

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
January 11, 2021 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, January 11, 2021 at 4:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

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

Media: *The Transylvania Times* – Derek McKissock participated remotely.

There were 15 people in the audience, including staff.

CALL TO ORDER

Chairman Jason Chappell presiding declared a quorum was present and called the meeting to order at 4:02 p.m.

WELCOME

Chairman Chappell welcomed everyone to the meeting participating both in person and remotely. He introduced Commissioners and staff in attendance.

PUBLIC COMMENT

There were no comments from the public.

AGENDA MODIFICATIONS

The Manager requested to add a closed session per NC General Statute § 143-318.11 (a) (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. There were no agenda modifications from Commissioners.

Commissioner McCall moved to approve the revised agenda with the addition of the closed session, seconded by Commissioner Guice and unanimously approved.

CONSENT AGENDA

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

The following items were approved:

MINUTES

The Board of Commissioners met in regular session on October 12, 2020 and following met in closed session in which the minutes were sealed. The Board of Commissioners met in regular session on October 26, 2020. The minutes were approved as submitted.

AUTHORIZATION OF USE OF SHERIFF'S OFFICE RESERVE FUNDING

Since the FY 2016, Transylvania County has earmarked certain revenues generated by activities at the Detention Center. Excess revenues are, by policy, added to assigned fund balance and tapped into on an as-needed basis to meet various needs of the Sheriff's Office. At the time it was initially established, the primary purpose was to provide an additional fringe benefit, exclusive to Sheriff's Office employees, of a tuition reimbursement program. In later years, the scope grew to equipment purchases. In FY 2018, these funds were utilized to purchase the firearm simulator installed at the Public Safety Facility.

In the FY 2021 budget process, the Sheriff's Office identified a need to purchase a MorphoBIS Latent Fingerprint Identification workstation. Currently, the Sheriff's Office submits collected fingerprints to the NC State Bureau of Investigation for processing. Having a machine in-house would reduce processing times on fingerprints and reduce reliance on other agencies for processing in general.

Management, anticipating significant resource shortfalls across the budget, earmarked this to be paid for from assigned fund balance for the Sheriff's Office, pending alternative revenue sources coming available in the year or the Sheriff's Office changing its plans on how to proceed. The Sheriff's Office gave notification to the Finance Office to proceed on November 24, 2020. Commissioners authorized staff to proceed with the acquisition of this asset as requested by the Sheriff.

RESOLUTION IN SUPPORT OF MYFUTURENC ATTAINMENT GOAL

Per Land of Sky Regional Council Executive Director Nathan Ramsey, our region is the first multi-county effort in North Carolina to increase post-secondary credential attainment aligned with the statewide myFutureNC goal – a state-led nonprofit created to move the state's educational attainment goal of two million by 2030 into action. The Land of Sky Regional Council wants to be the first region to have all local governments, education entities, economic developers and key businesses endorse the goal. Commissioners approved the resolution in support of myFutureNC Attainment Goal and instructed the Clerk to forward a copy to the Land of Sky Regional Council.

**Resolution #01-2021
To Support the myFutureNC Attainment Goal**

WHEREAS, the myFutureNC Commission (the Commission) was chartered to involve the leaders of the education, business, philanthropy, faith-based and non-profit communities from across North Carolina in developing an educational goal for our state; and

WHEREAS, the Commission has concluded that North Carolina should have a goal that 2 million North Carolinians will have a high-quality post-secondary degree or credential by 2030 (up from 1.3 million today); and

WHEREAS, the Board of Commissioners of Transylvania County is committed to helping employers in our region meet their workforce needs while helping job seekers and youth find a rewarding career pathway; and

WHEREAS, most jobs in our region that pay a family-sustaining wage will require some type of education and training beyond a high school diploma; and

WHEREAS, employers in advanced manufacturing, healthcare, hospitality and tourism, technology, skilled trades, and other sectors in the region depend on a highly skilled workforce; and increasing post-secondary credential attainment will help employers meet their talent needs; and

WHEREAS, a post-secondary credential will help individuals find a rewarding career that will pay a family-sustaining wage; and

WHEREAS, the Land of Sky Education & Workforce Collaborative in our region of Buncombe, Henderson, Madison, and Transylvania Counties is the first multi-county regional attainment effort in North Carolina and is the regional pilot for North Carolina; and

WHEREAS, the Land of Sky Education & Workforce Collaborative has developed a regional partnership with employers, educators, local governments, nonprofits, and other partners to increase post-secondary credential attainment in our region; and

WHEREAS, the Land of Sky Education & Workforce Collaborative has developed a strategic plan focused on regional best practices to support the education continuum from early-childhood education to adult learners;

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

1. That the Board of Commissioners of Transylvania County strongly supports the myFutureNC Commission post-secondary credential attainment goal that 2 million North Carolinians will have a high-quality degree or post-secondary credential by 2030.
2. That this Board will continue to foster partnerships across our region's education continuum and with leaders in business, philanthropy, and government to achieve that goal.
3. That this Board will work with employers, educators, government, non-profits, and workforce partners to increase the number of high-quality, post-secondary credentials awarded in the region to help meet the statewide myFutureNC attainment goal.
4. That this Board enthusiastically endorses the Land of Sky Education & Workforce Collaborative efforts to increase post-secondary credential attainment in our region.
5. That this resolution shall be effective upon its adoption.

Adopted this the 11th day of January, 2021.

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

PRESENTATIONS/RECOGNITIONS

PRESENTATION OF NCACC AND LOCAL GOVERNMENT FEDERAL CREDIT UNION EXCELLENCE IN INNOVATION AWARD TO TRANSYLVANIA COUNTY SOLID WASTE

The North Carolina Association of County Commissioners (NCACC) and Local Government Federal Credit Union Excellence in Innovation Awards provide recognition and monetary rewards to county employees who develop successful programs that help counties improve services to citizens with innovative solutions and cost or resource savings for counties. These award-winning programs reflect a day-to-day pursuit of practical solutions to systemic and seemingly insurmountable challenges.

In 2020, the Transylvania County Solid Waste Department was recognized for their innovative solution to provide erosion control and slope stabilization at the landfill which has been difficult due to poor soil

quality and steep, mountainous terrain. Kenn Webb and his staff identified a remedy by utilizing fungi to expedite the natural decomposition of wood waste to create beneficial soil amendments. Their testing efforts suggested that native fungi proliferated in the wood chips. The erosion benefits of the wood chips were confirmed, and the trends of the test were positive.

The department's Fungi Demonstration Project was chosen by judges who work in county government across North Carolina. The project was highlighted in the NCACC's fall edition of County Quarterly magazine. The Board congratulated Kenn Webb and his staff for their leadership and innovation and presented them with the award.

Mr. Webb thanked the Board for the official presentation of the award and for the Board's leadership in allowing the department to be innovative. He reported that the department continues to maintain the fungi plots for further evaluation.

TRANSYLVANIA COUNTY TOURISM DEVELOPMENT AUTHORITY ANNUAL REPORT

The Transylvania County Tourism Development Authority requested to prepare an update for the Board of Commissioners in a report format followed by a Power Point Presentation during a regular meeting. Clark Lovelace, Executive Director of the Brevard/Transylvania Chamber of Commerce and Transylvania County Tourism Development Authority presented the FY 2020 Report and highlighted what is to come in FY 2021. This is a summary of his presentation.

Transylvania County Tourism Development Authority (TCTDA)

The TCTDA is comprised of nine members:

- Two are accommodations owners/operators
- Two are specifically not accommodations owners/operators
- Two at-large members, who may or may not be accommodations owners/operators
- One County Commissioner representative
- One City Council representative
- One Chamber of Commerce representative

The staff team includes Mr. Lovelace as Executive Director, Mary Jo Gordon (Marketing and Communications), Corey Gafnea (Operations and Projects), Sally Burnett (Visitor's Center), and Market Connections (Marketing and Advertising partner agency). The TCTDA operates through a contract with the Brevard/Transylvania Chamber of Commerce.

Historic Metrics

Tourism brings a lot to Transylvania County in terms of dollars and businesses, including those that support tourism. Tourism also provides a significant amount of local tax dollars - \$5.26 million in local tax revenue, saving \$272 per Transylvania County resident.

Accommodations' revenue has grown – more than doubled – in the last nine years. Monthly comparisons of occupancy tax revenues indicate Transylvania County is a seasonable community; however, the County has become less seasonable than it was 20 years ago. Occupancy tax dollars – which are represented by overnight visitors – were higher than the prior year except for three months, even with the impact of the pandemic. By June, occupancy tax revenues were back up and to record levels.

Despite the impact from the lower three months, overall occupancy tax revenues for the year were up 5%. Occupancy in traditional accommodations was down. Airbnb continues to grow. The County receives a

lump sum payment of occupancy taxes from Airbnb so there is no other statistical information to provide other than comparisons in revenues received in the prior year.

FY 2019-2020 Highlights

Marketing and Advertising

The TCTDA crafts an annual marketing plan in collaboration with Market Connections and with input from the TCTDA marketing committee and staff. This is where their marketing and advertising efforts are detailed and where most of their budget lies.

Priorities

- Converting day trip visitors who play in our public lands to overnight stays
- Encouraging visitors to make a trip during the shoulder and off seasons
- Expanding and raising awareness of Explore Brevard brand

Tactics

- Use of digital advertising more than ever
- New Heart of Adventure ads and campaign
- A focus on local partners through sweepstakes and event promotion
- A strong public relations partnership with VisitNC and other media members

Public Relations

Dollars and efforts that go toward a genuine, organic article have always been more meaningful than advertising dollars. People tend to respond to more personal stories than advertisements.

Electronic and Digital

The TCTDA is moving in the right direction in terms of who their message is getting to.

Pandemic-Related Adjustments

- In March, all paid advertising for the remainder of FY 2020 was cancelled or postponed
- Created marketing messaging matrix which outlined a two-phased approach to the pandemic
 - Phase One (April) – stay home and stay safe
 - Phase Two (May and June) – explore responsibly
 - Messaging focused on how to be responsible outdoors and how to act responsibly in the community in general (being a good customer)

Visitor's Center

- Visitation down but staff worked harder during a challenging pandemic
- Center closed for a period of time
 - Communicated via website with chat function, messaging, updated travel information
 - Center reopened later under great caution
- Before the pandemic, the Visitor's Center was working to become the official home of the White Squirrel Institute – an organization that supports white squirrels and overall squirrel-rescue in the County

Partner Services

The TCTDA does more than just marketing and promoting. One of those things is supporting their partners.

- Co-op Campaign
- Adventure Guide distribution and advertising

- Sweepstakes
- Events calendar
- Website business listings
- Media support and photo resources

Transylvania Tomorrow

The TCTDA's support was unique this year. With the onset of the pandemic, many of the County's support organizations – Transylvania Economic Alliance, Blue Ridge Community College Small Business Center, Heart of Brevard, and the Brevard/Transylvania Chamber of Commerce – organized into the Transylvania Business Support Task Force. The task force created the Transylvania Tomorrow Small Business Emergency Relief Fund to provide needed assistance to small businesses that were impacted by the pandemic. In the first 90-day period, over 90 businesses were supported with more than \$160,000 in relief. The program was reignited during the winter months and just recently hit the \$200,000 mark in terms of awards to local businesses.

Grants and Partnership Funding

The program was shut down temporarily due to the cancellation of most programs and events. However, prior to that time, the TCTDA contributed \$17,250 in funding support to nine recipients. The TCTDA often awards special grants. They awarded \$100,000 to support due diligence and other related costs in the acquisition of the Ecusta Trail system, and additional awards for Heart of Brevard events/advertising and the Brevard Area Trail System hike/bike paths. These dollars came from excess revenues in their fund balance to support efforts that are long-lasting.

Sustainability

Their sustainability program – Transylvania Always – has been in existence for four years. Programs and campaigns have included:

- Waterfall safety
- Support for local projects and programs
- Leave It Better campaign – TCTDA version of “leave no trace”
- Awarded Green Destination Global Top 100 – an international sustainable tourism organization; TCTDA will address strengths and weakness identified in the accompanying report

Other Strategic Efforts

- The Ecusta Trail
- Destination Infrastructure Committee
 - Focus is to activate, collaborate or advocate for key elements of our destination's infrastructure
- New hire
 - In-house basic marketing and promotional needs for content generation, social media, and on-site project support

Looking Forward

Mr. Lovelace stated that 20 years ago, all the organization had to do was work hard to get people here. About a decade ago, their focus changed to getting people here at the right time when it was needed. He felt the organization is seeing another shift that goes beyond getting people here and at the right time, to creating a strong sustainable tourism economy that provides great benefit for the community. Marketing and promoting will continue to be a big part of their work but they will also focus on dealing with the

impact that visitors can have on our natural resources and destination, making investments to ensure we are growing in the right way, and ensuring we remain a destination and a place for our citizens to live. Mr. Lovelace thanked the TCTDA board members for being passionate members and he was proud of the work they are doing to align the County in moving forward. He also commended their great staff, and he assured the Board they will all continue to work together to move tourism forward in Transylvania County.

This concluded Mr. Lovelace's formal presentation. Chairman Chappell called for questions and comments from Commissioners.

Commissioner McCall asked if Mr. Lovelace had the ability to break out the data for 2019 and 2020 to show the impact from March through June in terms of accommodations revenue. Accommodations revenues appeared to have spiked and she wanted to know when it took place. Mr. Lovelace responded that as of February 28, 2020, accommodations revenues were ahead of the previous year by 15%. The first two weeks of March were relatively normal. From mid-March through early May many accommodations were shutdown. Mostly only the larger properties and some short-term rentals were open for business. A factor that played a role was short-term rentals. Mr. Lovelace learned that Airbnb does not report and pay occupancy taxes in the same way as other accommodations. All others collect and report monthly, but Airbnb reports when occupancy taxes are collected. 50% of what they are paying in occupancy taxes is based on who made a booking, not who stayed. The remaining 50% is paid after the person stays. So, their occupancy tax payments do not reflect someone staying in an accommodation for a particular month. Mr. Lovelace learned about this practice when Transylvania County received \$0 from Airbnb for a particular month (April). Airbnb had far more cancellations that month than they had bookings. Since June, however, there has been a massive spike, partially because of booking, not for people staying here.

Commissioner McCall said it seems to her that the data represents a surge. She commented that had the economy not opened to a degree, the County could very well be below occupancy tax rates from previous years. Mr. Lovelace agreed, and he confirmed that what occurred in June has continued for the past several months. The increase is reflected by more visitors coming here and additional reservations being made for short-term rentals.

Mr. Lovelace pointed out the reason Transylvania County is seasonable is because there is not a lot of corporate business, both in the form of large corporate group retreats coming here and not having large corporate headquarters. What makes Transylvania County seasonal is recreational travel. Recreational travel has helped Transylvania County tremendously while other counties continued to struggle because their corporate travel was down significantly.

Commissioner Dalton reported that the lack of corporate business/retreats has been the focus of the Transylvania Economic Alliance for some time. There was a recent announcement about the possibility of a boutique hotel coming to downtown. He asked if the new hotel intended to include a large meeting space to accommodate that need. Because the property being proposed for a hotel is owned by the City of Brevard, he did not have much detail on the design or layout.

There were no further comments or questions. The Board thanked Mr. Lovelace for his presentation and report.

APPOINTMENTS

APPOINTMENT OF DSS SPECIAL COUNSEL

In December, the Board of Commissioners approved a candidate to fill the role of DSS Special Counsel. Afterwards, the candidate rescinded her acceptance due to family issues. The Selection Committee brought an alternate recommendation to the Board of Commissioners to appoint John J. Aldridge, IV as the DSS Special Counsel. John obtained his bachelor's degree from East Carolina University in Criminal Justice and his Juris Doctor from North Carolina Central University School of Law. His prior work includes Union County as the Attorney for the Sheriff; Scotland County District Attorney's Office as an Assistant District Attorney, and work in a private law firm which represents counties throughout North Carolina in tax foreclosure proceedings. If appointed, John can begin on January 19. Misti Bass, Interim Special Counsel, has agreed to remain on staff to aid during his transition.

Commissioner McCall moved to appoint John J. Aldridge IV as DSS Special Counsel, seconded by Commissioner Dalton. Commissioner Chapman inquired about the number of applications submitted. He asked for the purpose of ensuring a competitive process that attracted several candidates. The Manager recalled receiving seven applications and interviewing three candidates. The candidates were from the region, but not necessarily Transylvania County. **The motion was approved unanimously.**

COUNTY COMMISSIONER APPOINTMENTS

County Commissioners serve on a variety of boards and committees. The Clerk provided a current list of Commissioner appointments and requested Commissioners review for accuracy and determine if they want to continue serving in their current capacities, especially being that two new Commissioners have been seated on the Board and there are vacancies where former Commissioners served. Commissioners discussed at length and made the following appointments:

Personnel Board

Commissioner McCall moved to appoint Commissioner Dalton to the Personnel Board to replace Commissioner Guice, seconded by Commissioner Guice and unanimously approved.

Transylvania County Tourism Development Authority

Chairman Chappell moved to appoint Commissioner Guice to the Transylvania County Tourism Development Authority, seconded by Commissioner McCall and unanimously approved.

Land of Sky Regional Council – Primary and Secondary Member

Commissioner Guice moved to appoint Chairman Chappell as the Primary Member to the Land of Sky Regional Council, seconded by Commissioner McCall and unanimously approved.

Commissioner Guice moved to appoint Commissioner Chapman as the Secondary Member to the Land of Sky Regional Council, seconded by Commissioner Dalton and unanimously approved.

Land of Sky Rural Planning Organization and French Broad River Metropolitan Planning Organization (ex-officio)

Commissioner McCall moved to appoint Commissioner Chapman to the Land of Sky Rural Planning Organization and the French Broad River Metropolitan Planning Organization (ex-officio), seconded by Chairman Chappell and unanimously approved.

Vaya Health County Commissioner Advisory Council

Chairman Chappell moved to appoint Commissioner McCall to the Vaya Health County Commissioner Advisory Council, seconded by Commissioner Guice and unanimously approved.

All other appointments remained the same.

OLD BUSINESS

NEW PARK MASTER PLAN REVISIONS

The Manager presented this item on behalf of Parks and Recreation Director Jared Mull. In late September, Commissioners approved the recommendation of a subcommittee that consisted of the Parks and Recreation Director and Parks and Recreation Commission members to move forward with Alfred Benesch & Co. to master-plan the new park along Hwy 276 and Gallimore Road if the scope of work fell within the allotted \$35,000 budget.

There are two elements outlined in the RFQ that would exceed the allotted \$35,000 budget: topographical survey and geomorphic evaluation. The combined cost to include both would be close to \$30,000. Due to these items exceeding the allotted budget, Board action is needed to proceed.

The Parks and Recreation Commission recommended proceeding with Alfred Benesch & Co. to complete the master plan within the \$35,000 budget and leave out the topographical survey and geomorphic evaluation. Mr. Mull spoke with the project manager at Alfred Benesch & Co. and was informed that these elements were not critical to having an accurate master plan of the park, but they do provide some valuable information.

Staff provided Commissioners with several options to consider and direct staff:

1. Authorize the County Manager to execute the contract with Alfred Benesch & Co. to master plan the County's new park without the topographical survey and geomorphic evaluation.
2. Authorize the County Manager to execute the contract with Alfred Benesch & Co. to master plan the County's new park with the topographical survey and geomorphic evaluation and allocate an additional \$30,000 from the Parks and Recreation fund balance to fully fund the master plan.
3. Contact the next highest ranked consultant to determine if the entire scope of work listed in the RFQ can be met with the allotted master plan budget.
4. Suspend any further master planning on the new park.

Given the location of this property and the frequent flooding issues, Chairman Chappell asked about the importance of these elements (topographical survey and geomorphic evaluation) in the development of the master plan. The Manager stated that the topographical study is important. Most of the property is in the floodplain. One of the values of having a master plan is not only to spot facilities, but to provide a budget to work within for the purpose of capital planning. She was concerned that without having an accurate survey of the topography, there would not be enough information from a hydrology standpoint to accurately reflect the cost estimates for facilities.

Chairman Chappell asked whether there would be concern about having to conduct another study in the future if the Board did not act on the master plan recommendations within the next couple of budget cycles. His concern was that the data would no longer be relevant. The Manager confirmed there is risk involved. If the Board is unsure this project fits within their capital planning, the Board could consider delaying the master plan until there is capital to devote to the project. Should the Board move forward with the master plan and not fund it for a period of years, there is the likelihood the data could no longer be accurate. This coming spring, the Board intends to meet and have discussions on future capital which may give the Board more information and direction on how they want to move forward with capital planning and the inclusion of this park into those plans.

Commissioner Dalton asked if these studies would be important to apply for the flood mitigation credits that the County may be eligible for. The Manager confirmed the study would be important to identify the areas to flag for such purpose.

Commissioner McCall asked if the County had any latitude in how quickly this is addressed or how quickly the Board may approve and move forward. The Manager informed that is up to the Board. If the Board waited and considered more information during the capital planning workshop, staff would communicate the same to the consultant. The consultant would not be bound to their original proposal for \$35,000 so there could be some cost escalation with delaying the approval. However, she felt delaying the approval is reasonable given the unknowns economically.

Commissioner McCall requested the Board postponed voting on this matter temporarily. She has several questions that she would like answers to before moving forward. She also wanted to better understand the Parks and Recreation Master Plan. She intended to schedule a meeting with the Manager to discuss further.

Commissioner Chapman inquired about the status of the property and whether the public had access for use. The Manager stated the property is available to the public, but there are no restroom facilities at the site.

Commissioner Chapman agreed with Commissioner McCall and felt the Board would be better served by assessing all capital needs.

Commissioner Guice noted, from the information provided in the full report, that a majority of agencies do not use the topographical surveys due to the cost. Instead, they use GIS. He felt the geomorphic evaluation was needed. He recalled support for purchasing the property was due to providing river access to the public. This followed a presentation on a study that was completed confirming underutilization of the river between Rosman and Brevard. Therefore, he felt understanding the geomorphic evaluation would be most important. With that said, he had no urgency to move forward right now due to the concerns over the future of the economy.

Chairman Chappell moved to table this item until after the capital workshop is scheduled and held, seconded by Commissioner Guice and unanimously approved.

NEW BUSINESS

TAX-EXEMPT LOAN RESOLUTION REQUEST FOR CONNESTEE FIRE RESCUE, INC.

Assistant County Manager David McNeill presented this item. He reported that Connestee Fire Rescue is requesting approval of a tax-exempt loan to refinance the department's sub-station. The current loan is a USDA loan with 27 years remaining. The department is working with First Citizens Bank on a 10-year loan with an interest rate of 3 %. The loan amount is \$260,000 and would increase their annual payment from \$18,015 to \$30,547 but would result in a potential savings of \$331,495 in interest. The department has committed to absorbing the increased annual payment into the approved budget.

The Board of Commissioners approved a down payment of \$45,000 during the FY 2019 budget process for Connestee Fire Rescue to purchase property at the corner of Hwy 276 and East Fork Road. In July 2019 Connestee Fire Rescue worked with First Citizens Bank on a loan to purchase the property. During this process, both the bank and the fire department realized they failed to have a resolution approved at the time.

Therefore, Connestee Fire Rescue and First Citizens Bank request approval of the required resolutions for both financial transactions – loan to refinance a substation on Walnut Hollow Road and the property purchase from the previous year.

There is no impact to the County budget. Approval of the loan does not obligate Transylvania County to repay the debt.

Commissioner McCall moved to approve the refinancing loan for the substation, seconded by Commissioner Guice and unanimously approved.

Commissioner Guice moved to approve the resolution for the property previously approved, seconded by Commissioner Dalton and unanimously approved.

RECOMMENDED MID-YEAR BUDGET DISCUSSION

Finance Director Jonathan Griffin presented this item to the Board.

For the FY 2020 budget cycle, County Management proposed a budget that balanced anticipated sales tax shortfalls by cutting back strategically to minimize the need to lay off employees or provide sharp cuts in services. Budget and finance professionals across the State expected sales tax shortfalls that ultimately did not materialize except in very specific places in North Carolina. Items excluded in the FY 2020 budget were:

- No planned increases in employee pay (cost of living adjustments or performance adjustments)
- Continuation of a hiring and capital project freeze to limit expenditures wherever possible
- Most acquisitions of vehicles frozen or limited
- Most improvements to County facilities and buildings postponed

Sales tax revenues dropped at the very beginning of the pandemic, but overall taxable transactions within Transylvania County rebounded strongly. Mr. Griffin shared detail of the changes in Article 39 collections from February 2020 to present for Transylvania County. The other types of sales tax the County levies – 40 and 42 – are adjusted at various levels by the State. Article 39 does not have monies taken out for any purpose so these figures are as close as possible to a summary or comparison point to understand what the retail economy looks like. Article 39 sales taxes are currently tracking higher than FY 2019. Overall, sales taxes are up about 10% since the start of the pandemic. There was one month in particular where revenues were below what they usually were.

Staff expects sales revenue to exceed 2019's levels. If they do, they will generate \$1.1 million in unplanned revenues. Staff recommended the Board make a decision to allocate these revenues, as some items like construction costs can escalate or it can take some time to implement proposed changes. There were approximately \$2.1 million that were identified in the FY 2020 budget or in the FY 2021 budget cycle that were excluded from the budget. They were either frozen in 2020 or deferred during the 2021 budget deliberations. Additionally, there were no proposed compensation changes for County employees included in the budget.

In the Board's agenda packet was a prioritized list of capital projects. Staff recommended a total of \$416,000 in projects to be funded by the general fund and \$360,150 in projects to be funded by the Solid Waste fund. Those budgets were adjusted slightly over the budgeted figures in anticipation of cost escalation.

Additionally, staff calculated a cost-of-living adjustment effective in February to cost approximately \$135,000. Current Consumer Price Index, which is typically what is used to base cost-of-living adjustments, is unknown at this time. Staff recommended a not-to-exceed COLA of 1.5% based on data gathered in the first 11 months. Mr. Griffin reported that included in the Board's agenda packet was a separate resolution passed by the Board of Elections for a request for hazard pay. The Board of Elections has legal authority to make certain changes to compensation if they remain within the budget set by the Board of Commissioners. Mr. Griffin noted there are no funds available to pay hazard pay for similarly classified County employees.

County employees across the State have been classified as essential workers and have been critical in the pandemic response. Some counties have authorized hazard pay for employees while others have moved forward with compensation increases that may have been suspended during budget deliberations. Human Resources Director Sheila Cozart polled for comparison points with how other employers and entities are handling pay increases:

- Social security and federal retirees received a 1.3% COLA in 2021
- Federal civilian employees will receive a 1% COLA
- Jackson County - provided a 2% COLA to all employees effective December 21, 2020 and a single lump sum bonus
- Macon County – lump sum of \$750 for full-time; \$150 for part-time; paid as hazard pay
- Polk County - provided 2.5% across the board effective January 1, 2021
- Haywood County – 2% COLA and up to 2% merit effective January 4, 2021
- Henderson County – did not reply

Management recommended the following funding priorities totaling \$911,150:

- Authorize a not-to-exceed 1.5% cost of living adjustment for County employees
- Approve the recommended list of General Fund projects totaling \$416,000
- Authorize a \$360,150 transfer to the Solid Waste Fund to fund Solid Waste capital projects
- Consider lifting the non-essential working hiring freeze, currently affecting two positions

Staff will reevaluate the remaining list of capital projects for the FY 2022 budget cycle.

The Manager stated that the COLA is extremely important. Most County employees are essential workers who have been critical during the pandemic response. It has also been just over a year since implementation of the compensation study. A merit program has not yet been developed to move employees through the salary ranges and could eventually invalidate the implementation. Therefore, COLA is important to at least keep some progress with the compensation plan so employees do not fall behind in the market. She also felt it was an appropriate consideration given the importance in the pandemic. The County's COLA policy is typically tied to the CPI, but many of our peer counties have given a 2% COLA. Staff calculated the cost of a 2% COLA should the Board want to consider it.

Commissioner Guice stated the Personnel Board spent time reviewing the compensation study. Much thought and discussion were given to addressing years of falling behind the market, retainment, and recruitment. The implementation of the compensation study has improved the County's ability to attract new employees and retain quality employees. An essential element will be determining how to create a merit-based system that will reward deserving employees. He feared that not giving COLAs would have a negative impact on the County's ability to recruit and retain quality employees and cause us to fall behind the market once again. Commissioner Guice supported and asked the Board to discuss a 2% COLA instead of 1.5%.

Mr. Griffin reported that a 2% COLA would cost approximately \$175,000 (February through June 30) to implement compared to \$135,000 for a 1.5% COLA.

Commissioner McCall inquired about when the last time employees received a COLA. Mr. Griffin responded that employees received a COLA in February 2020.

Commissioner McCall stated that in her previous work as a manager and supervisor, given a very difficult year, she found it was important for her employees to know their work was appreciated and to reward them for their loyalty and hard work. She supported consideration of a 2% COLA for this year. She understood the difficult year for employees, many of whom had to readjust how they performed their jobs and continue to serve the public. The County has asked a lot from employees and they deserve to know they are appreciated.

Commissioner Guice had confidence that staff had prioritized the capital projects based on critical needs. He felt the Board should give them consideration.

Commissioner McCall inquired further about consideration toward lifting the nonessential worker hiring freeze and the two positions currently affected by the freeze in the Library and Cooperative Extension. She asked whether both offices were open and fully functioning or closed to the public. The Manager communicated that the Library is open but under limited services. Cooperative Extension has been providing some programming within the social distance protocols. Neither department has been providing full scale services and they will remain under restrictions due to COVID. The Manager stated it is the Board's discretion whether to lift the freeze or wait until both offices are fully functional. Commissioner McCall understood the importance of both positions, but she struggled justifying filling the positions when neither office is fully functioning.

At the request of Chairman Chappell, Commissioners considered each recommendation individually.

Commissioner Guice moved to authorize a cost-of-living adjustment for County employees at 2%, seconded by Commissioner Dalton and unanimously approved. The Manager thanked the Board of Commissioners on behalf of County employees.

Chairman Chappell commented that it is important that the County remain competitive; otherwise, another compensation study may be warranted in a few years. He challenged the Board of Commissioners and the Personnel Board to work toward developing a merit-based plan.

Commissioner Guice moved to authorize \$415,000 in general fund capital projects pursuant to the schedule as submitted by staff, seconded by Commissioner Dalton. Chairman Chappell pointed out these items have been previously approved the Board but were frozen due to the unknown economic situation caused by the pandemic. **The motion was approved unanimously.**

Commissioner McCall moved to authorize \$360,150 to be transferred to the Solid Waste fund from the general fund to fund capital projects, seconded by Commissioner Guice. Commissioner Dalton noted that most of these funds are to be used toward stormwater mitigation at the landfill. It is important to protect the headwaters because it is vital to Transylvania County. **The motion was approved unanimously.**

Commissioner Guice moved to wait on lifting the hiring freeze until either during the budget cycle or the departments are fully reopened for operations, seconded by Commissioner Chapman. Commissioner Chapman was concerned about what the County's future needs are due to the pandemic and thus was not comfortable filling positions that are not at this time considered critical. He cautioned

the Board to be mindful of spending during these unknown times. **The motion was approved unanimously.**

BUDGET AMENDMENTS – 2nd Quarter FY 2021

Finance Director Jonathan Griffin presented budget amendments for the Board's approval that occurred during the second quarter of the fiscal year.

General Fund

#22 is recommended to adjust the general fund budget for the Board of Elections to reflect payments received from the North Carolina State Board of Elections. Pursuant to S.L. 2020-97, the State Board of Elections issued flat amounts to counties to offset the cost of increased mail-in voting. Transylvania received \$25,200.

#24 and #35 represent the implementation of the joint agreement with the City of Brevard for the County to incorporate dispatching functions into the Communications department. The net cost of adding five additional full-time staff to this department to add capacity during each shift and provide upkeep on the City of Brevard Police Department's equipment is offset. Overall, the total expenses of the County through June 30, 2021 increased by \$251,607 in certain areas, offset by \$117,500 in new revenue from the City of Brevard and \$135,605 in expense decreases elsewhere in the Communications budget, primarily in contract services and part-time hours.

#25 represents the receipt of a \$1,500 grant from the Walmart Foundation to the Fire Marshal's Office used to purchase equipment that was not otherwise budgeted.

#27 is the appropriation of fund balance in the Fire Service Districts Fund to implement the payment of reserves to Lake Toxaway VFD. This was previously addressed by the Board on November 9, 2020.

#28 is new revenue from the North Carolina Department of Health and Human Services Immunization Action Plan program. These funds are being used to purchase supplies and computer equipment in the Health Department.

#32 is a needed adjustment to the Department of Social Services' State-funded Foster Program expenditures. The reimbursement match rate on this program is 50%, so the County shares half of the cost. The proposed adjustment is \$50,000, which based on current trends will carry the department through March 2021. The local match is \$25,000.

#33 is an expansion of expenditures in the Library. The State Library system allocated an additional \$6,883 through the State Aid to Libraries formula program. These new revenues are not permitted to be spent on already budgeted expenditures, so the proposed increases are on various facility needs at the Library.

#34 is an expansion of expenditures in the Department of Social Services that is 100% funded by revenues through NCDHHS. This is a special expansion of LIEAP (low-income energy assistance program).

Narcotics Task Force Fund (Fund 51)

Pursuant to a joint memorandum of understanding between the City of Brevard and the Transylvania County Sheriff's Office, previously approved in some form by the Board of Commissioners, there exists a partnership for the purpose of investigating drug-related crimes in Transylvania County. To provide resources for that partnership, certain revenues provided by State and local sources were accumulated in a special fund to meet those needs. The primary source of revenue for this fund is contributions from the

NCDOR's Unauthorized Substance Tax (a tax levied on illicit substances captured and shared with the investigative unit seized them) and profit distributions from the Brevard ABC Board (all local ABC boards in North Carolina are required to contribute 5% of their gross profits to law enforcement agencies).

At the end of FY 2020, the City of Brevard notified the County of its intention to no longer manage these funds on behalf of the County and turned over the proceeds of the account on June 30, 2020, totaling approximately \$154,000. For the City's part, this eliminated their need to start budgeting this activity. The new standards for fiduciary activities require significantly more budgeting and returning these resources to the County eliminated the need for the City to budget this on behalf of the County. However, this does mean that there is a requirement that the County budget use of these resources. There was no time to incorporate this new financial activity into the 2021 budget and, additionally, there was no need for these resources in the near term by the Office of the Sheriff. After discussion with Sheriffs' office, staff recommended an initial adoption of a budget ordinance of \$15,000 for the year, with \$8,000 coming from the ABC Board, \$2,000 from unauthorized substance taxes and \$5,000 of fund balance appropriated.

As amended, the General Fund budget would increase by \$273,363 to \$62,690,304 and the Fire Service District fund budget total would increase by \$50,000 to \$2,982,553. Additionally, the Narcotics Task Force Fund would be set at \$15,000 for the remainder of FY 2021.

Commissioner McCall moved to approve the budget amendments as presented, seconded by Commissioner Guice and unanimously approved.

MANAGER'S REPORT

The Manager presented the following information:

- Vaccine allotments are being sent by the State to each county
 - Each county is working within resources to move through State priority framework
 - Transylvania Regional Hospital receives vaccines for use for their health care workers (not included in the County's vaccine figures)
 - Long-term-care facilities have federal contracts and should see vaccinations in January /February (not included in the County's vaccine figures)
 - Health Department giving vaccines to people in Group 1a – healthcare workers
 - Health Department is planning to move into Group 1b which includes general public over the age of 75 to occur later this week, by appointment only
 - Appointments can be made by calling (828) 884-4007 or by visiting the Health Department's website at <https://transylvaniahealth.org/>
 - Additional vaccination dates will be scheduled as more supplies are received
 - Vaccines are allocated by the federal government and then distributed throughout the State by NCDHHS; there is no local control on the amount of vaccine we can obtain
 - Supplies are limited and vaccines will not be given to people without an appointment
 - Transylvania County Public Health will continue to push out information on the website, social media and through targeted communication to reach those in each category
 - Currently, there is no known alternative in the County to receive the vaccine for the general public except through the Health Department
 - Vaccination program is expected to span the year
 - Health Department staff administering vaccine, but also charged with contact tracing, health education on the pandemic, testing in congregate care settings and employment groups – a lot going on in this department serving our citizens

Chairman Chappell asked the Manager to share this information on the County's website and wherever it might be seen by the public. Commissioner Guice was concerned about our elderly population and the

fact that the County is not receiving enough supply to serve them. Another concern is that, because this is a federal vaccination program, people may seek appointments outside of their resident county. The Manager shared his concern because staff is unaware of the State's formula for how the vaccine is being distributed per county. The County therefore does not have enough supply to meet the needs.

Chairman Chappell thanked Public Health Director Elaine Russell and her staff for the work they are doing.

The Manager also shared the following on flag alerts the County receives on a regular basis:

From time to time, staff will receive inquiries from the public as to why the flags are flown at half-staff. The flag may be flown at half-staff by presidential proclamation or by the Governor's order upon the death of certain officials and former officials. A decision to fly the flag at half-staff throughout the State shall be made known to the public by email from the NC Flag Alert Listserv

In addition, flags should be flown at half-staff on Memorial Day in remembrance of deceased service members, but only from dawn until noon. Then, the flag is quickly raised to full staff to honor living military veterans. The American flag should be flown half-staff on the following days as well:

- Peace Officers Memorial Day (May 15)
- Patriot Day (September 11)
- Nationally Fallen Firefighters Memorial Service (traditionally 1st Sunday in October)
- Pearl Harbor Remembrance Day (December 7)

The public may subscribe to the notification list as well. To register for notifications, visit:

<http://lists.ncmail.net/mailman/listinfo/flag.alerts>

Additionally, coming soon is a GetSet Transylvania and Sesame Street in Communities mural on the first-floor lobby of the Community Services Building. Comfy cozy spaces are areas that are intended to demonstrate our community commitment to being a great place to be a child. Each comfy cozy space has useful resources and materials for families available at their locations. The project is being funded through a grant received by Smart Start from the Pisgah Health Foundation. More resources for children will be added once we move out of the pandemic.

PUBLIC COMMENT

There were no comments from the public.

COMMISSIONERS' COMMENTS

Commissioner Chapman felt that the real meaning has been lost in the number of flag alerts received on a frequent basis. It should be seen as a very important symbol such that when it is lowered to half-staff, everyone knew why. He asked staff to communicate to the public when the flags are lowered to half-staff to better inform the public.

Chairman Chappell moved to enter into closed session per North Carolina General Statute § 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged, following a five-minute recess, seconded by Commissioner McCall, and unanimously carried.

CLOSED SESSION

Pursuant to North Carolina General Statute § 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged, closed session was entered into at 6:15 p.m. Present were Chairman Chappell, Commissioners Chapman, Dalton, Guice and McCall, County Manager Jaime Laughter, and Clerk to the Board Trisha Hogan. County Attorneys Bill Bulfer and Julie Hooten served remotely via Zoom meeting software.

The Board consulted with the County Attorneys on a privileged matter.

Commissioner Chappell moved to leave closed session, seconded by Commissioner Guice 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 at 6:30 p.m., seconded by Commissioner McCall and unanimously approved.**

Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board