

**MINUTES**  
**TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS**  
**May 24, 2021 – REGULAR MEETING**

The Board of Commissioners of Transylvania County met in regular session on Monday, May 24, 2021, at 6:00 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 Attorney Natalia Isenberg participated remotely via Zoom meeting software.

Media: *The Transylvania Times* – Derek McKissock participated remotely.  
*Brevard Newsbeat* – Dan DeWitt

There were approximately 50 people in the audience, including staff presenters.

**CALL TO ORDER**

Chairman Jason Chappell presiding declared a quorum was present and called the meeting to order at 6:02 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**

*The comments made by the public represent the individual speaker's opinion or point of view. The Clerk to the Board made no attempt to vet their statements for accuracy or modify them based on facts.*

R. Andrew Murray: Mr. Murray introduced himself to the Board of Commissioners as the newly appointed District Attorney for Prosecutorial District 42 serving Henderson, Polk, and Transylvania Counties. He stated that he has been a public servant his entire life beginning with his service in the Coast Guard. He was formerly the elected Republican District Attorney in Mecklenburg County and was appointed by President Donald Trump as a US Attorney serving in that role until President Biden took office. Governor Cooper recently appointed him as the District Attorney for Prosecutorial. Mr. Murray stated he looks forward to assimilating and serving justice in the community. He thanked the Board for allowing his office the resources to do so.

Dr. Brian Barrow: Dr. Barrow is the President of Rocky Hill Associates. He talked to the Board about the Falling Waters affordable housing project. He commented that the stretch of road where the development is slated to go has had several accidents and that this 80-unit project would increase traffic volume and could increase traffic fatalities. He was concerned about young and elderly drivers coming in and out of the neighborhood. He requested Commissioners consider funding a traffic study to determine the impacts the development would have on the area.

Another gentleman accompanying Dr. Barrow reiterated his comments and emphasized the dangerous road conditions due to its not being straight and having blind intersections. He especially emphasized the danger in early mornings and late afternoon when traffic is heaviest. He also requested the Board consider a traffic study. (The gentleman did not introduce himself.)

Bruce Gleasman: Mr. Gleasman suggested that instead of a tax increase to fund Solid Waste, the Board implement a 2% budget cut across the board. He felt that every government budget has slush, and therefore he was sure the Board could find a way to cut the budget, such as making black and white copies instead of color copies and finding a smart way to reduce overall costs. Mr. Gleasman felt that tax increases would be never-ending.

### **AGENDA MODIFICATIONS**

There were no agenda modifications.

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

### **CONSENT AGENDA**

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

The Board of Commissioners approved the following items:

#### MINUTES

The Board of Commissioners met in a regular session on March 8, 2021. The Board of Commissioners approved the minutes as submitted.

#### DISCOVERY, RELEASE, AND MONTHLY SETTLEMENT REPORT

Per N.C.G.S § 105-312 (b), the Tax Administrator must see that all property not properly listed during the regular listing period be listed, assessed, and taxed. The Tax Administrator shall file such reports of discoveries with the Board of Commissioners. Per N.C.G.S. § 105-381 (b), the Tax Administrator must provide a monthly report to the Board of Commissioners of the actions taken by the Tax Administrator on requests for release or refund, which shall be recorded in the minutes. For April 2021, tax dollars released totaled \$1,065.96, and \$1,377.29 in refunds were issued. The Board of Commissioners approved the Discovery, Release, and Monthly Settlement Report for April 2021.

#### HEALTH DEPARTMENT – BAD DEBT WRITE OFF

The Department of Public Health Bad Debt policy identifies the process for managing aging accounts with no payment activity greater than 180 days. According to this policy, Public Health Director Elaine Russell recommended writing off bad debts totaling \$468 for the period January 1, 2020 through June 30, 2020. The Board of Health approved the same at their meeting on May 11, 2021. Balances greater than \$50 will be sent to the NC Debt Set-Off Program for potential collection which amounts to \$369. The Board of Commissioners approved the request to write off bad debt in the Health Department totaling \$468.

#### REQUEST TO ATTEND OUT OF STATE TRAINING

A Board of Commissioners' policy requires approval for any out-of-state travel. The Sheriff's Office requested approval for the School Resource Officers to attend the National School Safety Training Conference and Exposition in New Orleans. There are training funds budgeted to cover this expense. It will cost \$12,000 to send all 11 School Resource Officers to this training, which includes registration, lodging, meal per-diem, and transportation. The Board of Commissioners approved the request to send 11 School Resource Officers to out-of-state training as budgeted.

#### DISCHARGE THE CEDAR MOUNTAIN SMALL AREA PLANNING COMMITTEE

The Cedar Mountain Small Area Plan Committee has completed all business tasked to them under the Small Area Planning Process. Having met their obligations outlined in the Small Area Planning Process, the Board of Commissioners discharged the Cedar Mountain Small Area Plan Committee from their official

duties. This would allow the former members to continue conversations among themselves without violating the NC Open Meetings Law.

RESCHEDULE 2<sup>ND</sup> BOARD OF COMMISSIONERS' MEETING IN JUNE

Due to a scheduling conflict, the Board of Commissioners has requested to reschedule its second meeting in June from Monday, June 28 at 6 pm to Monday, June 21 at 6 pm. At this meeting will be a second public hearing on the budget and approval of the budget. The Board rescheduled the second Board of Commissioners' meeting in June from June 28 to June 21 and instructed the Clerk to the Board to advertise notice.

**PRESENTATIONS/RECOGNITIONS**

RESOLUTION IN RECOGNITION OF HOWARD "SARGE" THIELE, COMMANDER OF THE TRANSYLVANIA COUNTY HONOR GUARD

Howard "Sarge" Thiele joined the Transylvania County Honor Guard in 2009 and was appointed Commander by former Commander George Poor in 2013. Sarge intends to retire from his leadership position this summer. The Board of Commissioners wished to recognize and honor Sarge for his service to the citizens and veterans of Transylvania County. Commissioner Chapman read aloud the resolution and, after approval, presented a copy to Sarge and his wife who were both in attendance.

**Commissioner Chapman moved to approve Resolution #19-2021 In Recognition of Howard "Sarge" Thiele, Commander of the Transylvania County Honor Guard, seconded by Commissioner Dalton. Commander Thiele offered some comments and graciously accepted the recognition. He thanked the members of the Honor Guard and the Board of Commissioners for their support. Commissioners offered their comments and expressed appreciation for his many years of service. The motion was unanimously approved.**

**RESOLUTION # 19 – 2021  
IN RECOGNITION OF HOWARD "SARGE" THIELE  
COMMANDER OF THE TRANSYLVANIA COUNTY HONOR GUARD**

**WHEREAS**, the Transylvania County Board of Commissioners desires to recognize and honor Howard "Sarge" Thiele, Commander of the Transylvania County Honor Guard who intends to retire from his leadership position after nearly eight years; and

**WHEREAS**, Sarge joined the Honor Guard in 2009 and was appointed Commander by former Commander George Poor in 2013; and

**WHEREAS**, the Transylvania County Honor Guard's mission is to "provide military funeral services to all those who have served this country in times of war and peace," and

**WHEREAS**, as Commander, Sarge manages procurement and maintenance of all uniforms and equipment, approves new members, schedules personnel for all events in which the Honor Guard participates, and serves as the public face of the Transylvania County Honor Guard; and

**WHEREAS**, during his tenure as Commander, Sarge significantly enhanced the Honor Guard program by making it more professional and meaningful to the families; and

**WHEREAS**, under Sarge's leadership, the Honor Guard has not refused service to the veterans and their families, is not deterred by inclement weather, and has traveled to funeral services outside of Transylvania County to ensure that all veterans in need of military rites were honored; and

**WHEREAS**, Transylvania County supports the mission of the Honor Guard through its nonprofit funding program to ensure it can continue to carry out its mission of paying tribute to deceased veterans and their families; and

**WHEREAS**, Transylvania County and its citizens have deep respect and admiration for the military and their sacrifices to protect our nation and they wish to express their heartfelt gratitude for Sarge's service and devotion to duty; and

**NOW, THEREFORE**, the Transylvania County Board of Commissioners does hereby recognize and honor Howard "Sarge" Thiele and expresses its sincere appreciation for his service to the citizens and veterans of Transylvania County and urges all citizens to express their appreciation for a lifetime of unselfish and dedicated service.

This is the 24<sup>th</sup> day of May 2021.

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

#### COVID-19 VACCINE UPDATE

The Manager provided an update to the Board on the COVID-19 program on behalf of Public Health Director Elaine Russell. This is a summary of the report:

- Percentage fully vaccinated 41.4% (14,223)
- Percentage partially vaccinated 43.8 % (15,057)
- Interest in vaccination for 12–15-year-olds is currently being gauged
- June 1<sup>st</sup> - youth outreach to begin at Rogow Room
- Continued community outreach and agency-based service around vaccine
- Providing support to summer camp staff and campers who are operating per guidance from the CDC
- Inventory is managed as "a dose is a dose"
- Requesting vaccine as needed/per demand

#### **APPOINTMENTS**

##### JOINT HISTORIC PRESERVATION COMMISSION

The terms of Marcy Thompson, John Koury, and Ellen Harris expire at the end of May. Ms. Thompson and Mr. Koury are eligible and interested in serving another term. Ms. Harris has served two full terms. Staff recommended the reappointment of Marcy Thompson and John Koury. There were no applications on file to replace Ellen Harris currently. The Board could opt to waive her term limits and allow her to serve until staff recruits another applicant. There is also one other vacancy on the JHPC.

**Commissioner Chapman moved to reappoint Marcy Thompson and John Koury to the Joint Historic Preservation Commission and to waive the term limits and reappoint Ellen Harris until an application is received, seconded by Commissioner Guice and unanimously approved.**

##### PERSONNEL BOARD

The terms of Lee McMinn, Lisa Sheffield, and Frances Bradburn expire at the end of February. Lee McMinn has served one term and is eligible to serve another three-year term. Lisa Sheffield and Frances Bradburn have served two full terms and therefore are not eligible to be reappointed. Human Resources Director Sheila Cozart recruited applicants and recommended the appointment of Christy Hendrix to replace Lisa Sheffield as the County employee representative and Anna McCall to replace Frances Bradburn as the Business representative.

**Commissioner Guice moved to appoint Christy Hendrix to replace Lisa Sheffield as the County employee representative and Anna McCall to replace Frances Bradburn as the Business representative, seconded by Commissioner Chapman and unanimously approved.**

**Chairman Chappell nominated and moved to appoint Jo McCall, seconded by Commissioner Guice, and unanimously approved.** (Lee McMinn was not reappointed.)

#### TRANSPORTATION ADVISORY BOARD

The terms of Dr. John Folger, Aaron Bland, and David Carter expire at the end of May. Dr. Folger has served two full terms. Aaron Bland represents the City of Brevard and wishes to continue serving in this capacity. David Carter requested the Board consider waiving his term limits allowing him to serve another term. Planning and Community Development staff are agreeable to his request. There are two applications on file for consideration.

**Commissioner McCall moved to appoint Rick Lasater to fill the term vacated by Dr. John Folger, seconded by Commissioner Guice, and unanimously approved.**

**Commissioner Chapman moved to reappoint Aaron Bland and to waive the term limits and reappoint David Carter, seconded by Commissioner Guice and unanimously approved.**

#### WORKFORCE DEVELOPMENT BOARD

The terms of Dr. Brian Weaver (Education-TC Schools) and Danny Hein (Private Sector Business) expire at the end of May. Both are eligible and willing to serve another term. Land of Sky Regional Council Executive Director Nathan Ramsey recommended their reappointment.

**Commissioner Guice moved to reappoint Dr. Brian Weaver and Danny Hein to the Workforce Development Board, seconded by Commissioner Dalton and unanimously approved.**

### **NEW BUSINESS**

#### NC INVESTMENT POOL MEMBERSHIP

Finance Director Jonathan Griffin presented this item. Finance officers have a legal responsibility to invest idle funds in the methods allowed and prescribed by NC General Statute § 159-30. The County exercises several of the options available under this statute, but not all. Currently, the County has two primary ways that it can hold cash – either in the County’s accounts with its primary depository (First Citizens Bank and Trust) or with the County’s accounts at the North Carolina Capital Management Trust, a money market mutual fund authorized by NC General Statute § 159-30 (c)(8).

Over the past six months, the boards and finance officers for Wake County and Buncombe County have negotiated an interlocal agreement and the legal framework for a new investment option for local governments in North Carolina, a co-mingled investment pool as authorized by NC General Statute § 159-30 (c)(10).

The pool would be restricted in its investment opportunities by the rest of the options outlined by NC General Statute § 159-30 but is endeavoring to get a different mix of assets so that they can generate a higher rate of return. Representatives of the Investment Pool met with the Finance Director on May 13, 2021. Currently, they are targeting a mix of commercial paper (short-term loans between corporations) and longer-term US Treasury notes, and their initial rate of return is tracking at 0.10% (ten basis points).

In contrast, the Capital Management Trust’s portfolio currently offers 0.01% (one basis point) interest returns. Ultimately, the low rate of return on either option is related to the status of financial markets. During periods of economic distress, private investors often crowd into the safest assets to weather out recessions, which often depresses the rate of return for public investors because they are restricted to

investing in safe assets. With that said, the investment pool is a safe investment and has the same investment restrictions that statutes require of all local governments.

Mr. Griffin expects this new investment option would be able to generate additional investment revenue and position the County with more options long-term. To participate in an investment pool, the next steps would require the Board of Commissioners to opt-in or join by passing a resolution. Mr. Griffin recommended the Board consider a resolution to join the North Carolina Investment Pool. If the Board does not, the Finance Director would then execute the relevant documents to establish the County membership in the pool.

Mr. Griffin pointed out the NC Investment Pool is made up of a Board of Trustees and all the Finance Directors of the member counties are automatically Trustees. Thus, the Board of Commissioners would review the investment with the Finance Director being part of the deliberations. He advised the Board to start with investing the retiree health insurance fund of \$2.4 million into the investment pool.

**Commissioner Chapman moved to approve and authorize the Finance Officer to execute relevant documents to establish our membership in the North Carolina Investment Pool, seconded by Commissioner Guice and unanimously approved.**

**Resolution # 20-2021  
North Carolina Investment Pool**

WHEREAS, the County of Transylvania (“Participant”) desires to join with other State of North Carolina local governments or public authorities (“Local Governmental Units”) to pool funds for investment as permitted by and pursuant to North Carolina General Statute (N.C.G.S. Section 159-30(c)(10) relating to a commingled investment pool established by interlocal agreement by two or more units of local government pursuant to N.C.G.S Sections 160A-460 through 160A-464 on containing only investments limited to those qualifying for investment under N.C.G.S. Section 159-30 (c); and N.C.G.S. Section 159-32

WHEREAS, the Trust is a statutory trust formed under the laws of the State of North Carolina in accordance with the provisions of N.C.G.S. Section 159-30 (c) as set forth above;

NOW, THEREFORE, it is hereby RESOLVED as follows:

1. The County of Transylvania approves and adopts, and thereby agrees to join as a Participant with other Local Government Units pursuant to N.C.G.S. Sections 159(c)(10) and 160A-461 through 160A-464 that certain trust (the “Trust”) described in the Indenture of Trust entitled the North Carolina Investment Pool dated February 2021 (the "Indenture"), as may be amended from time to time, the terms of which are incorporated herein by this reference and a copy of which shall be filed with the minutes of the meeting at which this Resolution was adopted; and
2. The officers of the Participant, acting individually or collectively, are hereby authorized, empowered, and directed to take all actions necessary or appropriate in the judgment of such officers to accomplish these resolutions, including the execution and delivery of the Indenture and all other documents, agreements, instruments and certificates contemplated by the Indenture or necessary or appropriate to join the Trust (collectively, the “Trust Documents”), with such changes or modifications as such officers determine to be necessary or advisable and in the best interest of the Participant (the signature of any such officer on the Trust Documents to be conclusive evidence of such determination); and
3. Any actions taken by any officer of the Participant prior to the adoption of the foregoing resolutions, in connection with actions described herein, are hereby ratified, confirmed, and approved.

The undersigned hereby certifies that: the County of Transylvania has enacted this Resolution.

This is the 24<sup>th</sup> day of May 2021.

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

#### TRAVEL POLICY ADJUSTMENT

Finance Director Jonathan Griffin presented this item. The Human Resources and Finance Offices have been discussing the administration and enforcement of the employee travel article of the County's personnel policy. Staff expected employee travel is to rise in the coming months as employee attendances at workshops, conferences, and the like return to normal.

This has been a friction point because while the Finance Office reviews and processes all travel reimbursements, the policy does not specify that the Finance Office is responsible for review and approval, and it is contained in a policy document more generally under the authority of the Human Resources Director and County Manager. The policy stipulates that the County Manager has the authority to deny reimbursement for excessive costs, but at no other point does the document stipulate who approves reimbursement for reasonable costs.

Additionally, in February 2020, the IRS released an updated copy of Publication 5137, the Fringe Benefit Guide for State and Local Governments, which included some relevant clarifications that are at odds with the existing County policy. In short, it states that any time the County pays a local government employee, consideration must be given to whether it is a taxable benefit.

Mr. Griffin requested a policy independent of the personnel policy with a summary of the requested changes below:

1. Separation of the employee travel policy from the County's personnel policy, and clarifying responsibility for the administration of the policy as the purview of the Finance Office
2. The amount paid for meals would be aligned with federal U.S. General Services Administration standards for the State of North Carolina's standard rate. (IRS Publication 5137 stipulates amounts in excess of GSA thresholds are taxable income).
  - a. The threshold for standards for lunch for the County policy is currently above GSA standard rates for North Carolina, and below on Breakfast and Dinner. Under current Publication 5137 standards, this would mean the County would need to withhold federal income taxes, Medicare, and FICA on \$1 for each employee that receives reimbursement for a period around lunch.
  - b. The impact of reducing breakfast and dinner thresholds to align with GSA standards is only a marginal increase, and partially offsets the reduction in lunch. The total net increase for an employee is \$5 more per day.

	Current Policy	GSA NC Standard
Breakfast	\$10	\$13
Lunch	\$15	\$14
Dinner	\$20	\$23

3. Employees to whom State personnel policies also apply are formally excluded from the same-day reimbursement protocol to preserve compliance with NC G.S. 138, which prohibits lunch reimbursements while on official business except when related to an overnight stay or the payment of registration fees.

Overall, the County’s travel policy is specific and requires enough documentation that it qualifies as an “accountable” plan under IRS regulations, and therefore the Finance office can exclude most reimbursements from taxable income. This preserves that standard but reduces the potential conflicts between changing IRS rules.

Mr. Griffin stated that the proposed approach reduces potential conflicts with changing IRS rules. It also makes the rules clearer for employees.

**Commissioner McCall moved to separate the travel policy (Article VI) from the personnel policy and establish it as its policy managed by the Finance Office and to adopt changes as recommended by staff, seconded by Commissioner Guice, and unanimously approved.**

#### BUDGET AMENDMENT – TRANSFER FROM 911 FUND BALANCE

Emergency Management Director Kevin Shook presented this item on behalf of Communications Director Cameron Sexton. The State 911 Board provides an allocation of funding to all 911 Public Safety Answering Points (PSAP) in the State of North Carolina for specifically approved expenses. These expenses are limited to needs within the PSAP to process 911 calls. It cannot be used for personnel, vehicles, or other expenses outside of the physical PSAP.

The funding amount is relative to several factors, including the number of 911 calls processed, population, and carryforward amounts. The current regulations only allow PSAPs to carry forward 20% of their annual funding, with exceptions given for specific projects. Any more than that 20% and the State will begin reducing the County’s funding level each year. It then becomes difficult to increase the funding levels back to prior years.

As of June 30, 2020, the Emergency Telephone System Fund has a fund balance of \$244,637. For the current fiscal year, Transylvania County has been allocated \$354,013 in revenue putting the County well over the 20% carryforward amount.

This high fund balance is due in part to several projects that were anticipated to occur last year but that were delayed due to the pandemic and other State projects that took priority. However, County staff can undertake these projects and lower the fund balance to ensure future revenue from the State 911 Board is not jeopardized.

These monies will fund current projects, including a new recorder for 911 phone and radio traffic and a new CAD server array. Other planned expenses include leadership training for dispatch supervisors, customer service training for all telecommunicators, dispatch chairs, and network time clocks. Staff must submit all capital projects that use this fund to the 911 Board for pre-approval. The 911 Board has already pre-approved the recorder and is currently reviewing the CAC served array.

The appropriation would not impact the County’s general fund budget. Rather, the appropriation of the fund balance would offset additional expenditures in the Emergency Telephone System Fund (Fund 50) in the amount of \$244,637. Since these resources are restricted for use for the 911 Center, its systems, and equipment, the appropriation is reasonable. These funds have been critical and have funded several major projects over the years in Transylvania County. Furthermore, if not used, the funds could go to another community.

**Commissioner Dalton moved to appropriate fund balance to offset additional expenditures in the Emergency Telephone System totaling \$244,637 and to approve a budget amendment appropriating \$244,637 in fund balance in the Emergency Telephone System Fund, seconded by Commissioner Guice and unanimously approved.**



### ALLOCATION OF FUNDS FOR FALLING WATERS AFFORDABLE HOUSING PROJECT

The Manager reported that this request comes from the City of Brevard. She clarified for the public that the County does not have authority over approval or denial of the project itself.

The City of Brevard requested funding for the sewer line for the Falling Waters affordable housing development. Falling Waters is a proposed 8.9-acre development with frontage on Nicholson Creek Road and Highway 64. The project cost totals \$13.8 million and includes a request to fund a sewer extension from the City of Brevard's system. The funding sources provided by Falling Waters reflect a \$300,000 Brevard HTF loan with a 2% rate over a 20-year term. The City of Brevard has pledged \$150,000 in a loan to the project and is requesting the County cover the other \$150,000. Unit rentals would target occupants with a household income up to 80% of the median household income with 26% of the units at that upper threshold shared with workforce housing (defined as 80-120% of median).

The total estimated cost for the sewer line extension is \$900,000 with the City of Brevard committing \$150,000 in loaned funds. Additional information received from Jim Yamin with Workforce Homestead, Inc, the developer of the project, indicated the extension costs are above the initial budget and will cost closer to \$1.5 million and that he may ask for additional funding later in the year from both the city and the County.

The County has established a fund balance for infrastructure purposes and contributes to it when funding is available. The current balance of infrastructure fund balance is approximately \$100,000. The County has received interim guidance on the expenditure of ARP funds. The restrictions are limited to capital expenditures, primarily centering around water, sewer, and broadband. Commissioners could consider the ARP funds as a grant toward the sewer project and use the assigned fund balance to meet immediate needs, such as the EMS station. Should Commissioners determine to use ARP funds, the funds would be allocated as a grant of funds. There is no allowable loan of these funds.

The Manager asked the Board to consider the request and provide guidance to staff on the funding source if approved.

Commissioner Chapman asked if using a portion of the ARP funds would impact the Gaia Herbs water and sewer extension project. The Manager stated this would be in addition to the Gaia Herbs project. ARP funds are being used to fund the water line extension. The County is set to receive \$7 million in ARP funds. She reiterated these funds are very restricted in how they must be used, but the guidance specifically allows for infrastructure projects, thus this project would qualify.

To address the community's concerns shared during public comment, Commissioner McCall asked about the feasibility of the Transportation Advisory Committee working with the NC Department of Transportation to conduct a traffic study. The Manager stated the County would not be involved in a traffic study. The City can require a traffic study as part of the approval process for development. The NC Department of Transportation may require a traffic study for developments to make recommendations on any improvements they feel should be made.

Commissioner Chapman was concerned that the cost has increased significantly already, and the developer has commented about the possibility of seeking additional funding. While he understood the need for housing, including workforce housing, he was concerned about the unknown price tag. If approved, he encouraged the Board not to consider any future funding requests, only the amount the developer has requested now.

Commissioner Chapman agreed that it would be important for the City of Brevard to complete a traffic study to address concerns raised by citizens. He would like to have more information about the project

before committing to their funding request. He also inquired about the timeline and whether the approval of funds is required at this time. The Manager stated that the City of Brevard is requesting a response from the Board quickly. She pointed out that traffic studies are usually required during the zoning process which falls under the City's authority. The Board may encourage the City to consider traffic improvements as part of their approval process; otherwise, the County has no authority to require a traffic study.

Commissioner McCall asked if the sewer line extension occur should the project not be approved. The Manager replied no, pointing out the developer is responsible for a portion of the cost. It does not appear that the City intends to provide an extension without the approval of the development.

Commissioner McCall asked what happens to the funding if the project does not move forward. The Manager informed that no expenditure of funds would be made. She recommended the Board allocate the monies specifically for the sewer line extension meaning the funds could not be shifted to another portion of the project. If the project does not occur, the funds remain with the County.

After some discussion, the Chairman and Manager discussed elements to include in a letter to the City of Brevard that would require a notice to proceed within 18 months to qualify for funding and request that the city conducts a traffic study to address concerns raised by citizens.

Commissioner Guice emphasized the importance of housing, specifically workforce housing, while not losing out on opportunities to use ARP funds toward critical infrastructure projects. He was also concerned about the traffic and growth issues in the area. In his experience, planning upfront results in better outcomes than no planning at all.

Commissioner Dalton informed that ARP funds are specifically designed for water, sewer, broadband. By the County using those funds, the Board can protect and assign fund balance for projects already budgeted, like a new EMS station, or other needs. He recommended the Board preserve the fund balance and use ARP funds for this request.

Chairman Chappell added that the County should expend ARP funds in a manner that has a lasting impact on the community. He stressed the ARP funds are taxpayer funding, but the allotment from the federal government of this size is once in a lifetime. Therefore, he supported providing the funding as requested with the caveats as noted.

**Commissioner Dalton moved to fund \$150,000 from ARP requiring that a notice to proceed for the construction of the sewer line happen within 18 months, with the committal being tied directly to the sewer line extension project, and that a letter expressing traffic concerns be addressed to the city and requesting a traffic study be completed, seconded by Commissioner Guice.** Commissioner Chapman asked if this project would be annexed by the city. The Manager stated that the typical policy is for the City to annex if they extend utility services. Therefore, the project would add to the City's tax base. She reiterated that the City approved a loan for the project at a 2% rate, but not a grant of funds. **The motion passed by a vote of 4 to 1, with Commissioner Chapman voting against.**

#### MANAGER'S REPORT

The Manager reported the following:

- Silvermont Senior Center will be featured in a fitness magazine for a program they are doing for National Senior Health and Fitness Day
  - Kudos to Brenda Skeffington and her work making the Senior Center a special place for the community

- COVID Call Center activities will cease at the Library on June 1 with all calls routing once again to the Health Department
  - Kudos to Rishara Finsel and her staff at the Library for performing such an important pivot that supported the County's vaccination effort
  - Navigating the pandemic could not have been without all the County team

The Manager also gave some background on the second courtroom discussion.

### **Background**

In 2014, Commissioners moved into the new Administration Building and stopped using the Courthouse for their meetings. For security/liability purposes, only court functions were allowed in the Courthouse. In 2019, Commissioners began having discussions about a second courtroom offsite. At that time, court officials indicated the need for the exclusive use of a facility. This stipulation disqualified certain facilities from consideration, including the American Legion and the Masonic Lodge. The Manager emphasized that the Board of Commissioners is responsible for providing court space, including security through the Sheriff's Office, so the level of acceptable risk is a Board decision.

### **New Information**

Court officials informed County staff that a second courtroom offsite no longer must be exclusive for their use, nor must it meet certain specifications as requested earlier. They also indicated having the ability to schedule smaller dockets of 30-40 people for crowd control purposes at offsite locations.

The Manager shared that the Board of Elections and Elections Center staff have expressed concern about their ability to perform essential functions if the conference room were exclusively used for court functions. In addition, this room remains in high demand for use by other County departments/functions, as well as the public. The impact of having court two days a week in the Election Center is broad with ripple effects throughout the County government's essential services due to strained parking during those times. Use of the facility for court purposes will impact Tax Administration, the Register of Deeds, County Administration, Health and Human Services offices, and the Library.

The Manager stated if Commissioners are comfortable with using a facility that is not exclusive to court functions, then staff can consider other sites with parking that have less impact on local government services. Funding is available in the assigned fund balance for the Courthouse to cover any potential rental fees and pay for security measures.

Considering this latest information, the Manager sought direction from the Board on the possibility of exploring other sites.

Commissioners weighed in on the update from the Manager. None of them was supportive of disrupting essential County government services if possible and thus directed the Manager to explore alternative sites and bring back options for the Board to consider at the next meeting.

Chairman Chappell called for a short recess at 7:28 p.m. before beginning the workshop portion of the meeting. The meeting reconvened at 7:40 p.m.

## **BUDGET WORKSHOP**

Before presenting information on Solid Waste funding, the Manager recapped the budget presentation from the previous workshop. She also reported that workshop one resulted in an addition of \$0.0253 to the tax rate for fire and rescue services, for a total tax rate of \$0.5853/\$100 valuation.

## SOLID WASTE FUNDING

The remaining item the Board needs to build consensus on is funding for Solid Waste.

In the fall of 2020, the Board of Commissioners held two solid waste workshops resulting in a decision to expand the landfill instead of moving towards transferring solid waste out-of-county. An engineering study reflected it would be less costly over the long term to keep the landfill operational. Over the long term (30 years), the transfer station model (hauling trash to landfills elsewhere) would cost \$20 million more over the equivalent period when compared to operating a landfill through 2052. The study also indicated that the expense to properly operate and maintain the landfill over that time would require generating revenues of over \$100 per ton over the same period. The current tipping fee rate for the County is \$60 per ton for municipal solid waste. Convenience center site users pay \$1.50 per bag of trash.

Operating under the current funding method leaves an annual shortfall of \$1,711,710. Projected expenditures for FY 22 are expected at \$4,117,960, while revenues under the existing fee structure are estimated to be \$2,406,250. The operating budget is effectively flat with no new personnel, no planned increases in operating expenditures, and no expansion of services. Included in the expenditures are funds to conduct the engineering work for expansion and permitting a new cell. The budget also includes expenses to maintain proper equipment both for convenience site operations (boxes, trucks to transport, etc.) and for landfill construction.

### **Ongoing Financial Needs**

The Transylvania County landfill had a prior history of repeated violations from the State, particularly regarding leachate. Failure to properly fund operations can lead to hefty fines. Landfills are highly regulated construction sites operating under all weather conditions and strict mandates dictating minimum requirements for heavy equipment and staffing. Additional costs due to long-term construction repairs can be avoided with adequate funding of the solid waste operations.

The County's landfill is a long-term liability in that the County is required by State and federal law to set aside cash every year to cover future costs. If the County does not set aside enough money, the County's other revenues are pledged against that liability. In other words, if fees do not cover obligations, future property taxes will.

Addressing the leachate issue and keeping the landfill facility in strict compliance has meant the annual operating budget is closer to \$2.6 million than \$1.9 million, which has been the annual budgeted amount since FY 18. During annual budget discussions and quarterly financial reports, staff has raised the issue that operating revenues for the Solid Waste department cover only approximately two-thirds of the revenue.

### **Long-Term Financial Picture**

A solid waste fund is an enterprise fund and is intended to operate on separate revenues from the general fund. All reporting with State and federal entities have disclosed the County intends for user fees to cover the costs.

Transylvania County has used the pay-per-throw system for 20 years using stickers with minimal change to the sticker price of \$1.50 despite the rising costs of solid waste management, both operationally and regulatorily. Property taxes have effectively kept the price of stickers lower than the actual cost of disposal. Over the past 25 years using the current price system, the revenues in the Solid Waste Fund have covered the annual operating expenses in only two years.

Future improvements would be eligible for a revenue bond (allows the County to pay for construction costs over the life of improvements and is cheaper than paying cash for the entire construction cost) if revenues are sufficient to support this. Property tax would not be one of those revenues that would qualify because you typically pledge your property tax during a general fund bond. The County used revenue bonds to finance prior cell construction at Woodruff before the pay-as-you-throw program was implemented.

### **Trends**

In 2020, 87% of the waste that went into the landfill was MSW or household waste. Construction and Debris have been trending down as larger outfits find other outlets for the material, sometimes going to other counties where property taxes are subsidizing tipping fees (ex; Pickens County, SC).

C&D has declined by several thousand tons over the past several years on an annual basis. In recent years, the amount of waste going in has remained relatively flat. It is not surprising that 87% of the waste was classified as household waste when only 8% of the County's tax base is considered industrial.

Recycling is being impacted by changing international policy. It still costs to collect and ensure that recycling makes it to its destination. Recycling revenues do not currently support recycling expenses and account for 2% of annual revenue. At some point, the County should expect to start paying for recycling.

### **Community Desires**

The community has raised concerns about littering, dumping, and trash throughout the County. Convenience site usage is trending up and there have been some requests to add additional sites, especially towards Lake Toxaway. Convenience center site use has made the County its fourth-largest customer at the landfill with staff moving 3,000 tons in a year from convenience center sites to the landfill.

### **What are other counties doing?**

Transylvania County's fee structure is unique for our size and geographic location because of the pay-as-you-throw program. Counties tend to either have a single landfill/transfer station and rely on private haulers or operate convenience sites. Most counties do not have onsite fees or cash handling at convenience sites citing security risks, cash handling concerns, staffing costs, and location of sites.

Solid waste operations that operate purely on a pay-as-you-throw basis are those in large urban areas that have the population density to support the business model. According to DEQ, 61% of local governments offering solid waste and recycling levied a household/improved parcel fee to fund those services. Using a tax-like fee for this type of facility is a common approach in rural areas.

### **What is in a fee?**

N.C.G.S. § 153A – 164 establishes the legal authority for the County to operate a landfill or solid waste facility and levy fees for its use or its availability. Most mountain counties north and west of Transylvania levies a similar fee. It must be on improved parcels and cannot be levied if another government is already levying it. Thus, the City of Brevard and Town of Rosman parcels are exempt because they both levy an availability fee. The City of Brevard and Town of Rosman will only be included if the City and Town elect to drop their fee. If they keep their fee, both will continue paying the tipping rate. Improved parcels do not include land with barns or outbuildings or empty lots with water and sewer. It would not include any mobile home not affixed to the property (wheels and axles removed). Some counties add additional definitions to the fee, such as levying a fee by bedrooms or by whether the property is residential or commercial. There is a precedence for allowing exemptions for those who currently qualify. The fee, as proposed, would make the convenience center model available for residents' use. Rather than paying a sticker fee, they would be able to use the convenience centers.

Currently, there is the benefit of people coming from out of county and disposing at our sites paying the sticker fee. However, they are not paying the property tax or the fund balance that has had to subsidize that fee over the years.

Next, the Manager reviewed the options before the Board to make the solid waste fund and department self-sustaining. All the options set the tipping fee at \$60 for simplification purposes, but the Board may change it at their discretion.

	Fee Structure	Advantages / Disadvantages
Option 1a- PAY FOR PAY AS YOU THROW	Bag Fee \$12	Increases cash flowing through convenience centers (increases current risks)
	Tipping Fee \$60	High per bag fee may increase dumping/litter  Keeps financial incentive to recycle for citizen (note: county still incurs costs)
Option 1b PAY AS YOU THROW + TAXES KEEP PRICES LOW	Bag Fee \$1.50	Keeps financial incentive to recycle for citizen (county still incurs costs)
	Tipping Fee \$60	Citizens from other counties can still use the sticker/convenience model and don't pay property taxes to supplement.
	Tax Increase 2.44 cents*	Closes the financial gap with resources outside of the Solid Waste Department (not a true enterprise fund, no ability to use revenue bonds)  Vacant parcels, which do not generate trash, are taxed to pay for solid waste operations.

	Fee Structure	Notes
Option 2- Property Tax and Tipping, Convenience Sites for Residents Only	Tipping Fee \$60	*Cannot finance future improvements with revenue bonds
	Tax Increase 2.94 cents*	Only residents who are paying for tax can use convenience sites- access is offered to paid-up taxpayers
		No fee at convenience sites, makes it convenient to throw away and could decrease litter/dumping
		Takes away incentive to recycle, but could add a requirement that must be resident AND bring recycling with household trash (2 counties reported they do this)

	Fee Structure	Notes
Option 3- Improved Parcel Fee and Tipping	Improved Parcel Fee \$200 Tipping Fee \$60	Only residents who are paying for tax can use convenience sites  No fee at convenience sites, makes it convenient to throw away and could decrease litter/dumping  Takes away incentive to recycle, but could add a requirement that must be resident AND bring recycling with household trash (2 counties reported they do this)  Some room to lower tipping fees to offset costs for citizens who use private haulers

	Fee Structure	Notes
Option 4- Reduce Costs by eliminating convenience sites	Tipping Fee \$60 Parcel Fee \$110 OR Tax Increase 2.2 cents*  **This assumes all convenience waste would then convert to tipping fees	Convenience Sites Eliminated, reducing annual costs by approximately \$1 million  Likely see more contract haulers  Could see more littering/dumping and less recycling due to reduced convenience

### Additional Funding Information

The tipping rate could be raised by up to \$3 and still be in the market range for WNC but would be on the upper end. For every \$1 increase at current tipping rates, \$18,000 is generated annually. The minimum scale fee is currently \$5 which is low compared to counties. Raising the minimum scale fee to \$15 would bring in \$157,000 if the same number of people continue to choose that option with the new rate.

### Additional Options

- Close convenience sites and continue tag program at the landfill. The sticker fee would need to be \$9 based on current tag volumes
- \$5 per sticker would make convenience sites pay for themselves but does not account for expenses for the convenience site collections after they leave the site
- An additional convenience site would add \$300,000 to annual operating revenue and would require a \$220 parcel fee or 3.2 cent property tax unless an existing site was closed and combined into the addition. *Note: Estimated construction for a new convenience site is \$600,000 and does not include land acquisition. This cost is not included in the parcel fee/property tax rate above.*
- Choosing a property tax increase would still allow those who qualify for deferments or exemptions to see a reduced impact

**Board Discussion**

The Manager concluded her presentation and opened the floor for discussion and direction.

Commissioner Chapman inquired about the benefits of having Solid Waste operate as an enterprise fund. The Manager stated that the advantage is being able to operate a separate business entity from the general fund. Property tax would not be impacted by having a separate revenue fund. The County would also be eligible to use revenue bonds instead of pledging property tax in that fees would be set to cover the cost of the service. It could also impact the County's bond rating.

Chairman Chappell asked for clarification that anyone already qualified to receive tax deferments or exemptions would not have to pay the property tax or parcel fee, depending on which option the Board chooses. The Manager confirmed. There are currently 626 qualified for the elderly and disabled exemption (homestead) and 71 qualified for the disabled veteran's exemption for a total of 697.

In response to Commissioner Chapman's concerns about how this decision impacts future years, the Manager stated that the current cell has seven to eight years remaining. Permitting a new cell takes the same amount of time, so it is critical to begin the process now. The need to begin planning for a new cell has driven the costs up. Next year, the County will be imposed a \$600,000 fee to begin that process. The landfill study provided the Board with a chart of estimated expenditures over the next 30 years, including equipment replacement schedule, expansion, and closure fees, etc. Over the next five years, based on current knowns, setting either an appropriate tax rate or adding the parcel fee will stabilize the fund.

Commissioner Chapman was concerned about implementing the full weight of the financial burden in one year, whether it be the tax increase or the parcel fee. The Manager informed that the concern moving forward without addressing the issue now is the County would not have an available cell or a transfer facility. This means the County would not have the ability to provide in-county services for solid waste disposal. This assessment is based on the length of time it takes to properly permit and construct a new cell. The Board is facing \$131 million in expenditures between now and 2052. The cost for the transfer station model was even greater at \$141 million. The Manager added that Solid Waste as a business across the State is changing dramatically due to increased regulations and international recycling policy.

The Manager emphasized that more than 86% of County government services are mandated. The expectation is that counties will levy property taxes to pay for those services. Technically, Solid Waste is not a mandate, but it is a service that contributes to public health.

Commissioner Chapman understood the need to maintain these services for citizens. He asked if there were funds available in designated reserves to reduce the impact. The Manager stated the Board's assigned fund balance mirrors their capital planning. There are funds reserved for a new EMS base station, which is a critical need, the Courthouse, and economic development and infrastructure. There are also reserves for Parks and Recreation but those have typically been used toward expanding or improving parks and recreation activities and facilities.

Commissioner Chapman encouraged the Board to consider reassigning those funds to Solid Waste to reduce the impact on citizens. The Manager pointed out it is at the Board's discretion to reassign funds, but she shared her concern that these will be ongoing expenses annually. Furthermore, doing so gives the Board only a short timeframe before needing to revisit this issue.

Commissioner Guice stated this decision has been delayed for many years but did want to be critical of past Boards because he was unaware of the issues they faced at the time of their decision. He pointed out that a new EMS base station and Courthouse are critical projects and noted there are not a significant



amount of funds set aside for those purposes now. He did not think delaying another year was the right move. The Board is faced with this decision now and must act.

Commissioner Guice stated that feedback from citizens indicates they do not want the convenience center sites to be closed. Others have indicated they do not support a tax increase either. He also stated that decisions made at the State level impact counties and creates challenges locally when such a significant percentage of the budget is not within the Board's control. Furthermore, the Board has been unwilling to make cuts to those items that impact public safety and education, and he was concerned about how doing so would impact the community.

Commissioner Chapman asked about the negative impact of a potential increase in the tipping fee from \$60 to \$65 or some other hybrid approach that includes raising the bag fee, again trying to reduce the impact to property owners. He did not support closing the convenience centers. He also inquired about the potential for imposing the parcel fee on all properties, regardless of whether it is improved, to potentially reduce the fee to \$100. The Manager informed that staff researched whether enough money could be generated by modifying the fee schedule. There is no way to adjust the tipping rate or bag fee without it beginning to change people's behavior. Regardless of if a hauler decides to take the trash outside of Transylvania County, the County must be prepared to accept that waste and there is some economy of scale in having numbers coming in regularly. Losing a major current customer does impact operations in the short-term but it also extends the life of the landfill for the long term, just as recycling does. The Manager stated there are minimal options for adjustments to the tipping rate or bag fee that would make a notable change to the proposed parcel fee or property tax rate. In addition, the County would not be able to charge a parcel fee to vacant or unimproved properties. An improved parcel would generate solid waste, whereas a vacant parcel would not. If the Board wanted to impact all properties equality, the Board must choose the property tax option.

Commissioner Guice stated the Board should not raise rates to the point of encouraging haulers to use services elsewhere because the County would lose revenue. Loss of revenue impacts overall operations because the County must continue paying for the equipment, staff, etc. He shared that Transylvania County ranks in the median range of tipping fees when compared to counties in WNC and beyond. Every dollar added to the tipping fee generates only \$18,000 at the current load.

The Manager informed that staff analyzed the type of trash disposed of through scale sales and found that the minimum is low. There are not as many contract haulers in this community as one might expect. The major customers are the City of Brevard, the Town of Rosman, and the County's own convenience center sites. By raising the minimum, some individuals using the scale sales could decide to change their behavior which could lessen the monetary impact on them.

Commissioner Chapman inquired about the value of a penny on the tax rate. The Manager informed one penny is approximately \$625,000.

Commissioner McCall shared that she has struggled with this decision trying to come to terms with the best option. She previously asked for the pros and cons of closing the convenience centers simply to have the information and confirm that those sites are necessary. She concurred with the public that the convenience centers should remain open. With that said, Commissioner McCall stated she would not agree to a property tax increase. All property owners would be impacted by a tax increase, including those residing in city limits; however, those in city limits would not be impacted by the parcel fee. She pointed out that imposing half the fee this year and the other half next year only prolongs the inevitable. Commissioner McCall stated she was impressed with how the budget has been developed and presented over the last few weeks and she was aware of several reductions in the budget requests before the Manager's recommended budget coming before the Board. County departments continue to look at ways

to be efficient which Commissioner McCall encouraged. With that said, she was not 100% on board with the options as presented, but she felt the Board had been given the best information possible and that every option has been vetted.

Commissioner Chapman asked if staff had explored reducing the hours of operation at the convenience centers or the landfill. He wondered if reducing the hours would save a substantial amount of money. The Manager said the County pays for the site nonetheless, i.e., utilities, managing waste, equipment, and capital. The only savings generated by limiting operational hours are in staffing costs which would be minimal. The convenience center in Rosman operates part-time due to having less volume. However, citizens have expressed a desire for that facility to be open more often. Overall, the sites experience a lot of usages which is trending upward.

Commissioner Guice wondered why people should be treated differently in one end of the County than the other. He shared that many citizens enjoy the convenience of the site on Highway 276 and thus they do not have to travel down the mountain to the Pisgah Forest site, but citizens in Lake Toxaway do not have a site and would have to drive to Rosman or the landfill, both of which are a good distance from Lake Toxaway. He felt consideration should be given to moving the Rosman site to a better site to serve more citizens.

Commissioner Chapman noted there is a cell tower located at the landfill site. He wondered where the revenues are held from the cell tower leases and whether they could be used to offset the cost. The Manager informed that the funds generated from the cell tower lease fund communications and maintaining the facility. The cell tower provides a separate service from solid waste. If the funds were shifted to solid waste, the Board would have to find another revenue source for communications.

Chairman Chappell recapped the Board's discussion. He reported there remains support for the convenience center sites to remain open. He felt there should be a separate discussion outside of this workshop to discuss the possibility of relocating sites. He shared that although the State does not mandate solid waste services, the County feels it is a mandated service in that if waste is not managed, it will end up in our rivers, on our mountaintops and valleys, and our roadsides. Chairman Chappell was appreciative of the transparent budget process and the effort to make solid waste operations in Transylvania self-sufficient. To him, the ability to use revenue bonds as a funding stream factored over the life of the project would have a major positive impact on County government and citizens which could not be possible by pledging property taxes. He also felt a key factor was the ability for exemptions to carry over for those taxpayers who currently qualify. In addition, he was appreciative of staff clarifying how citizens in the City of Brevard and Town of Rosman would be impacted. Therefore, while he did not like imposing the \$200 parcel fee, he felt it was the best method. Chairman Chappell emphasized that the Board of Commissioners should ensure that solid waste operations, a critical and necessary service to our citizens, remain self-sufficient. He stressed the County must monitor waste forever which is a continual cost to local government.

Commissioner McCall asked about the homestead exemption. She assumed there are citizens in Transylvania County who are unaware that the exemption exists. She asked whether the process to apply is an easy one in which to navigate. The Manager's understanding is the process is easy. There is an application process that requires documentation that the taxpayer meets the exemption.

Commissioner McCall inquired about the impact of increasing the tipping fee upward by \$3. The Manager stated the amount of increase would depend on the Board's comfort level, but she cautioned going higher because of the impact it could have on people's behavior. Staff calculated that increasing the tipping fee to \$63 would reduce the parcel fee to \$195.

Commissioner McCall asked for clarification that implementation of a parcel fee allows for full use of the convenience centers without having to use stickers. The Manager stated if the Board did not want to use the sticker program, the County would issue property owners a tag. This would ensure that staff knows the convenience centers are being used by those paying the parcel fee.

Commissioner Guice inquired further about the tag and how those would be issued. He asked if there would be one per household or vehicle. The Manager informed that staff had originally envisioned a sticker that would adhere to a vehicle, but it was not a popular option because many people do not put stickers on their vehicles. Based on feedback from people who might drive multiple vehicles (spouse's vehicle, for instance), staff anticipated ordering tags that could hang on the rear-view mirror or shown to the site attendant. This would be the pass that allows the person to use the convenience center site.

Commissioner Guice was also concerned about the fairness of one parcel with multiple rental units, for example, being charged only one parcel fee, especially when those units are generating income for the owner.

Budget and Management Analyst Kate Hayes addressed the Board. She stated that some of the other counties that staff researched during this process charge another fee for a second sticker or tag. One county in particular charges a household fee but no sticker or tag system. County residents can use the service without verifying. That county experienced both out-of-county and out-of-state residents using their convenience sites. The process varies county by county. In terms of how counties manage multiple units on the same parcel, there were few examples of counties that charged by the bedroom which involves a different fee structure.

The Manager stated that one of the challenges involves having mobile home sites. A mobile home is taxed the same as a vehicle until it is permanently affixed to the property. In those situations, there would be only one improved parcel fee. Mobile homes not affixed would be impacted using the property tax option.

Commissioner Guice asked if this situation could be handled by charging a bag fee. He was concerned, noting that 50 mobile homes on a parcel, as an example, would generate an enormous amount of garbage. The Manager said the Board could continue the sticker program on a reduced scale because it would be a lesser-used program. The issue with keeping the sticker program is that out-of-county residents could dispose of their trash here at our sites while not paying into the full program of managing solid waste forever. This makes the property tax route advantageous to ensure all users are covered. Using one county as an example, it could make sense that renters pay a separate fee to purchase a tag to address this issue.

Chairman Chappell suggested if the Board chooses the parcel fee, that the County automatically sends taxpayers two tags per parcel fee paid. This could resolve some issues before they become a problem.

Commissioner Dalton stated that as a small business owner he felt it was necessary to cut business first. While it is not a popular option, he opted for eliminating the convenience center sites which reduces the parcel fee to \$110 annually. In the future, the Board can explore reopening the sites. He noted there remains the possibility of the State closing the convenience sites due to legislative changes being considered in Raleigh.

Following up on Commissioner Dalton's comments, Commissioner McCall asked if the County were directed to close the convenience centers, whether the Board could revisit the parcel fee for potential reduction. The Manager stated the Board can adjust the parcel fee year-to-year based on budget assumptions. The risk that has been discussed while exploring the expansion of the landfill falls under

the regulatory context. The County is not currently required to permit convenience centers, but future regulations could regulate them similarly to transfer stations, depending on how they are used. The use by businesses for the disposal of waste would require a transfer station permit. Currently, most of the waste coming into the landfill is household waste. Solid Waste Director Kenn Webb shared his concern about causing unintended consequences when trying to implement too much change. In terms of closing the convenience centers and the potential for creating job opportunities with the addition of new haulers, he felt it would open an opportunity for bigger businesses to come here and move trash out-of-county. Current local haulers are concerned with that possibility as well.

The Chairman and Manager recapped the Commissioners' positions to come to a consensus. The consensus was for the Board to move forward with option 3. Staff has scheduled public hearings on the budget for June 14 and June 21.

The Manager thanked the Board for the time they put into this process, noting it is a complex but very necessary process that must be followed to govern locally.

### **PUBLIC COMMENT**

*The comments made by the public represent the individual speaker's opinion or point of view. The Clerk to the Board made no attempt to vet their statements for accuracy or modify them based on facts.*

Don Surette: Mr. Surette invited the Board of Commissioners and the public to the Upper French Broad River Festival in Rosman on June 19 from 10:00 a.m. to 3:00 p.m. He expected a good program.

David Morrow: Mr. Morrow invited the Board of Commissioners and the public to the Courthouse gazebo at 10:00 a.m. to attend a Memorial Day Ceremony.

Bruce Gleasman: Mr. Gleasman commended the County Manager for her budget presentation. He stated he did not hear the Board of Commissioners discuss cutting the budget. He understood the difficulty with cutting the budget by 2% but he felt departments could find areas to cut. In addition, he shared that he spoke to a few citizens about this issue today and many of them were unaware that the Board was considering a tax increase or parcel fee. He felt the Board had options to make cuts; otherwise, he was concerned the budget was on a trend to continue rising. Mr. Gleasman encouraged the Board to stand on their strong Republican principles.

Frank Leahy: Mr. Leahy stated he owns a trash hauling business in Transylvania County. He stated that the \$200 parcel will put him out of business because his customers will now haul their trash themselves. The loss in customer base will not reduce his overhead because his customer base resides all over the County. He did not believe the fee was fair based on the amount of trash being produced by an elderly person versus a large household. Mr. Leahy stated that haulers function as a filter for the landfill because they search for and remove items that are not allowed in the landfill, such as paint and other chemicals, and he expected that those things will now end up in the landfill. He pointed out the fee adds to the ever-increasing tax rate and the cost of living overall continues to rise. He noted that his livelihood is dependent on his hauler business and now he may have to look elsewhere for other income.

Robert Crowe: Mr. Crowe agreed with Mr. Leahy's comments. He noted, however, many people are living in campers, and they will not be paying the parcel fee which means it will be footed by all other property owners.

## COMMISSIONERS' COMMENTS

Chairman Chappell congratulated Ms. Linda Peebles with Transylvania County Schools after 50 years of service. He stated that she had a profound impact on his life and has taught his entire family. On Friday, she was awarded the Golden Apple Award making her one of very few North Carolina teachers to be recognized with that honor.

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

## CLOSED SESSION

Per North Carolina General Statute § 143-318.11 (a) (5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease, a closed session was entered into at 9:20 p.m. Present were Chairman Chappell, Commissioners Chapman, Dalton, Guice, and McCall. Also present were County Manager Jaime Laughter, Clerk to the Board Trisha Hogan, and participating remotely via Zoom meeting software, Natalia Isenberg.

Commissioners met to discuss property negotiations and directed staff on how to proceed.

**Chairman Chappell moved to leave the closed session, seconded by Commissioner McCall and unanimously approved.**

## OPEN SESSION

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

## ADJOURNMENT

There being no further business to come before the Board, **Chairman Chappell moved to adjourn the meeting at 9:27 p.m., seconded by Commissioner Dalton and unanimously approved.**

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Jason R. Chappell, Chairman  
Transylvania County Board of Commissioners

ATTEST:

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Trisha M. Hogan, Clerk to the Board