partner organizations; partner organizations defined by how they directly contribute to Transylvania County Parks and Recreation department and to the County by offering recreational opportunities that do not currently exist
- Fee Waivers – allowed partner organizations 30 hours of usage per calendar year (partner organizations are identified in the policy; organizations vary from youth sports to Transylvania County Schools to Friends of Silvermont)
- Fee Waiver Requests – enabled Parks and Recreation Director to receive nonprofit fee waiver requests and approve on a case by case basis

Mr. Mull requested feedback from Commissioners to incorporate into the draft policy, integrating the County Attorney's feedback as well. Staff will then reintroduce the policy at an upcoming County Commission meeting for consideration.

Commissioner Lemel suggested defining nonprofit as a qualified 501c3. She also suggested that the Parks and Recreation Commission vet any new partner organizations via an application process. Mr. Mull agreed and added that potential new partner organizations should be given an opportunity to prove how they directly impact recreational needs in the County and why they feel they should become a partner organization.

Commissioner Lemel commended Mr. Mull for his recognition of the historic relationships with several groups and organizations and their contributions. She felt this policy honored that relationship.

Commissioner Phillips inquired about reserving basketball courts at Silvermont and where this falls under the draft policy. Mr. Mull informed Commissioners that the basketball courts are available to the public on a first come first serve basis and is not the type of facility that would require a reservation. Should it become a problem, staff will consider adding the courts to the policy in the future.

Chairman Chapman asked Mr. Mull to comment on the relationship between the County and the School System on the usage of their facilities. Mr. Mull reported his department has a great relationship with the School System. Parks and Recreation opens its facilities for school activities on a regular basis. They are very excited to use the gym as it is now air conditioned. Parks and Recreation does not use any of their facilities outside of the flag football program at Brevard High School.

Commissioner Hawkins asked several questions related to the provision allowing partner organizations to use facilities for free for 30 hours annually:

- Are the 30 hours non-athletic hours? Mr. Mull confirmed, noting there are no fees associated with athletic fields.
- If an organization is using the tennis courts at Silvermont, that would be considered an athletic use? If an organization is using the Silvermont Mansion, that would be a non-athletic use? Mr. Mull confirmed. He noted the youth sports organizations that are listed in the policy are using indoor facilities, such as the Activity Room, which has a fee attached.
- If TYSA wanted to use a meeting room at the Recreation Department, they would schedule the room through Parks and Recreation? Yes, staff has been scheduling them for usage in the past. There was no policy in place at the time. This policy allows the department to track usage.
- Under the 30 hour policy, does the department have the ability to deny usage if the use is inappropriate and so that the County is protected? Mr. Mull stated yes. This is stated under guidelines, but it can be added in the policy that it applies to partner organizations as well.
- The policy states the organization cannot sublease or transfer hours? Mr. Mull said this was intended to curb organizations from reserving the facility for one usage, then renting it out for another usage.
- Do the 30 hours reset every January or do they carry over? Mr. Mull responded the hours reset each year.

Commissioner Hawkins stated he was not agreeable to a fee waiver because if staff is not consistent with how it is applied, it cannot be codified, and therefore it cannot be appropriately explained in a document/policy. Mr. Mull recalled that the only two events for which fee waivers were requested were Relay for Life and Tim Tebow's Night to Shine (prom for people with special needs).

There were no further comments. Staff will incorporate Commissioners' input and bring back a final draft for their consideration at a future meeting.

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION 2017 COMPREHENSIVE BICYCLE PLAN PLANNING GRANT – UPDATE

County Planner Joy Fields presented this item for the purpose of giving the Board an update on the 2017 Comprehensive Bicycle Plan Planning Grant. This is a summary of her presentation:

- October 2016, the Board of Commissioners authorized staff to submit a Bicycle Planning Grant application to the NC Department of Transportation (NCDOT)
 - To identify routes for bicycle lanes, paved shoulders, multi-use paths, and any other potential solutions to improve the safety and health of motorists, cyclists and citizens, and create connectivity throughout the County and the region
- January 2018, NCDOT contracted with Alta Planning to complete the comprehensive bicycle plan with support from the Transylvania County Planning and Community Development Department
- An initial meeting on March 29, 2018 to introduce stakeholders to the planning process and discuss the local vision and goals for the plan
- Second meeting on June 26, 2018 to update stakeholders on data collection for the plan and the upcoming public outreach open house workshops
- Third stakeholder meeting on September 27, 2018 to review the input received from the public on priority infrastructure, locations and programs to include in the comprehensive bicycle plan
- Process remains in the planning phase
- Work remains to understand the goals of the stakeholders and how Transylvania County fits within the larger scheme of mountain biking trails and also the road cycling routes that are used by locals and visitors

- Fourth stakeholder meeting anticipated in November to present initial draft of comprehensive bicycle plan, to gather input from the stakeholders, and determine whether it meets the goals and needs of Transylvania County
- Commissioners and public will have a chance to review the draft plan; all input is welcome to ensure it is representative of Transylvania County and meets the needs of both residents and visitors
- All of this information will be compiled to create a final plan with additional opportunity for review and comment

Discussion

At the request of Chairman Chapman, Ms. Fields identified several of the stakeholders that have been involved in the process at various levels thus far:

- County Commissioner Mike Hawkins
- Brevard College President David Joyce
- Pisgah National Forest District Ranger Dave Casey
- Representatives from the Transportation Advisory Committee-Chair David Carter, Jimmy Whitmire, Mark Tooley
- Representatives from various communities to include Connestee Falls, Little River, upper end of County
- Local businesses-Sycamore Cycles, Carmichael Training, The Hub, DD Bullwinkels, Oskar Blues, Farm Bureau

Commissioner Hawkins commented that he attended the first stakeholders' meeting. His impression was the group was an interesting mix of people, including locals and newcomers in the community, representing different perspectives and attitudes. He said he was impressed with the meeting and the input that was given. He could tell that people were truly concerned with the issues around road biking in the County and they wanted to know how to make things better.

Commissioner Phillips said while he is certainly not anti-biking, he frequently witnesses cyclists not obeying traffic laws and this can be irritating to motorists. He was unsure how to alleviate this problem other than required training. He emphasized it is imperative for everyone's safety that traffic laws are adhered to by both motorists and cyclists. Ms. Fields reported that stakeholders expressed the same concerns. Likewise, cyclists expressed concern about motorists not following traffic laws. Input from the public meetings indicated that participants were interested in education programs for both motorists and cyclists about traffic laws, information on trails that might be closed or routes that are heavily used versus not heavily used, and multi-use trails and road improvements that can facilitate additional space for cyclists thus allowing motorists to pass more easily.

In addition to the public input sessions, a public survey was offered to Transylvania County residents. The survey asked, "What's not here now that you want?" Survey results included:

- 1,771 write-in responses
 - 572 of the responses wanted multi-use paths
 - 342 of the responses desired bike lanes
 - For NCDOT to install bike lanes, they must be identified in an approved plan as a bicycle route
 - Having a comprehensive bicycle plan in place will address programs and infrastructure that are needed

In reference to the Parks and Recreation Master Plan, survey participants identified walking/biking trails and greenways as top recreation facility needs. In addition, Land of Sky Regional Planning Organization conducted a public survey for the SPOT 5.0 Project prioritization process. From Transylvania County participants, there were between 446 and 575 responses about specific routes identified as potential routes for multi-use trails. Not every person responding to the survey chose all of the bike/ped projects as a priority, but of those that responded to the survey, 82.5% were supportive of a multi-use path through Brevard College that would connect North Broad St./Asheville Highway with Neely Road and 79.5% were supportive of a multi-use path along US 64 between Rosman and Brevard. Outside of the public meetings held specifically to get input on the comprehensive bicycle plan, these surveys contain recent data that can be used to help develop the plan as well.

Chairman Chapman inquired about the status of the proposed bike path from Mills River to Transylvania County. The Manager responded that meetings had been occurring with regional partners previously, but the Town of Mills River decided they were not ready to pursue that connection at this time. They are focused specifically on a section near Sierra Nevada connecting to Highway 191 and are seeking funding through the Metropolitan Planning Organization. Knowing that Transylvania County would be receiving funds for a comprehensive bicycle plan allows for an evaluation of the section from Turkey Pen into Pisgah Forest and subsequently connecting to the City of Brevard.

RECOMMENDED TRANSPORTATION PROJECT PRIORITIZATION FOR NCDOT FUNDING

County Planner Joy Fields presented this item. She reported that last fall the Board of Commissioners approved the submission of 10 projects to the Rural Planning Organization (RPO) for consideration in the State Transportation Improvement Program (STIP). Those projects were prioritized by the NC Department of Transportation (NCDOT) using data related to safety, congestion, need, etc. The initial scores and total funding that is available were used, in addition to the public input survey by the Transylvania County Transportation Advisory Committee (TAC), to prioritize projects.

Because Transylvania County does not contain interstates, it is not eligible for statewide funding. The County is eligible for regional funding for roads such as NC 280, US 178, and US 276 that have regional impact. The Board of Commissioners supported the TAC's prioritized list of projects. Only one of those projects was funded from the regional funding tier, that being the intersection of US 64 off Broad Street and Caldwell Street. Other regional transportation projects, to be funded through the NCDOT funding process, would need to be considered in a division level funding tier, which is currently being considered by the Board of Commissioners.

The TAC recommended the following prioritization of transportation projects for the STIP 5.0 process.

1. **US 178** (H090858) from Main Street in Rosman to Middle Fork Road – modernize roadway with wider lanes and paved shoulders to increase safety and reduce congestion;
2. **Old Hendersonville Highway**, SR 1504 (H170395) from Chestnut Street to Ecusta Road – improve road conditions, modernize roadway and build to complete street standards;
3. **NC 280** (H170251) from Taco Bell to the North Transylvania Fire Department – convert existing 4 lane roadway to a 4 lane divided highway with 17.5' medians containing protected turn lanes to increase safety and reduce congestion;
4. **West Loop/Railroad Avenue Extension** (H090855), new route – construct two lane roadway from US 64 at Chestnut to US 64 south of Brevard – widen existing roadway and construct part on new location to provide alternative local route;
5. **Neely Road**, SR 1546 (H111133) including Chestnut Street, Park Avenue and Parkview Drive from US 64 to 276 – upgrade roadway to modern specifications with bike lanes on both sides and sidewalk on one side and improve intersections to increase safety and reduce congestion;

6. **Ecusta Road**, NC 1512 (H150561) from US 64 to Wilson Road – upgrade roadway to modern specification and build to complete streets standards to increase safety and reduce congestion;
7. **Brevard High School Greenway**, (B171159) from Tannery Park to Brevard High School – construct off road multi-use path
8. **Brevard College Multi Use Path** (along King Creek partially) (B171356) from SR 1546 (Neely Rd) to Railroad Ave.-construct a multi-use path along the south side of Limbo Creek (may utilize existing service or maintenance road) between the baseball field and the track then south along King Creek through campus to US 64 (N. Broad St) crossing Broad street continue along King Creek behind Food Lion to Railroad Ave. (noted that all bike-ped projects require local 20% match, or \$44,000)
9. **Old Rosman Highway Multi Use Path (SR 1388)**,(B171252) - construct a multi-use path along SR 1388 (Old Rosman Hwy) from the end of Main Street to Rosman Community Park

Based on the funding that is available, projects that do not receive the first or second priority will most likely not receive funding for construction, but they may receive funding for the development of feasibility studies. Outside of the road projects, NCDOT is able to provide local input by assigning points to bicycle and pedestrian projects and those projects are funded under the division level tier. Most of these projects are in the City of Brevard's jurisdiction; however, there is one multi-use path between Main Street in Rosman and the Rosman Community Park that was prioritized to receive funding from NCDOT. If it receives funding, the Board of Commissioners will have to provide a 20% match. The monies can come from a variety of sources. The project is estimated to cost \$220,000, with the local match being \$44,000.

Commissioner Hawkins clarified that there may be a chance the first two prioritized projects would be funded and the remainder would be designated for further study. He also inquired about the timeframe for the other projects being up for reconsideration. Ms. Fields stated this is her understanding of the funding priorities, unless the project is a bike/ped project, based on her conversation with Vicki Eastland with the RPO and Steve Williams with NCDOT. All of the projects must be approved by the NCDOT which will most likely happen next summer when they meet to approve the STIP. Right-of-way acquisition usually occurs a couple of years later, followed by construction a year later. Ms. Fields stated the process is long. She pointed out the top two prioritized projects may not begin development for three to five years from now. If funds are not committed to the remaining projects, they must go through the prioritization again. The prioritization process occurs every two years.

In reference to the Old Hendersonville Highway project (#2 on the list), Commissioner Hawkins clarified that one of the factors that makes it second on the list is that it is low cost and more likely to be approved. Ms. Fields responded that many jurisdictions cascade regional projects down using funding that is left over to fund division level projects. US 178 is a regional project that the TAC cascaded down to the division level because of how it scored and the potential for it to receive funding. Other jurisdictions employ this same practice. High dollar projects, such as improvements to I-26 and I-40, have also been cascaded down and therefore the pot of money available for division level projects is lower than it would be if just considering the division projects like Neely Road. In looking at the list of projects,

Commissioner Hawkins thought the third item (NC 280) outranked the second project, being Old Hendersonville Highway. He asked if Commissioners decided to switch the two projects if the cost of NC 280 improvements means it would not likely be funded. Ms. Fields confirmed based on discussions that occurred with NCDOT. Switching NC 280 to the second priority will move it into the feasibility study phase, with routes identified along with potential designs to be developed and considered by the community. It would be same situation that happened with Wilson Road. There were three alternatives considered, and those designs were created through the feasibility study process. NCDOT has hired a new corridor coordinator to conduct corridor studies for Division 14. She said it may be that NC 280 has

a high level feasibility study done even if it is not prioritized second on the list. It would move through to design phase, but it would like receive a high feasibility study conducted even if it is not the recipient of the Division 14 points. The priorities the Board of Commissioners identifies at this meeting will determine where the RPO and Division 14 put their local points. For division level projects, those points comprise 50% of the score. It has a big impact.

Commissioner Phillips inquired if the cost of the NC 280 project includes acquisition of properties. He assumed the project would include the purchase of homes right along the highway for expansion purposes. Ms. Fields confirmed that is one reason for the higher cost of developing NC 280.

Commissioner Lemel commented that she is struggling with the complexity of what sounds like a very intricate chess game in this regard. Therefore, as a County Commissioner, she deferred to staff on their expertise in making the “chess moves”. She said it is very frustrating dealing with State bureaucracy. Commissioner Lemel shared the other Commissioners’ concerns about NC 280 and knowing the danger of the highway and how important those improvements would be for Transylvania County. If Commissioners approve the prioritized list as recommended, she asked if in four years from now NC 280 would move up in priority. Ms. Fields responded that with more information and a feasibility study conducted on NC 280, it makes the initial score on the project higher because work has already been done. It might score better through the prioritization process from the beginning if a feasibility study has already been conducted.

Commissioner Lemel inquired if the funding for feasibility study is separate from the other funding sources and wondered if keeping it at number three on the list makes it more apt to receive a feasibility study. The Manager responded that this project is guaranteed to receive attention only if it is moved to priority #2. What staff is hearing though is that there is potential with the new hire that the County would see some movement with the project sitting at #3, while being able to accomplish #2 on the list. There is no guarantee. Ms. Fields added that if Commissioners prioritize NC 280 as second on the list, it will likely not be funded for construction, only development and design at this time. It would impact the score later and reduce the costs for the next cycle.

Ms. Fields stated that the TAC weighed and discussed this issue. The meeting minutes reflects an individual who chose to prioritize NC 280 as #2; however, the majority of the TAC members wanted to see a project that could receive funded to construction as #2, that being Old Hendersonville Highway. The hesitation of the TAC to prioritize NC 280 as #2 was because it would likely not lead to construction based on funding. However, she pointed out that the funding is a moving target.

Commissioner Lemel said this is obviously a very complex issue so she would be inclined to take the advice of staff.

Chairman Chapman announced that staff has recommended approval of the nine prioritized projects via passage of a resolution which he read aloud for the benefit of the public.

Commissioner Lemel moved to accept the Transylvania County Transportation Advisory Committee’s recommendation and forward a Resolution of Support to the NC DOT and the RPO as part of the STIP Prioritization 5.0 process that is due by October 31, 2018, seconded by Commissioner Phillips. Commissioner Hawkins asked staff to reach out to the new corridor coordinator with NCDOT and inform them that the Board approved the prioritization, but that the Board was forced to because it is reflective of available funding. The corridor coordinator needs to know that NC 280 is the most important artery coming into Transylvania County. Furthermore, officials have been discussing safety issues along that stretch of NC 280 for a number of years. It is important to drive the point that Transylvania County really wants an analysis of NC 280. He asked staff to find out what the County

needs to do to assist NCDOT of getting to a point of conducting the analysis. Some of these other projects are short term thinking. **The motion was unanimously approved.**

(Resolution #34-2018 Approving Prioritization of Transportation Improvement Projects in Transylvania County is hereby incorporated by reference and made a part of Transylvania County.)

REQUEST FROM CEDAR MOUNTAIN FIRE RESCUE FOR LEGISLATIVE SUPPORT

President of Cedar Mountain Fire Rescue, Jimmy Jones presented this agenda item. He reported that the State of North Carolina has a method for funding fire protection to State owned buildings; however, the current funding method does not incorporate rescue and medical responses to State parks and forestland. Cedar Mountain Fire Rescue would like to request that the State reevaluate the current funding method to include additional funding for fire, rescue and medical response needs in State-owned parks and forests. Additionally, Cedar Mountain Fire Rescue asked the Board of Commissioners to support the fire department in their effort to seek an increase in funding at the State level.

Mr. Jones reported that Dupont State Recreational Forest comprises one-third of Cedar Mountain Fire Rescue's service district. The department is called to Dupont regularly to provide emergency service response to visitors who may be injured or become ill while in the forest. Visitation numbers indicate 405,801 people have visited Dupont already this year. From 2015 through September 30, 2018, over 2,237,941 people have visited Dupont. Through September 30, 2018, Cedar Mountain Fire Rescue has responded to calls in the forest 34 times totaling 191 man hours. This represents one-quarter of the department's total calls for the Transylvania County district and 27% of total man hours spent. Since 2015, an average of 27% of their calls and 34% of their man hours are spent inside Dupont State Recreational Forest.

Mr. Jones pointed out many visitors to the forest are not local and are not contributing tax dollars toward fire and rescue services, thus leaving the burden to the taxpayers in the district. Cedar Mountain Fire Rescue receives funding from the State through the State Fire Protection Grant Fund. In 2018, the department received \$753 from this fund. According to statute, the Fire Protection Grant Fund is meant to protect the buildings and their contents. Cedar Mountain Fire Rescue has approached both State Representative Henson and Senator Edwards and asked them to consider amending NCGS 58-85A-1 (statute that created Fire Protection Grant Fund) to include land and attractions, such as state forests or parks, etc., to require that the Office of the State Fire Marshal amend the formula that is used to distribute the funds to fire departments across the State, and for the State to deposit additional dollars into the fund to enact the proposed amendments. The correspondence to State representatives will invite additional funding as well.

Cedar Mountain Fire Rescue is unique in that part of its district is located in Greenville County, SC. The department experiences the same situation within the South Carolina district in that the Mountain Bridge Wilderness Area, which includes Caesar's Head State Park, is part of the district. Both Dupont State Recreational Forest and the Mountain Bridge Wilderness Area average approximately 750,000 visitors in the department's district in each calendar year. The department does not receive any dollars from the SC General Assembly. They have contacted South Carolina legislators with regards to establishing a State Fire Protection Fund.

Mr. Jones stressed that Cedar Mountain Fire Rescue has an excellent working relationship with the personnel of both the Dupont State Recreational Forest and the Mountain Bridge Wilderness Area, and the department does not want their actions to be construed in any negative way toward them and vice-versa. He asked the Board of Commissioners to send a letter of support on behalf of Cedar Mountain Fire Rescue's efforts.

The Manager asked Commissioners to discuss the request from Cedar Mountain Fire Rescue and provide direction to staff in terms of supporting methods to increase State funding.

Commissioner Lemel pointed out that Dupont is funded through the State Agricultural Department as a State Recreational Park. She inquired if Lake Toxaway Fire Rescue maintained a similar position as Cedar Mountain for providing response to Gorges State Park because County Commissioners have not heard from Lake Toxaway about this issue. She asked if the pool of money Cedar Mountain is seeking is relevant to State parks as well. She also wanted to know if Cedar Mountain was working in tandem with Lake Toxaway. Mr. Jones replied the funds come from the same pot of money. Additionally, he has requested a letter of support from the Transylvania Chief's Association. He pointed out that Connestee Fire Rescue would also qualify; noting the majority of Headwaters State Forest is in their district. Mr. Jones stressed this is a major request. He revealed that Senator Edwards understands the need and the dilemma Cedar Mountain is facing. Their conversation led to a discussion about amending the statute. Senator Edwards requested additional information, and that is where the conversation was left. They both agreed it would be nice to have a letter of support from the Board of Commissioners and the fire chiefs.

Chairman Chapman asked if this situation would be better served with a letter from each of the districts that are impacted to support this effort that the Board of Commissioners could use an attachment to the County's letter. He felt it would add more clout since this issue impacts more than one district.

Commissioner Lemel agreed, stating it is most important to hear from the three districts specifically responding to calls on State-owned lands. She preferred for all three departments to have an agreed upon perspective and resolution on this that the Board of Commissioners would then act on. She thought it was important to be collective in the approach. The Manager agreed and added that since there are also County budget impacts that are generated by providing response to State-owned lands, staff could solicit coordination from the three districts for a letter of request, evaluate the additional response data and impacts from law enforcement, EMS and Rescue Squad, and approach this from a countywide comprehensive approach. Mr. Jones agreed and noted this is his effort to get the process started.

Commissioner Hawkins noted the difference with Cedar Mountain is the volume as opposed to Lake Toxaway or Connestee. As Mr. Jones reported, 34% of the department's man hours are spent responding to calls in Dupont. In addition to including land and natural attractions, there also needs to be funding of the program. The Fire Protection Fund is grossly underfunded, and if even the statute is amended to include land and attractions, he does not expect the department to receive any additional funds. Mr. Jones added there are departments across the State that are unaware that the Fire Protection Fund exists. He reported one instance in which Cedar Mountain Fire Rescue was involved in three calls simultaneously at Dupont which got the attention of the department's board to seek additional funding.

Commissioner Hawkins suggested as an alternative to a statewide solution a local bill solution. Mr. Jones said he discussed this with our representatives and the legislature was already out of session when he initiated contacts with our representatives. Nothing can be done to help legislatively until the new session starts in January. Chairman Chapman felt a local bill may get more support and would not cost the State as much money.

Chairman Chapman thanked Mr. Jones for the presentation. He instructed staff to work with Mr. Jones and gather the necessary data to develop a joint proposal to bring back before the Board for consideration.

MANAGER'S REPORT

The Manager reported the following:

- *The Transylvania Times* is publishing a series of articles that will provide an in-depth look at what happens to the waste and recyclable materials that are discarded at the convenience centers and landfill
 - September 27 edition – Talking Trash: A Visit to the County Landfill
 - October 4 edition – Recycling 101: Transylvania and Beyond
 - Issues around Solid Waste also involve global policy
 - Local jurisdictions will need to have serious discussion about future operations and expectations to accommodate changing national and international policies
- As required by law, the notice of special bond referendum was published on September 27 and October 4 in the legal section of *The Transylvania Times*
- Rosman Heritage Day was Saturday, October 6. Congratulations to the Town of Rosman on hosting a successful event at Rosman Town Hall!
- Fair Market Rent RFP sent out
 - Discussion at last meeting about issue surrounding setting the Fair Market Rent rate and reflecting that Transylvania County’s rates had gone down
 - Commissioners’ comments submitted to HUD resulted in stay of new rent rates going into effect; however, the County has until January 11 to deliver a survey that meets HUD’s standards and methodology
 - HUD is concerned that a community of our size is not going to be able to accomplish the survey
 - Staff hopes to receive proposals for the Board’s consideration, but discussion will still need to occur regarding whether or not it is feasible
 - Key issue is that people typically do not own land lines, making land line survey method very difficult to accomplish
 - Discussion with HUD on Thursday and working with WCCA to determine flexibility within methodology to accomplish within short timeframe
- Expecting rain and winds from Hurricane/Tropical Storm Michael Wednesday and Thursday; potential for flooding; encourage public to “like” County’s Facebook page to receive updates and to sign up to receive alerts
- Clerk working on analysis of citizen engagement over three year period with regard to change of the Board’s regular meeting schedule from two night meetings to one day and one night meeting and will be reporting back to Board soon
- Kudos to Jonathan Griffin who has been named the new County Finance Director
- Kudos to Cameron Sexton from Craven County Manager Jack Veit for help with Hurricane Florence recovery
- Kudos to all of our employees who deployed to assist with Hurricane Florence cleanup
- Kudos to our community-economic development collective efforts paying off; August report for 2018 reflects the County’s unemployment rate at 3.9%, down from 4.5% last August; jobseekers should visit the NC Works Office at Blue Ridge Community College

PUBLIC COMMENT

There were no comments from the public.

COMMISSIONERS’ COMMENTS

Chairman Chapman reported that Commissioners learned that the School System did not receive any funding from the school construction grants they submitted last month. He said other school systems were awarded funds based on need, but based on figures alone, it is clear that Transylvania County has many more needs than some of the counties that received grant funding.

Chairman Chapman thanked Commissioner Hawkins for posting the Board's agenda and County-specific articles on his social media. Commissioner Hawkins is doing his best to inform the public.

Chairman Chapman asked everyone to keep Commissioner Chappell's son in their prayers and that he gets well soon.

Commissioner Hawkins recognized Chairman Chapman for the work he has done to help rectify the HUD issue with regards to the Fair Market Rent. He traveled to Washington, DC and met with Congressman Meadows' Chief of Staff to discuss this issue, among other things. He went the extra mile to advocate on behalf of Transylvania County.

ADJOURNMENT

There being no further business to come before the Board, **Commissioner Lemel moved to adjourn the meeting at 11:35 a.m., seconded by Commissioner Hawkins and unanimously carried.**

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board