

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
May 23, 2022 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in a regular meeting on Monday, May 23, 2022, at 6:00 p.m. in the Multipurpose Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Larry Chapman, Chairman Jason Chappell, Vice-Chairman Jake Dalton, David Guice, and Teresa McCall. Also present were County Manager Jaime Laughter and Budget and Management Analyst Kate Hayes serving as the Deputy Clerk in the absence of the Clerk to the Board. County Attorney Natalia Isenberg participated remotely via Zoom meeting software.

Media: Jonathan Rich – *The Transylvania Times*

There were approximately 25 people in the audience.

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. He introduced the 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 did not attempt to vet their statements for accuracy or modify them based on facts.

Alice Wellborn: Ms. Wellborn stated it has been four months since the Board of Education asked the County Commissioners for a timely response to their request to approve contracts for the architect and construction manager. The Board of Commissioners has been asked to sign two multi-year contracts to affirm that the money is available to pay for the contracted work, which is their statutory responsibility. She laid the responsibility for the eight-month delay on the County Commissioners. She accused the Board of Commissioners of wasting taxpayer dollars and holding the school bond hostage. She wondered what the Board of Commissioners will demand of the Board of Education as a condition of agreeing to approve the contracts. Ms. Wellborn stated the Board of Commissioners is not being transparent and that they are operating in bad faith with the Board of Education, the students, and the voters of Transylvania County. She demanded to know the Commissioners' goals and plans.

AGENDA MODIFICATIONS

There were no agenda modifications.

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

CONSENT AGENDA

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

The following items were approved:

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 is 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 2022, tax dollars released totaled \$169.52, and refunds issued amounted to \$1,568.90. The Board of Commissioners approved the Discovery, Release, and Monthly Settlement Report for April 2022 as submitted.

APPLICATIONS FOR PERMITS TO CONDUCT FIREWORKS DISPLAYS

The 2010 Pyrotechnics Act (N.C.G.S. § 14-413) requires the Board of Commissioners to approve all permits to conduct aerial fireworks displays in their respective county. Fire Marshal Gerald Grose has received permit applications for aerial fireworks displays from the following:

- City of Brevard
- Burlingame Country Club
- Camp Carolina
- Camp High Rocks
- Illahee Camp
- Keystone Camp
- Lake Toxaway Country Club
- Rockbrook Camp
- Jacqueline Rogow

The Fire Marshal's Office will conduct the site inspection for each setup and confirm operator certification requirements and spectator separation requirements before each event. The Board of Commissioners approved the permit applications for the applicants listed above.

PRESENTATIONS/RECOGNITIONS

PRESENTATION OF THE MANAGER'S FY 2023 RECOMMENDED BUDGET

The following is a summary of her presentation which included information on how the County budgets, community trends and highlights, and the next steps to approve the budget by the deadline of June 30.

How Do We Budget?

- Budget team approach; each department meets with the team; utilizes the subcommittee process with the County Commissioners' participation
- Look at trends for revenue and review resources that help suggest what to expect with those trends
 - Projecting revenue and economic trends up to 18 months in advance
 - This budget, very uniquely, has an economic outlook that is very difficult to predict
 - Experiencing unprecedented market behavior

- Gather information from various sources on price changes and projections including gas, utility rates, goods and services, economic predictions, etc.
- Make and document assumptions and layer review so that staff feels comfortable that the projections are reasonable
- Seek to understand the Board of Commissioners' priorities, community needs, and funding partner needs while balancing the mandated services counties are required to provide
- Estimate service demands by examining existing demands
- Understand mandated services and non-mandated services; 86%+ of services are mandated
- Review fees charged
- Consider the local economy and economic outlook
- Factor in long-term fiscal health and long-term planning in addition to the annual budget

Budgets are math and statistics problems, but also establish policy and reflect priorities, including those that are required through mandate.

Fiscal Policy Goals

- Develop a long-term capital improvement plan (estimated at \$270 million in addition to the education bond)
 - Education beyond the \$68 million bond
 - Courthouse
 - Existing Courthouse renovation
 - Blue Ridge Community College campus
 - Infrastructure
 - Landfill expansion
 - An additional EMS station
 - Communications towers
 - Parks and Recreation
 - Fire department infrastructure and major capital
- Identify revenue to fund capital needs
 - Economic development and infrastructure support
 - Ecusta Road project lease payments; the project was an innovative way to bring revenue into the budget to fund economic development activities
 - Education Facilities Bond is pending
- Work towards multi-year budget planning in the General Fund
 - Vehicle prioritization, computer replacement schedule, long-range maintenance evaluation, etc. to maintain service levels
 - Consensus on this year's County needs from Commissioners are the forefront of the recommended budget

The Process with Changes Implemented This Year

- Internal departments turned in budget requests with justification in February
- Panel review of all budgets with the Commissioners participating in discussions with elected office leaders
- Nonprofit funding open call for applications in March with a review by a subcommittee and scored in April
- School funding requests submitted before the deadline
- Outside Agencies- Fire Departments, Rescue Squad, etc.
 - Budget requests due in April
 - A new subcommittee of staff and two Commissioners to review with an opportunity for each department to discuss

- Priorities and preliminary discussion with all Commissioners so that staff understood their priorities

Key Trends for FY 2023

- Property tax is the only way the Commissioners can meaningfully raise funds which makes the tax base very important
 - Our current mix skews heavily residential meaning that residential bears the burden of any tax increase which differentiates Transylvania County from other counties in the area
 - Transylvania County skews toward residential at 79%; the closest comparison is Dare County at 85% residential but they have a significantly higher tax base
 - Transylvania County is often compared to Henderson County, but Henderson County has more industrial and commercial development to help diversify their tax base
 - Half of Transylvania County is nontaxable (federal and State Parks/Forests) but requires County services
 - Residential costs the most in services over other types of uses
 - Some of those residential are second homes and short-term rentals
 - North Carolina's Constitution does not allow charging a differentiated tax rate so legislative action would be required to do so
- Population changes
 - The 2020 Census saw the population slightly decline from 33,090 to 32,956
 - However, housing units went rose from 19,163 to 19,818 while owner-occupied units went from 77.5% to 75.6%
 - Households rose from 13,735 to 14,648
 - Data indicates that the population figure may be artificially low, likely due to many second homes, tourism in the community
 - Impact of population on funding formulas
 - Indications that the population is changing with more racial diversity reflected and shifts in age groups
 - 2% decrease overall in responses indicating white, non-Hispanic to 90.4%
 - Ages 18 and under shifted from 17.6% to 15.4% which is reflected in the student population (ADM) decrease
 - Ages 65 and over increased from 25.8% to 31.4%
- Real estate pressures continue with a high volume of property transfers and building permits indicating that people are wanting to locate here
- Economic development interest is high; companies want to locate here
- This budget does not cover all the requested or stated needs across County departments
 - \$4 million gap average between the needs that are stated across all departments and funding partners which would require an 8 cents tax increase to fully fund; some of the requests are repeat requests from year to year and some are not
 - Service demands are high across the board because most of the County government is person-to-person services

Highlights for FY 2023

- The property tax base increased by 2%
- A total budget of \$74,346,480 at the same tax rate as FY 22 of \$0.6033/\$100 valuation; total requests came in at \$76,239,346; Manager did not feel that the Commissioners or the public would support a tax increase this year
 - \$0.187 Transylvania County Schools annual general operations
 - \$0.089 School bond collections

- \$0.028 Fire and Rescue agency supplement to the district tax collections
- \$0.016 Solid Waste supplement to fees collected
- \$0.034 \$2.4 million annual capital planning (Courthouse and pay-as-you-go for Emergency Services, Economic Development, Parks and Recreation)
- \$0.113 for the Office of the Sheriff
- \$0.132 for all remaining County services and operations
- Total expenditures reflect 2.4% growth for the general fund as a whole
- A full year of service for three new initiatives started in FY 22 that bring in revenue
 - Passport Agency
 - NC Vehicle Tag Office
 - Housing federal inmates in the jail facility
- The budget prioritizes maintaining staff levels/existing benefits and trying to combat economic inflationary impacts, such as fuel, without increasing the property tax rate
- Baseline annual capital proposed
 - Includes five patrol car equivalents with equipment for the Sheriff's Office
 - Computer replacements on a five-year cycle; evaluating system security and other IT needs
- The focus is on existing personnel
 - No new personnel
 - Reclassification of positions in Parks and Recreation, Cooperative Extension, and Library to be consistent with the duties of the positions
 - Overlap of part-time hours for retirement in Environmental Health (already approved by the Board at the previous meeting)
- \$1.2 million for Courthouse planning assigned fund balance fund
- \$1.2 million for pay-as-you-go funds for Economic Development, Emergency Services, and Parks and Recreation
- \$6.2 million for bond payments in Education Capital Fund
- Continue to explore operational efficiencies and best practices throughout County services; look at ways to maximize staffing to ensure the needs of citizens are met while remaining within budget
- Continue work on affordable/workforce housing including a countywide housing study to support economic development; the study is paid for through grant funding restricted for that purpose
- Continue facilitating the work of Get Set Transylvania in partnership with Sesame Street in Communities
- Major capital planning
- Fund a compensation study range review
- Community Center Wi-Fi and Capital Improvement Program
- Rosman pool support
- Leachate agreement with the Town of Rosman
- Grant funding to administer for the water/sewer line, Sylvan Valley Industrial Building, opioid work in the community and jail, and affordable housing

The following projects will utilize separate capital funds not reflected in the annual budget, but will impact the workload this fiscal year:

- Manage the construction of a sewer line that will provide expansion support to Gaia Herbs and extend service by the Town of Rosman along the US 64 corridor
- EMS Base construction and temporary housing with Rescue Squad
- Sylvan Valley Industrial Building Phase 2 construction

Revenue Projections

- Property tax is the primary revenue
- Sales tax remains at 18% of revenues received
- New revenue reflected from federal inmate housing, passport office, and tag office that supports those new services

Expenditures

- Overall, the same distribution of expenditures with a slightly higher share in DSS and Public Health
- Transfers show the bond, required fund transfers, and remittances
- Personnel are the highest cost in providing County services at 37%
- Education funding is the second largest expenditure at 30%
- Remittances, assistance dollars, and transfers out are significant portions of the budget
- Operating and capital outlay less than 7%
- Low debt service until bond payments become due

Education Funding Considerations

- K-12 Education recommended for same increase as other County services at 2.4%
 - Funding per ADM has continued to grow with State support such as the Small School funding (\$1.5 million) to take pressure off County property taxpayers without compromising confidence in the ability to deliver quality education services (*NC School Forum references Transylvania County as the 9th highest funded per student before Transylvania County began receiving Small School funding. Future analysis should have Transylvania County ranking better than 9th.*)
 - Transylvania County citizens have a long history of significant local funding to support education, a point of significant pride
 - County funding remains at 4th in the State behind Orange, Dare, and Durham Counties, followed by Chatham County; all of these counties have significantly higher tax bases, and most are considered metropolitan counties
 - Total funding per student has grown 4.5% total over the past three years and is at approximately \$12,946 excluding one-time funding from the CARES/ARPA; this is 33% higher than the State average in North Carolina
 - Local operational funding is recommended at \$13,086,152 and capital funding at \$2,074,271
 - Major building renovations
 - Smaller building projects
 - FF&E
 - Vehicles
- Blue Ridge Community College is recommended for local operational funding at \$619,680 and capital funding at \$212,240

Note: Education budgets are submitted with detail; however, once operational funding is approved those agencies may adjust how they spend funds without the Commissioners' approval based on their priorities. The only exception is capital for K-12 for any project over \$50,000. Those funds are released upon receipt of a contract or invoice.

Fire Department Budgets

- The recommendation is to set the district rates at 5.5 cents/\$100 valuation and supplement the remainder of the budgets from the General Fund at 2.8 cents/\$100 valuation

- Very positive feedback from fire and rescue agencies on the budget process that allowed them to present to the committee
- Major requests included:
 - Lake Toxaway: three additional personnel
 - City of Brevard/Sylvan Valley II: three additional personnel
 - Rescue Squad: three additional personnel
 - Conneestee: new station with a \$400,000 payment annually (\$10 million construction)
- The committee recommended funding the City of Brevard/Sylvan Valley II staffing request with the agreement that the district will begin answering first medical response calls like other districts which will remove capacity pressure off the Rescue Squad that generated the staffing request
- The committee did not recommend Lake Toxaway's request to increase personnel from three to six full-time firefighters
- The committee did not recommend moving forward with the Conneestee base
 - Evaluate other alternatives or value engineering options
- Universal needs expressed by the fire departments included pay adjustments, paid staff, and higher fuel costs
 - Committee recommended a 5% paid staff increase for all department budgets which is more than some of the fire departments asked for
 - The last two years combined slightly exceed the cost-of-living adjustments for County staff as a benchmark
 - Average operational increase of 3.67%

Note: Fire and Rescue budgets are submitted with detail; however, once operational funding is approved, those agencies may adjust how they spend funds without the Commissioners' approval based on their priorities.

General Fund Summary

- Balanced budget of \$74,346,480
- The first full year of new services including the passport office and tag office; would not exist without the County government offering these services
- No new personnel beyond FY 22 approvals
- Maintaining capital replacements including IT and vehicles
- Balanced increases across all functional service areas, but revenue did not fund full requests
- The tax rate remains stable at \$0.6033/\$100 valuation
- Fire district rates recommended at \$0.055/\$100 valuation
- Any additional considerations to fund requests not included in the recommended budget will require a tax increase. If this is considered for any specific service area, recommend considering a similar percentage increase for other service areas with needs not in the recommended budget because all County services are critical components of our community.

Solid Waste Enterprise Fund Summary

- Balanced budget of \$4,414,405
 - Revenue from fees: \$2,635,250
 - Balance is from property tax collections and net position appropriation
- Includes scheduled capital equipment replacements and refurbishing a roll-off truck
- The existing revenue mix and fee adjustments approved last year and the operational supplement from the general fund should be sufficient for a few more years
- Future expansion and cell closures will be significant capital and will require revisiting the revenue structure of the enterprise fund and could include:
 - Fee adjustments

- Supplement adjustment
- Consideration of an operational model to reduce operational expense

Forecasted Needs and Emerging Issues

- Mental health
 - Service providers, including EMS, Law Enforcement, Social Workers, Animal Control, Dispatchers
 - Existing infrastructure: EAP, First Responder Assistance Program, and one day/week Sheriff's office embedded counselor contract
 - General public services and mental health infrastructure and availability
 - Youth mental health and mentorship
- Support services staffing – Human Resources, Operations/Maintenance, and IT staffing have not grown and there is a need for additional staffing
- Staffing needs with community growth and an aging population- Building and Environmental Health and EMS experiencing pressure
- Staffing with capital growth- security and support staff for new the Courthouse, for example
- Technology and cyber-security; ensure robust IT network to withstand attacks
- Solid Waste new cell and cell closures are major expenditures
- Fire departments struggling to get volunteers; will eventually require more staffing
- Education funding will continue to grow
- Public service workforce projections
 - Before the pandemic, decrease in students majoring in areas that would lead to local government service work
 - Retirements and leaving the local government field entirely
- Major capital
 - Commissioners will hold a workshop this summer to discuss
 - Capital can also drive additional operational costs

This concluded the Manager's formal presentation. She provided each Commissioner with a notebook that included additional details. The Board has scheduled a budget workshop for June 6. If Commissioners wish to discuss any portions of the budget further, they should inform the Manager so staff will have time to research and prepare for the workshop. During the workshop, the Manager will act as the facilitator to get the Commissioners to reach a consensus.

The Board has scheduled two public hearings on June 13 and June 20. The Manager informed the Commissioners that the staff will not be able to issue the nonprofit contracts immediately. Due to a statutory change, staff must present the contracts for a separate vote to ensure any conflict of interest by the Commissioners is avoided.

Discussion on Workshop Items

The Commissioners asked staff to provide additional information for discussion on the following items at the budget workshop and/or for future discussion:

- Requested figures from the Board of Education on the outcomes from the County's investment in K-12 education
- Interested in learning more about the significant dollars that will be needed for the new cell expansion at the landfill, as well as the cell closure
- Interested in understanding how capital improvements, specifically the new courthouse will have an impact operationally; interested in how court officials predict future court operations

- Understanding the needs of the schools in the future, both in capital and operations to meet the challenges and needs students are facing today, including the relationship with Blue Ridge Community College
- List of key items brought forth by department heads that were not included in the recommended budget so the Commissioners can understand the needs
- Discussion on the needs of certain departments that have not grown or changed in many years (Human Resources, Information Technology, etc.)
- Addressing the future needs of the fire departments
- Cost-of-living adjustments predictions

Chairman Chappell directed the Commissioners to submit any additional items to the Manager as soon as possible. He reminded the Commissioners of the budget workshop on June 6 at 6:00 p.m.

The Manager asked the Commissioners to review the long-term capital improvement plan included in their budget notebooks before the budget workshop. The Manager informed the Commissioners that the budget notebook is available in the office of the Clerk to the Board and at the library and staff will post documents online along with the recording of this meeting.

Commissioners thanked the County Manager and department heads for all the work they have done to prepare the recommended budget. They were also appreciative of the subcommittee reviews with Commissioner participation that allowed for free and open discussion. The Commissioners also thanked the County Manager for her dedication to the citizens and for focusing on keeping taxes as low as possible.

APPOINTMENTS

AGRICULTURAL ADVISORY BOARD

The terms of Aaron Siniard and John Blythe expire at the end of May. Aaron Siniard is eligible and willing to serve another term and the staff recommended his reappointment. John Blythe has served two full terms and is not eligible for reappointment. The membership reviewed the applications on file and recommended the Board appoint Harold Paxton to fill the position vacated by John Blythe.

Commissioner Chapman moved to reappoint Aaron Siniard to another term on the Agricultural Advisory Board and to appoint Harold Paxton to fill the position vacated by John Blythe, seconded by Commissioner Guice and unanimously approved.

JOINT HISTORIC PRESERVATION COMMISSION

The terms of GERALYN CONNELL, MOLLY JENKINS, and REBECCA SUDDETH expire at the end of May. GERALYN CONNELL is eligible and willing to serve another term. REBECCA SUDDETH has served two full terms. MOLLY JENKINS requested to resign at the end of her term. There is only one additional application on file. Staff recommended reappointing GERALYN CONNELL to a full term, appointing applicant ANNE-MONIQUE RANDELL to replace MOLLY JENKINS, and waiving the term limits and reappointing REBECCA SUDDETH to serve a third term until another application is received to fill the position.

Commissioner McCall moved to reappoint GERALYN CONNELL to a full term, appoint ANNE-MONIQUE RANDELL to replace MOLLY JENKINS, and waive the term limits for REBECCA SUDDETH and reappoint her to serve a third term until another application is received, seconded by Commissioner Chapman and unanimously approved.

NURSING AND ADULT CARE HOME ADVISORY COMMITTEE

Heather Stewart's term expired in March. The Regional Ombudsman recommended her reappointment. The Clerk to the Board will continue recruiting for the vacancies.

Commissioner McCall moved to reappoint Heather Stewart to the Nursing and Adult Care Home Advisory Committee, seconded by Commissioner Chapman and unanimously approved.

TRANSPORTATION ADVISORY COMMITTEE

The terms of Scott McCall, Richard Houck, and Howard Granat expire at the end of May. Scott McCall has served two full terms. Richard Houck does not wish to serve another term. Howard Granat is eligible and willing to serve another term. Staff recommended a waiver of term limits for Scott McCall since there are no other applications on file. Staff will recruit applicants for the vacancy.

Commissioner Guice moved to reappoint Howard Granat and waive the term limits and reappoint Scott McCall to another term, seconded by Commissioner Dalton and unanimously approved.

OLD BUSINESSTRANSYLVANIA COUNTY SCHOOLS – PISGAH FOREST ELEMENTARY SCHOOL CAPITAL PROJECT

Finance Director Jonathan Griffin presented this item to the Board for consideration. He reported that on April 25, 2022, the Board of Commissioners considered a request by the Board of Education concerning a proposed renovation project at Pisgah Forest Elementary. At that time, the Commissioners and County staff offered an alternative method of financing the project and made some recommendations in that regard.

Before the Board for consideration was a draft memorandum of understanding that staff received from the Board of Education's attorney this afternoon. Also before the Board was an amended Education Capital Project Fund Ordinance to set the budget for that project, as well as budget amendments for the General Fund to show how the project will be paid for.

The Board of Education's Attorney requested some changes to the agreement drafted by the County. The proposed draft will change to a lease agreement to include the County paying the construction vendor. The Board of Education would retain control over the design and oversight of the project. The revised agreement allows for a reduction in duplicative financial work.

Staff recommended the Board adopt a budget amendment, adopt a revised Education Capital Project Fund Ordinance, and approve the memorandum of understanding with Transylvania County Schools.

The Manager added that the County has received confirmation from the Board of Education's Attorney that the agreement will be recommended for approval by the Board of Education. It accomplishes what was discussed in the last meeting in that the County would pay the vendor directly, which will eliminate the duplication of work by the two finance offices. It also allows the County to maximize sales tax reimbursement from the project and achieve savings while letting the Board of Education move forward with the logistics of the project.

Mr. Griffin noted that the agreement was drafted with the future in mind. The agreement has a term of five years and includes language to allow for flexibility to opt-in additional projects into this framework by mutual written consent.

Commissioner Guice moved to adopt the budget amendment for the FY 2022 General Fund, adopt the revised Education Capital Project Fund Ordinance, and approve the draft memorandum of understanding with Transylvania County Schools, seconded by Commissioner Dalton.

Commissioner Chapman inquired about the timeline for this project from start to finish. Commissioner Dalton shared that, according to comments made at the recent Board of Education meeting, the project would be completed next summer. Commissioner McCall asked for confirmation that this agreement is specifically for Pisgah Forest for \$1.2 million once the lottery funds of \$500,000 are received. Mr. Griffin shared that Exhibit B of the agreement notes all the projects under the MOU with the understanding that other projects could be added if necessary. Commissioner Chapman felt it was important to note for the benefit of the public that no funds collected from the bond payments will be used toward this project. **The motion passed unanimously.**

NEW BUSINESS

ALLOCATION OF POSITION FOR THE COMPREHENSIVE OPIOID, STIMULANT, AND SUBSTANCE ABUSE (COSSAP) GRANT

Public Health Director Elaine Russell presented this item to the Board for consideration. She reported that in June 2021, the Board of Commissioners permitted the Health Department and the CARE Coalition to apply for the Comprehensive Opioid, Stimulant, and Substance Abuse (COSSAP) grant. Transylvania County was awarded the COSSAP grant in December 2021 and it was accepted by the Board of Commissioners in January 2022. Final federal approval to allow the expenditure of the funds was given in April 2022. The grant period is for three years and includes two positions to provide the services.

This is the first of two positions to be brought to the Board of Commissioners for consideration. Staff requested the Board allocate a job classification for a Re-Entry Specialist at a salary grade of 111 (salary range of \$35,123 – \$44,781 – \$54,440). The compensation and benefits for the position will be paid for 100% from the COSSAP grant funds. Ms. Russell recommended the Board of Commissioners approve the request to allocate the Re-Entry Specialist as submitted.

Commissioner Guice stated if the program is successful, he would like to see the County consider funding at the end of the three-year grant period because it is a critical need for our community.

Commissioner Guice moved to approve the request to allocate the Re-Entry Specialist as submitted, seconded by Commissioner Dalton, and unanimously approved.

MEMORANDUM OF UNDERSTANDING AND AGREEMENT WITH THE CITY OF BREVARD FOR MAINTAINING DRAINAGE DITCH AT THE DOG PARK

The City of Brevard's dog park is adjacent to County-owned property. The City wishes to enter into an agreement whereby the County would allow City staff free access to the drainage ditch to perform the required mowing and maintenance. The City would be required to seek approval from the County for any improvements. This agreement is specifically for mowing and maintenance and does not transfer ownership interest between the parties.

Commissioner McCall moved to approve the Memorandum of Understanding and Agreement with the City of Brevard for Maintaining Drainage Ditch at the Dog Park, seconded by Commissioner Dalton and unanimously approved.

3RD QUARTER FINANCIAL REPORT

Finance Director Jonathan Griffin presented this item to the Board. Mr. Griffin reported that he included detail on revenues and expenditures by functional area and department in the Board's agenda packet, with

notes as necessary to contextualize information. The following is a summary of the 3rd Quarter Financial Report for Transylvania County.

General Fund

The General Fund's revenues exceeded its expenses by approximately \$10 million. This is expected at this point, as the County has mostly wrapped up property tax collections for the fiscal year. The County generally spends more than it takes in for July through October and then again from March to June because property tax levies are generally collected from November through February. The County's biggest expenditures by department fall under Education and Public Safety/Emergency Management. Personnel costs make up the largest expenditures by type, followed by Education.

Solid Waste Fund

Revenues from the Solid Waste Fund, which levies fees exclusively through use of the Solid Waste Facilities, exceeded prior year collections and appear on track to exceed budget estimates. Through March 31, the net income was approximately \$500,000. Solid Waste expenditures were slightly lower than the prior year, mostly due to ongoing capital project delays with slight increases in personnel costs and operating expenditures. Key pressure points in operating expenditures are the cost of disposing of leachate and engineering services to monitor the landfill for legal and environmental compliance.

Fire District Special Revenue Funds

At this point in the year, the total property tax collections for Fire Service Districts was \$2.75 million, slightly above the total payments to fire departments. Motor vehicle tax collections continue through June and will generally pad the fund balance for the Fire District Special Revenue Funds through June 30.

Self Insurance Fund

The County pays Blue Cross Blue Shield directly for health insurance claims filed on behalf of County employees and their families under the self-insurance model. Medical and pharmaceutical claims paid represent over 70% of the annual budget for the County's self-insurance plan. Through March 31, claims costs were 1.2% below the prior year. The County has isolated and billed claims costs related to COVID-19 to the ARPA funds through October 31.

Other Funds

Mr. Griffin also included in the Board's agenda packet a budget-to-actual and two-year comparison of the following Special Revenue Funds:

- Register of Deeds Automation and Enhancement
- Court Facility Fund
- 911 Fund
- Narcotics Task Force Fund
- Representative Payee Fund
- Fines and Forfeitures Fund
 - From court fees, allocated to the School System's General Fund
- Deed Stamp Fund or Silvermont Fund

All of these are financial resources that have some specific restriction imposed by State law or memorandum of understanding and are kept separate for accounting and budgeting purposes. This concluded the formal presentation of the report. There was no action necessary for the Board to take.

Commissioner Guice asked to receive additional detail on the historical trends in fines and forfeitures and COVID's impact on revenues.

MANAGER'S REPORT

The Manager reported the following:

- Early voting figures were 751 short of the 2020 presidential primary turnout
- Budget workshop scheduled for Monday, June 6 at 6:00 p.m. Additional workshop scheduled for Tuesday, June 7 at 6:00 p.m., if needed
- At an upcoming meeting, staff will request that the Board cancel the August 8 meeting
- Reminder for Commissioners to give input to the Manager on the makeup and mission of the Blue Ridge Community College Capital Committee
- NCACC dedicating spring County Quarterly Profile in Service column to County Clerks
 - NCACC COO Sara Mogilski interviewed Transylvania County Clerk to the Board Trisha Hogan, current County Clerks Association President Debbie Harris (Davidson County), and past President and most recent recipient of Clerk of the Year Award Kimberly Hines (Pitt County) to learn about their roles and perspectives
 - The article will highlight the role of the clerk, how the clerk works with county boards, the types of training that are required, etc. to give readers a full view of this critical position
 - Trisha is the Immediate Past President of the NC County Clerks Association and is serving in her last year on the Association's Executive Committee
 - She was absent from this meeting for her to represent the NC Association of County Clerks at the International Institute of Municipal Clerks in Little Rock, AR
- NCACC kicked off its member-driven policy-setting process last week with the opening of the biennium's legislative goals process
 - Counties invited to participate in the process
 - All goals must be submitted by September 12
 - Staff will add this item to the agenda over the next few meetings so the Board can finalize goals for submission to the NCACC for their continued advocacy on behalf of counties
- Welcome to our new NCACC Fellow, Liam McKissock! He is a Transylvania County native and will serve in the fellowship position for up to two years. He will be working on several projects on behalf of the County.

PUBLIC COMMENT

The comments made by the public represent the individual speaker's opinion or point of view. The Clerk to the Board did not attempt to vet their statements for accuracy or modify them based on facts.

Ron Kiviniemi: Mr. Kiviniemi is the Vice-Chair of the Board of Education. He said the Board of Education continues to be frustrated with the amount of time it has taken the Commissioners to act on the construction and architectural contracts. It has been four months since the contracts were submitted to the Commissioners and more than two months since the Commissioners said they needed to review the appropriateness of the fees. Mr. Kiviniemi expressed his disappointment in the amount of proposed capital outlay in the Manager's recommended budget. He said if he recalled correctly, that at an earlier meeting of the Commissioners, the County Manager indicated that the School System had been underfunded by \$500,000 in Articles 40 and 42 Sales Tax revenue over three years. Thus he questioned whether the \$2.2 million in the recommended budget met the sales tax distribution requirements to the School System.

Davie Summey: Mr. Summey spoke on behalf of the Cedar Mountain Fire Department. He clarified the department's budget request and noted the department is unique in that they also contract with Greenville, SC to provide services.

COMMISSIONERS' COMMENTS

Commissioner Chapman asked if Mr. Kiviniemi's claim was accurate in that the School System was shorted sales tax. The Manager replied no. She said each year the County is required to submit a report to the State showing how the County utilized Article 40 and 42 sales tax revenues. The County has successfully submitted the report each year. She noted some projects have been funded in prior years that remain in the fund balance because the School System has not yet submitted documentation to draw down those funds. She assumed those projects had not been started. Those funds are specifically earmarked for those projects. There were no concerns by the State or the auditors that the County has not been accountable.

Commissioner Chapman announced that Monday, May 30 is Memorial Day. The American Legion is sponsoring a parade that will begin at 9:00 a.m. He reminded citizens that Memorial Day is a day when we honor those who paid the ultimate price. Immediately following the parade, a program will be held at the courthouse gazebo with a guest speaker and a wreath-laying ceremony. He invited all to attend.

Commissioner Chapman shared that he was honored to be part of a ship's commissioning ceremony in Charleston, SC. The guided-missile destroyer was commissioned and named for the 1st African American Marine Corps General and the 1st African American fighter pilot. The Veterans History Museum of the Carolinas was invited and displayed WWI and WWII vintage artifacts. He met the Marine Corps Commandant and the Secretary of the Navy while there. Transylvania County is recognized around the country and much of it is due to the work the Museum is doing to spread the word about our county.

Chairman Chappell congratulated all the seniors who will be graduating this weekend and wished them the best in the next stage of their lives.

Chairman Chappell was excited to have three Transylvania County students make the final cut for the all-American band. They were selected out of 125 slots. He thought it was amazing for these students to take part in the parade in Washington, DC, and to be part of a group to visit Normandy for a wreath-laying ceremony. These individuals will need to raise money to pay for their trip because it is an expensive, but once-in-a-lifetime opportunity. He encouraged people to donate to help these students take advantage of this opportunity. Transylvania County is proud!

Chairman Chappell moved to enter into a closed session per N.C.G.S. § 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 and per N.C.G.S. § 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, after a 10-minute recess, seconded by Commissioner Guice and unanimously approved.

CLOSED SESSION

Per N.C.G.S. § 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 and N.C.G.S. § 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, a closed session was entered into at 7:54 p.m. Present were Chairman Chappell, Commissioners Chapman, Dalton, Guice, and McCall, County Manager Jaime Laughter, County Attorneys Bill Bulfer and Dan Strong, Transylvania Economic Alliance Executive Director Burton Hodges and Alliance Board members John Shoemaker and Brian Traylor (for the first closed session), and Budget and Management Analyst Kate Hayes acting as Deputy Clerk.

In the first closed session, the Commissioners received an update on a potential economic development project and directed staff on how to proceed. In the second closed session, the Commissioners consulted with the County Attorneys on a privileged matter.

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

OPEN SESSION

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

ADJOURNMENT

There being no further business to come before the Board, **Chairman Chappell moved to adjourn the meeting at 10:00 p.m., seconded by Commissioner Dalton and unanimously approved.**

Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board