

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
SEPTEMBER 25, 2023 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in a regular meeting on Monday, September 25, 2023, 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 Emmett Casciato, Larry Chapman, Chairman Jason Chappell, Vice-Chairman Jake Dalton, and Teresa McCall. Also present were County Manager Jaime Laughter, County Attorney John Kubis, and Clerk to the Board Trisha Hogan.

Media: *The Transylvania Times* – Jon Rich

There were approximately 35 people in the audience.

CALL TO ORDER

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

WELCOME

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

PUBLIC HEARING

FY 2025 COMMUNITY TRANSPORTATION PROGRAM APPLICATION

County Planner Darby Terrell presented the information for the public hearing. She reported that the North Carolina Department of Transportation (NCDOT) requires counties to hold a public hearing before making an application for federal funds under the Community Transportation Program. She reviewed each of the section grants to which Transylvania County Transportation intends to apply. She asked the Board to consider approval of the grant application under New Business.

FY 2025 5311 Administrative

The Section 5311 grant program is apportioned to individual counties based on a formula that considers factors such as land area, population, population growth rates, vehicle miles, and the number of low-income individuals. In North Carolina, Section 5311 subsidizes the administrative costs of running a transportation system, allowing communities to focus their resources on operations. Transylvania County Transportation is requesting a total of \$164,470 in support for the administrative expenditures of its transit program. It requires a county match of \$24,671 (15%) of the total.

FY 2025 Combined Capital Program

The Combined Capital Program consists of funding to maintain the fleet of publicly supported transit vehicles and other capital needs. Transylvania County Transportation is requesting a total of \$270,000 in capital funding for the replacement of two vans with lifts as well as bike racks and two new radios. It requires a county match of \$27,000 (10%) of the total.

FY 2025 5310 Operating Program

Transylvania County Transportation plans to apply for the same amount of funding as the previous year in the amount of \$104,000. It requires a county match of \$52,000 (50%) of the total. The County currently budgets \$52,000 for the purchase of rides through a local private operator. The 5310 Operating Program assists nonprofit groups in meeting the transportation needs of older adults and people with disabilities when transportation service is unavailable, insufficient, or inappropriate to meet those needs. It also funds transportation to the elderly and disabled, enabling these individuals to travel from unincorporated areas within Transylvania County to incorporated areas of the county.

Before opening the public hearing, Chairman Chappell asked if there were any comments from the Commissioners. Commissioner Chapman asked if the matching funds had been budgeted. The Manager replied that the County budgets the matching funds annually. These funds will become part of the FY 2025 Budget.

Chairman Chappell opened the public hearing at 6:10 p.m.

Claudia Hawkins: Ms. Hawkins inquired about the funds that go to the nonprofit entities to help supplement the County. She asked who those nonprofits were in previous years.

The Manager replied that the funds come to Transylvania County to provide the services. The Section 5310 Grant assists nonprofit groups, but the services are being delivered through Transylvania County. If someone needs to access a service from a nonprofit that meets the criteria, there is the opportunity to have transportation to that location.

Chairman Chappell reminded the public that the Commissioners will consider approval of the grant application under New Business.

Chairman Chappell closed the public hearing at 6:12 p.m.

PUBLIC COMMENT

Claudia Hawkins: Ms. Hawkins stated that she and others are struggling to understand the regular annual capital funds for the schools, as well as the plan for utilizing the bond funds once they are issued. She asked the Board of Commissioners and Board of Education to issue a joint article for the local newspaper and to be posted on each organization's website that explains the next steps and the decision points in the process to help the community better understand. She requested the article include such information as how much of the current year's capital project funding is coming from the tax collection set aside for the bond repayment, how much of the \$68 million has been spent and how much of the remaining will be spent, an explanation of the role of the capital study work group, and how the school maintenance reserve study report will be used in making decisions about spending of the bond funding. She felt that this would show the community that both elected boards are working together and have an agreement on the next steps forward.

Wendy Warwick: Ms. Warwick, representing the Williamson Creek Community Center, reported that several community centers are meeting regularly for support and to encourage activities and fundraising. She shared that last week Commissioner Chapman attended a meeting at their request and updated all those in attendance on County issues. She thanked Commissioner Chapman for attending and answering everyone's questions. She shared that other Commissioners have attended these meetings upon request and she was thankful for their willingness to do so.

Alice Wellborn: Ms. Wellborn shared several findings from a report that showed a connection between maintenance and student attendance and achievement. She stated that schools without major maintenance backlogs have a higher average daily attendance, lower dropout rates, and improved test scores. The conditions and qualities of school facilities affect students and teachers and overall academic achievement. She added that school facility factors, such as building age and condition, quality of maintenance, temperature, lighting, noise, color, and air quality can affect student health. The quality of facilities also influences the citizens' perceptions of schools and can serve as a point of community pride and increased support for public education. Ms. Wellborn stated that not only must school facilities be functional, but they must give students a sense of self-worth and show the community's commitment to education and the children. She intended to mail the full report to the Commissioners tomorrow.

Mike Privette: Mr. Privette stated that he recently read the North Carolina budget passed by the House of Representatives and was pleased to learn that it includes several millions of dollars coming to Transylvania County, the City of Brevard, and the Town of Rosman for infrastructure and other needs. He thanked the Board of Commissioners for their advocacy and continuous work to bring much-needed funds to Transylvania County.

AGENDA MODIFICATIONS

There were no agenda modifications from the Commissioners or staff.

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

CONSENT AGENDA

Commissioner Dalton moved to approve the Consent Agenda, seconded by Commissioner Casciato and unanimously approved.

The following items were approved:

APPROVAL OF MINUTES

The Board of Commissioners met in a regular meeting on Monday, August 22, 2022, and following met in a closed session in which the minutes were sealed. The Board of Commissioners met in a regular meeting on Monday, September 11, 2023. The Board approved the minutes as submitted.

DISCOVERY RELEASE & MONTHLY SETTLEMENT REPORT - AUGUST 2023

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 the August 2023 Report, tax dollars released totaled \$4,120.45 and refunds issued amounted to \$2,063.30. The Board approved the August 2023 Discovery, Release, and Monthly Settlement Report as submitted.

FIRE MARSHAL'S REQUEST TO ATTEND OUT-OF-STATE TRAINING

Fire Marshal Scott Justus requested to attend the International Association of Arson Investigators Motor Vehicle Fire Investigation class in Chattanooga, TN on October 11-13. The Fire Marshal's Office investigates 5-10 vehicle fires annually, with several spreading to structures and have involved civil litigation. Having proper training and certifications is extremely important to properly investigate fires, to withstand legal or civil litigation as an expert witness, and most importantly to do the best job

possible for the owners and victims of fire loss. Attending specific fire investigation training is a requirement to maintain the International and NC Fire Investigator Certifications that the Fire Marshal holds. The Board granted permission to Fire Marshal Scott Justus to travel out-of-state to Chattanooga, TN in October to attend the International Association of Arson Investigators Motor Vehicle Fire Investigation course as requested.

RESOLUTION ALLOWING RETIRING OFFICER TO PURCHASE SERVICE HANDGUN

Mark Ellenberger will retire from the Sheriff's Office effective October 1, 2023, with 16 years of service. N.C.G.S. § 20-187.2 allows the governing board to award to a retiring member the service gun of the retiring member. Sheriff Chuck Owenby requested approval from the Board of Commissioners for Mark Ellenberger to purchase his service handgun for \$1.00 upon retirement. The Board approved Resolution #36-2023 which allows Officer Ellenberger to purchase his service handgun upon retirement effective October 1, 2023. The Commissioners expressed appreciation for his service.

**RESOLUTION # 36-2023
ALLOWING RETIRING OFFICER TO PURCHASE SERVICE HANDGUN**

WHEREAS, NC General Statute § 20-187.2 provides that the governing body of a local law enforcement agency may, in its discretion, award to a retiring member the service handgun of the retiring member; and

WHEREAS, Mark Ellenberger is an employee of the Transylvania County Sheriff's Office where he has served as a School Resource Officer, Domestic Violence Investigator, Investigations Sergeant, and most recently as Investigations Lieutenant; and

WHEREAS, Mark Ellenberger has been employed by the Transylvania County Sheriff's Office since February 19, 2007, and he will retire from service effective October 1, 2023, with 16 years of service;

NOW, THEREFORE, BE IT RESOLVED by the Transylvania County Board of Commissioners to allow Mark Ellenberger to purchase his service handgun in accordance with the provisions of NC General Statute § 20-187.2 for the purchase price of \$1.00.

This the 25th day of September 2023.

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

REQUEST FROM SHERIFF TO UTILIZE INMATE RESERVE FUNDS IN FUND BALANCE TO PURCHASE DETENTION OFFICER UNIFORMS AND STAB-PROOF VESTS

The Commissioners previously approved a contract with the US Marshal's Service whereby the Sheriff's Office would receive federal funds for housing federal inmates. The Commissioners also agreed to set aside 15% of the revenue from the contract (minus expenditures) each year into an assigned fund balance to be used in the Detention Center for items requested by the Sheriff. At the close of FY 22, the assigned fund balance totaled \$16,800. The Sheriff did not request to use any of the assigned fund balance in FY 23. The proceeds from FY 23 have not yet been calculated and assigned. Sheriff Chuck Owenby requested that the Commissioners approve moving \$15,988.42 from the federal inmate money to purchase stab-proof vests, equipment, and uniforms to accommodate the Sheriff's new safety initiative for the Detention Officers. The Board approved the request for federal inmate reserve funds as requested by Sheriff Owenby.

APPROVAL OF PYROTECHNICS FIREWORKS DISPLAY PERMIT FOR PRIVATE EVENT

Lindsey Davis with Munnerlyn Pyrotechnics LLC applied for a pyrotechnics display permit for a private event in Lake Toxaway on October 21, 2023. Fire Marshal Scott Justus has reviewed the application and found it to comply with North Carolina General Statutes. The Board approved the pyrotechnics display permit as requested.

PRESENTATIONS/RECOGNITIONS

TRANSYLVANIA COUNTY TOURISM DEVELOPMENT AUTHORITY FY 2022-23 ANNUAL REPORT

Transylvania County Resolution #35-2021 requires the Transylvania County Tourism Development Authority (TCTDA) to provide quarterly and annual reporting to the Board of Commissioners. TCTDA Executive Director Clark Lovelace presented key highlights of the FY 2022-23 Annual Report. He provided the Board with a detailed report before this meeting.

Before presenting the report, Mr. Lovelace acknowledged the TCTDA Board members and staff in attendance, including incoming TCTDA Chair Dee Dee Perkins, Commissioner Chapman who represents the Board of Commissioners on the TCTDA, and Marketing Specialist Mollie Gordon.

Mission

To generate and enhance tourism opportunities in Transylvania County through strategic promotion coordinated with tourism-related businesses and local government, and to contribute to a vibrant, sustainable economy.

Vision

To position Transylvania County as a desirable four-season destination for those seeking an authentic leisure experience that makes the most of the county's abundant natural resources and unique cultural opportunities. To elevate tourism as a viable and significant contributor to Transylvania County's economic, social, and cultural well-being, and to support the conservation and enhancement of our natural resources.

How is the TCTDA Funded?

The Transylvania County Tax Office collects a 5% occupancy tax paid by overnight visitors.

What is the State-Mandated Use for These Dollars?

The State mandates that at least two-thirds of the proceeds must be used to promote travel and tourism. The remainder must be used for other tourism-related expenditures designed to increase visitation to the destination. (The occupancy tax does not apply to long-term rentals.)

TCTDA Board Members and Support Team

The TCTDA is comprised of nine board members. Three are appointed from the City of Brevard, Transylvania County, and the Town of Rosman. By statute, two must be accommodations owners or operators, and two members must not be accommodations owners or operators. Staff members include Mr. Lovelace, Mollie Gordon, and Virginia Watkins who oversees operations and outreach.

Occupancy and Visitor Insights

Monthly Occupancy Tax Proceeds vs. Prior Years

Occupancy tax proceeds generated about \$2 million which is down 5% from the prior year; however, it is still the second highest in the history of Transylvania County.

Short-Term Rental Data (data provided by AirDNA)

Short-term rental units grew by 11% this past year. Occupancy was down slightly but that was based on a higher number of units, so actually there were a few more total uses this year. The average daily rate was up slightly as well.

Per capita, Transylvania County has more short-term rentals than Henderson County. Western North Carolina as a whole has more short-term rentals than other parts of the State except for coastal destinations. Approximately 42% of short-term rentals are in Brevard, 40% in the western or upper part of the County, and 18% in the eastern part which comprises the Pisgah National Forest, Penrose, and Cedar Mountain. Approximately 52% of total occupancy tax proceeds were attributed to short-term rentals. The remaining 48% is attributed to traditional accommodations like hotels and motels. These percentages match the prior year.

Visitor Insights (data provided by VisitNC)

- Key visitor insights compared to the overall North Carolina average
 - Visitor-to-Resident ratio – for each resident, Transylvania County has on average almost one-half of a visitor which is slightly higher than the State average
 - Every visitor to the State of North Carolina on average spends \$1,030 during that visit; however, that amount is only \$301 in Transylvania County which means we are getting less of the positive dollars of the average visitor
 - Likely due to day-trippers (regional visitors or visitors spending the night in other counties)
 - Many of Transylvania County’s amenities are free to enjoy – Pisgah National Forest, DuPont, Gorges State Park
 - Transylvania County has a slightly higher percentage than the State average of out-of-state visitors
 - Good brand
 - Location in WNC near multiple states
- Where did visitors come from last year?
 - Popular areas for Transylvania County are the metropolitan areas of Greenville, Atlanta, and Columbia
 - Most out-of-state visitors come from Florida, South Carolina, Georgia, Tennessee, Ohio and the Midwest

2022 Visitor Impact

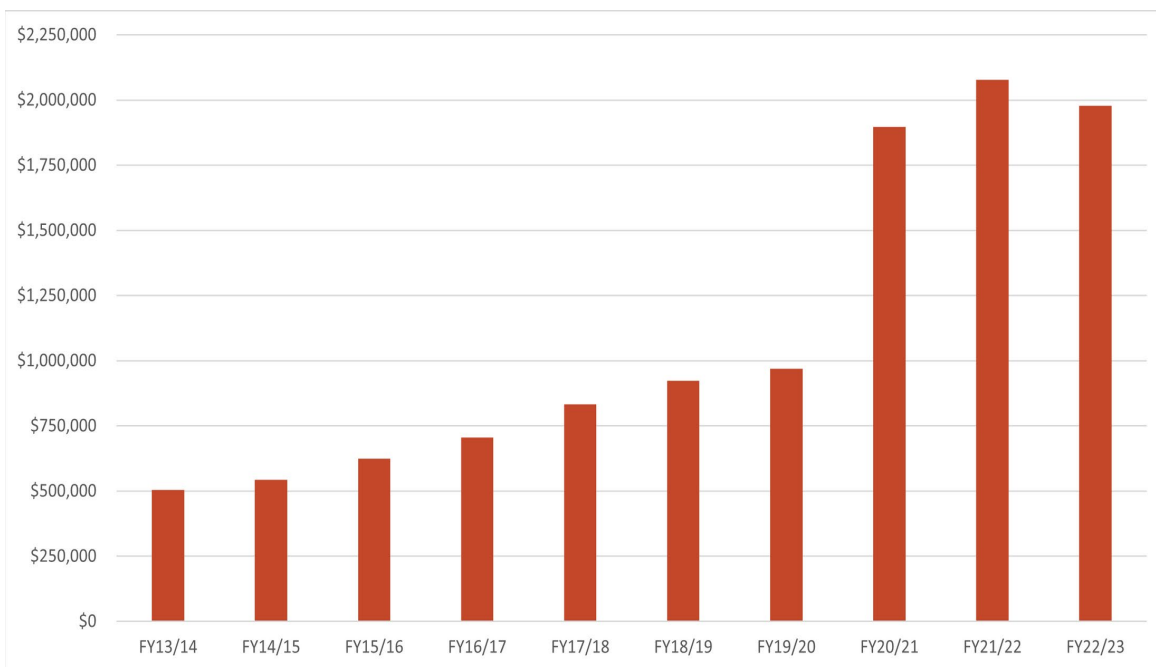
The State provides statistics annually that show the impact of visitation on the tourism industry in the State as a whole and in each market.

- Tourism impact on the State of North Carolina is \$33.3 billion
- Tourism impact on Transylvania County is just under \$189 million
- Over 1,000 jobs in Transylvania County are associated with the tourism industry
- County taxpayers would have to pay an additional \$394 annually in taxes without tourism revenue
- Transylvania County is the 69th most populous county in the State but has the 36th highest tourism impact so Transylvania County is doing more than its fair share of supporting the State’s tourism economy

Occupancy Tax Proceeds 10-Year View

Before the pandemic, occupancy tax proceeds grew 5-10% annually consistently. The proceeds were lower in FY 19-20 due to the immediate impact of the pandemic. In FY 20-21, occupancy proceeds shot

up dramatically and every month was a record month. Proceeds peaked in FY 21-22 before dropping slightly in FY 22-23.



Marketing and Promotion Highlights

FY 23 Marketing Plan Budget

The TCTDA is participating in various forms of marketing. The TCTDA's goal is not just simply to bring visitors here but to increase shoulder and slow season visitation, convert day trippers who are staying in surrounding counties into overnight visitors who are staying in Transylvania County, drive visitation to all parts of Transylvania County, build our brand particularly as being known as a sustainable destination, draw visitation for more diverse audiences, increase promotion from smaller communities in Transylvania county, and convert summer visitors into four seasons visitors.

Advertising: Digital

Digital advertising continues to grow each year. Market Connections, TCTDA's marketing partner agency, does a great job. Digital advertising can show up as pop-up ads on websites of interest.

Advertising: Print

Print advertising remains an important form of marketing. The TCTDA offers co-op ads. They buy a whole page and offer a sixth of a page ad to partners for a reduced rate.

Advertising: TV, Video, & Radio

These forms of advertising can target specific destinations and can be designed to attract certain types of visitors.

E-Blasts & Blogs

The TCTDA sends out two e-blasts per month. The first one comes out at the end of the month and highlights events for the coming month. The next one is referred to as field notes and covers one specific topic. TCTDA also writes blogs that are similar to the field notes.

Billboards & Signage

The three billboards on I-85, I-40, and I-26 have been up for a while. They not only strengthen our brand, but they remind people driving in those areas and staying in a surrounding county, that if they want to enjoy what Transylvania County has to offer, then they should spend the night in Transylvania County.

A market study conducted in late 2022 revealed that many people who visit Transylvania County do not know they are in Transylvania County. That is typical for most people when traveling. This is important because it also affects our brand and how people view our brand. When asked if people had ever visited Brevard or Transylvania County, 20% of the no-responders later revealed that they had been to Sliding Rock or Gorges State Park. For the TCTDA, this is about claiming our destination and iconic assets.

Public Relations

The TCTDA values public relations. It is honest information that is received better by potential visitors. The TCTDA is proud when travel writers share that Transylvania County was their favorite visit.

Social Media

Social media and website visits continue to grow. Some of their more popular posts included Ruby the Red Spruce Pine making her way to the US Capitol, the fall foliage map, and the Be Cool video.

Print Collateral

The Adventure Guide is essentially “Transylvania County 101” which is great for people who do not know anything about Transylvania County or have ever visited here. The points of interest map is helpful for visitors already here to help them determine where to go and what to see.

2023 NC Year of the Trail

2023 is the North Carolina Year of the Trail, a State-led initiative. The TCTDA created a webpage and blog series for our partners in support of their efforts.

Destination Management Highlights

Transylvania Always

This is an initiative that began six years ago and is designed to protect and sustain our natural resources. Transylvania Always has two main initiatives and provides funding support for projects.

Be Waterfall Wise

The TCTDA continues to push its waterfall safety campaign. A meeting with public land managers revealed that they see a lot of international travelers who speak a language other than English or Spanish, so the TCTDA designed a poster about waterfall safety in seven different languages.

Leave It Better

When this initiative began six years ago, the TCTDA created three main posters. One provided information on how long it takes for a plastic water bottle to disintegrate. The other had a fish covered in fishing lines and lures. These were to show people what happens when they litter. The poster that resonated the most was Trashesquatch which became the TCTDA’s emphasis this year. Trashesquatch was formed by litter that was left in our public lands and his message to the public is to make litter in our public lands as hard to find as he is. This is a unique concept and the TCTDA has received a lot of positive feedback on it.

Grants & Project Funding

Transylvania Always Funding

The TCTDA funded eight projects totaling over \$200,000. The budget for the first year of this initiative started at \$0.

Destination Infrastructure Funding

This initiative is a takeoff of the Transylvania Always Initiative but focuses on tangible things like brick and mortar, streetscapes and sidewalks, and some non-tangible items such as history, culture, art, and music. The TCTDA issued three grants totaling over \$200,000.

Tourism Marketing Funding

For many years, the TCTDA has issued grants for local events and initiatives that may not have happened without support from tourism dollars. They issued 14 smaller grants totaling \$50,000.

Tourism Partner Support

TCTDA supports its partners through free calendar listings, website and collateral directories, and promotion through third parties. They will also pay for e-blasts for other third parties using content from local events and businesses. The TCTDA provides media exposure through a monthly newsletter. There are also paid advertising opportunities on their website.

Looking Ahead

There seem to be more unknowns in the immediate future than knowns due to the impact of inflation, the looming federal government shutdown, and upcoming elections. Regardless of those factors, Transylvania County will continue to be an incredibly popular destination and there will be a continued focus on protecting our natural resources and providing sustainable outdoor recreation opportunities. People will remain interested in short-term rentals. Enhancing infrastructure is also important in our destination and will continue to be vital to our success. The TCTDA has a great board of directors and staff who will continue to work hard to ensure the TCTDA is doing what is best to support tourism and tourism-related businesses in Transylvania County.

This concluded the formal presentation.

Commissioner Chapman shared that he attended an outdoor industry conference in Cherokee, NC last week and was impressed with the TCTDA display and sponsorship. He said the presentations revealed how fortunate Transylvania County is compared to many others. He thanked Mr. Lovelace and his staff for their participation in the conference. Commissioner Chapman also shared that he brings along the TCTDA's brochures when he travels and leaves them in random places to help promote Transylvania County.

Commissioner Casciato said he is frequently on TV for issues related to the Veterans History Museum of the Carolinas and he routinely takes the opportunity to promote Transylvania County.

Commissioner McCall pointed out that there are ongoing conversations at the State Legislature about giving counties flexibility with occupancy tax revenue. She asked Mr. Lovelace if that would be positive for Transylvania County. Mr. Lovelace stated there have been various conversations among destination managers throughout the State and at the local board level about the potential for legislation to change the funding formula. He said destinations like ours need to protect, enhance, and conserve what we have, whereas others need to create product. The TCTDA would support legislation that would change the formula to requiring 50%, instead of two-thirds, to be spent on marketing and promotion with the remaining going to other tourism-related initiatives if the spending remained at the discretion of the TCTDA with 100% being spent on tourism. He felt there would be a pushback from other jurisdictions.

Chairman Chappell shared that the chairs of the four counties in the Land of Sky region support a modification to the funding formula. It is a goal of the NC Association of County Commissioners to advocate on behalf of counties as well.

Chairman Chappell asked Mr. Lovelace to explain how to apply for grant funding. Mr. Lovelace explained that their website was designed mostly for outside visitors; however, there is a Transylvania County Tourism Development Authority link at the bottom of the page for tourism partners and locals to learn about the TCTDA's sustainability efforts, the board's meeting schedule, and how to apply for grants. He briefly recapped the three grant funding opportunities from his formal presentation.

Chairman Chappell informed Mr. Lovelace about the agenda item under New Business to discuss commemorating America's 250th Anniversary because the Commissioners will likely ask the TCTDA to be involved.

APPOINTMENTS

BREVARD BOARD OF ADJUSTMENT AND APPEAL

The Board of Commissioners is responsible for appointing two members and one alternate from the City of Brevard's extraterritorial jurisdiction to this board. The Clerk to the Board advertised the vacancies for several months and recently received one application to fill a vacancy. The Brevard Planning and Zoning Department confirmed the applicant's eligibility and supported the appointment.

Commissioner Chapman moved to appoint Michael Baker to fill a vacancy on the Brevard Board of Adjustment and Appeal, seconded by Commissioner Dalton. Commissioner McCall stated that she has heard negative comments and complaints over the last month about the Commissioners not making appointments to boards and committees. She reminded the public they must first apply to be considered for appointment and she encouraged them to apply for a board or committee of interest. Chairman Chappell shared that the Clerk to the Board advertises for upcoming openings and vacancies regularly. **The motion was unanimously approved.**

OLD BUSINESS

FIRE DEPARTMENT AUDITS

Assistant County Manager David McNeill presented his findings about the fire department audits. The Board of Commissioners contracted with a firm, Carland and Andersen, beginning in FY 21 to conduct the audits for each fire department. Mr. McNeill updated the Board on the status.

Mr. McNeill reported that Carland and Andersen agreed to have the audits completed by January 1. As of September 18, 2023, the County has received three audit reports for FY 21 for the following departments: Connestee, Rosman, and the Transylvania County Rescue Squad. Mr. McNeill contacted Carland and Andersen via email and they responded that audits had been completed through June 30, 2021, for all the departments except Lake Toxaway, but the reports had not been filed. Additionally, the auditor explained that for June 30, 2022, they had completed Rosman and Balsam Grove and are nearly finished with all the others, except Cedar Mountain and Lake Toxaway, but that those reports had not been finalized either. The auditor shared that they have not issued the June 30, 2022, engagement letters to Cedar Mountain or Lake Toxaway due to other tax filing deadlines. Carland and Andersen did not complete the Cedar Mountain FY 21 audit because the department engaged another firm. Lake Toxaway signed the engagement letter for FY 21 and there is an email acknowledging receipt of it. Lake Toxaway reported they have had no follow-up with the auditor since March 7, 2022.

Staff shared the County's concerns with Carland and Andersen and expressed the importance of the timely completion of the fire department audits. The auditor reported serious staffing issues but would pull in additional staff to meet the timeline for completing the FY 23 audits. The auditor agreed to complete the FY 21 reports by October 31 and the FY 22 reports by November 30. They will issue the

FY 23 engagement letters when the FY 22 reports are completed. Any Form 990s not completed by the November 15, 2023 deadline will be extended and completed at the same time as the audit reports are issued.

It is the opinion of staff that the delays in the completion of the annual audits are unacceptable. Mr. McNeill has communicated this message to the auditor. He also communicated to the fire chiefs that he would be working on this directly with the Fire Marshal to ensure that the audits and reports are completed based on the timeline provided by the auditor. The delays have created a burden for some departments. One of them received a letter from the IRS and was fined. The auditor is working with them to get that issue resolved.

Mr. McNeill stated that the fire departments have a shared responsibility to ensure they are meeting the audit requirements, but at this point, staff does not recommend completion of the audits for FY 21 and 22 from Lake Toxaway or Cedar Mountain because a separate firm completed their audit for them, and they can be used for records purposes.

Staff recommended the following:

- Accept the FY 21 and FY 22 audits for Lake Toxaway Fire Department and Cedar Mountain Fire Department as prepared by Goldsmith Molis & Gray, PLLC to meet contract requirements.
- Authorize staff to instruct Carland and Andersen to not complete the FY 21 and FY 22 audits for Cedar Mountain and withhold any funds budgeted to pay Carland and Andersen.
- Consider reimbursing Cedar Mountain and Lake Toxaway the budgeted audit amount for Carland and Andersen for their audits and accept the audits submitted by Goldsmith Molis & Gray, PLLC.
- Authorize the Manager to issue a letter to Lake Toxaway Fire Department and Cedar Mountain Fire Department stating that failure to engage and provide all necessary documents to Carland and Andersen for completion of the FY 23 audit by October 20, 2023, will result in a breach of contract and a suspension of quarterly payments as stated on page three of the fire department contract and agreement. (Mr. McNeill added that Carland and Andersen expressed concerns about auditing a fire department when another firm has already completed an audit. His communication to the auditor was that the contract states that the fire department will be audited by the firm selected by the Board of Commissioners.)
- Authorize staff to prepare and execute an RFQ for all fire department audits beginning in FY 24 and change the monitoring of the contract progress from the Finance Office to the Fire Marshal's Office.

Chairman Chappell emphasized that the completion of the audits is a shared responsibility.

Commissioner Chapman noted there is a distinct shortage of auditors around the State. Many counties are having difficulty finding firms to audit their accounts as well. Furthermore, staffing shortages are not unique to Carland and Andersen, so he asked the Commissioners to be aware of that fact moving forward.

Commissioner Casciato participated in the fire department budget review committee this year. He said that the audit was a big topic of discussion during the review meetings. He was unsure how this issue could be rectified if the firm remains understaffed. He also questioned how the fire departments could continue working with an auditor who is not able to complete the required audit. The Manager stated that the County contracted with the firm to perform the audits on behalf of the fire departments. The County has not paid for any audits that have not been delivered and it will continue to withhold funds

until they are delivered. The intent of having a single countywide contract was to engage auditors at a group or bulk rate and get better responsiveness. Historically, some fire departments had no issue with their audit requirements while others had difficulty getting a firm to engage with them at all or at an affordable price. This issue comes down to enforcing the contract. The County intends to hold the firm accountable for the contract. She pointed out there is another recourse the County can take against the auditor if these issues continue.

Chairman Chappell stated there is an expectation when the County enters into a contract that the work will be completed. He understood the challenges with staffing but that does not mean the contract is no longer enforceable. He added that the fire departments are responsible for providing the required documentation to the auditor by the established deadline. Auditing firms also have a responsibility to follow through with contracts that they willingly entered into. Chairman Chappell felt it was appropriate for staff to seek requests for proposals beginning in FY 24.

Chairman Chappell suggested changing the staff's recommendation (in the next to last bullet point) to issue a reminder letter to all fire departments, not just Cedar Mountain and Lake Toxaway, of their contractual responsibilities and that if they do not submit their documentation to the auditor on time, it will result in a breach of contract and suspension of their quarterly payments.

Mr. McNeill suggested including in this process that if the auditor is having difficulty getting the information necessary for the audit from a fire department, the auditor should communicate that to the Fire Marshal.

Commissioner McCall supported the recommendations as long as the two fire departments understood this was a one-time deal and there would be no opportunity for a pass in the future. She said the statement from Carland and Andersen that they have an issue auditing a fire department that had an audit completed by another firm is not their call to make because they were hired by Transylvania County to audit the fire departments. Commissioner McCall stated that if the County treats two fire departments differently than the others, then the contracts are essentially unenforceable. She was disappointed that neither the fire departments nor the auditor informed staff of the status of the audits. She supported issuing a request for proposals for auditing services. While she understood the challenges with staffing, she said that is no excuse for not communicating with County staff.

Commissioner McCall pointed out that one of the reasons the Board contracted with a firm to conduct a countywide audit of the fire departments was for consistency in the method and reporting.

Commissioner Dalton shared that Carland and Andersen is merging with another firm, Goldsmith. He supported issuing a request for proposals to consider other firms for future audits. Mr. McNeill stated that Carland and Andersen intends to bring in additional staff to complete the audits which the merger may be contributing to.

Chairman Chappell agreed with the Commissioners' comments but emphasized that fire and rescue services are vital, so the County has to find a way to move forward. This is a stop-gap measure and one that he does not like. He said the County had valid reasons for going with one firm to perform the audits, and the suggested action is essentially backing up. Chairman Chappell stressed the Board will not take similar action in the future even if it means withholding funds.

Commissioner McCall moved to accept the staff recommendations, seconded by Commissioner Dalton. Commissioner McCall stated she wanted the fire departments and the auditor to understand the seriousness of this issue. The County is giving them a pass on a legal contract due to a lack of

communication, which is unacceptable. Mr. McNeill pointed out that a majority of the fire departments submitted their documentation to the auditor on time. **The motion was approved unanimously.**

NEW BUSINESS

FY2025 COMMUNITY TRANSPORTATION PROGRAM APPLICATION

The Manager responded to the questions asked earlier during the public hearing. She stated that other communities contract with nonprofits to run their transit systems. Transylvania County issued a request for proposals on the same several years ago and found that Transylvania County could utilize the funds to provide more benefits by keeping the transit services in-house. Government, for the purpose of a grant application, is considered nonprofit.

County Planner Darby Terrell recapped the information she presented during the public hearing. She stated that the application deadline is October 6, 2023. The County will be notified in early 2024 of the grant award.

Chairman Chappell stated these grants provide the best return on investment.

Commissioner Dalton moved to grant permission for Transylvania County Transportation to apply for the FY 2025 Public Transportation Program funding, enter into an agreement with the North Carolina Department of Transportation, provide the necessary assurances and the required local match, and adopt the 5311 Designee Certification via a resolution, seconded by Commissioner McCall and unanimously approved.

FIRE AND RESCUE SERVICES GRANT APPLICATION POLICY

Fire Marshal Scott Justus presented this item to the Board. During the recent review of a grant funding request, the Fire and Rescue Budget Committee requested that staff develop a grant application policy to guide fire and rescue departments seeking grants requiring Board approval for matching funds from Transylvania County.

The policy details that the department shall submit the grant application request to the Fire Marshal's Office two months before the opening date of the grant application period. The Fire Marshal will then submit the grant request as an agenda item so that the Commissioners have an opportunity to review and discuss the grant details, the department's financial responsibility, and the match amount request. The Commissioners may then decide whether to fund the grant match request.

The Board should first consider drawing funding from the department's reserve account. If the department has no funds in its reserve account, the Board may decide whether to fund and from where. The policy also explains that there is no guarantee of approval. This process will allow the department to know if they have the support of matching funds before making an application for the grant.

Commissioner McCall moved to approve the Fire and Rescue Services Grant Policy, seconded by Commissioner Dalton and approved unanimously.

MATCHING FUNDS FOR BLUE RIDGE COMMUNITY COLLEGE EDA GRANT APPLICATION

The Manager reported that Blue Ridge Community College has an opportunity to apply for a grant from the Economic Development Administration (EDA) to support workforce development in Transylvania County. These funds are available to communities impacted by a natural disaster in 2021 or 2022, in which Transylvania County was due to Tropical Storm Fred.

To address current workforce needs, Blue Ridge is working to bring two new programs to Transylvania County including mechatronics engineering technology (advanced manufacturing) and respiratory therapy. Mechatronics will allow the College to provide training on a multitude of levels including high school dual enrollment (Career and College Promise), degree-seeking adult learners, and corporate and customized training. This program will take the place of an underperforming program currently housed on the Transylvania County Campus. The respiratory therapy program will provide much-needed training to support local healthcare providers. This program will share space with the current nursing program including the classroom and lab.

To deliver this training at the Transylvania County Campus, Blue Ridge will need to procure approximately \$500,000 in equipment through the EDA grant. This will require a 20% match of \$100,000.

The following is a list of the equipment with pricing estimates:

- Advanced Manufacturing
 - \$78,000 – FESTO Double-Sided Hydraulics Trainer
 - \$48,000 – FESTO Double-Sided Pneumatic Trainer
 - \$78,000 – FESTO Mechanical Trainer
 - \$128,000 – Portable Welding Units, Robotics/Automation Equipment
- Respiratory Therapy
 - \$88,000 – Lung Simulator
 - \$80,000 – Three Mannequins

The Blue Ridge Community College Master Plan Committee identified these as needed programs. The Manager recommended the Board approve the grant match with funds to come from the fund balance.

Chairman Chappell pointed out this is a small investment toward economic development compared to the return expected.

Commissioner Chapman inquired about the timeline for implementing these programs. A representative from Blue Ridge Community College informed the Commissioners that the respiratory therapy program is slated to begin in August. The mechatronics program could begin sooner.

Commissioner Chapman moved to approve a grant match of \$100,000 from the fund balance pending receipt of the grant by Blue Ridge Community College and authorize the Manager to sign any documentation necessary to reflect the County Commissioners' commitment in the application process, seconded by Commissioner Casciato and unanimously approved.

Chairman Chappell called for a 10-minute recess at 7:37 p.m. The Board reconvened at 7:47 p.m.

SUPPORT FOR EDA GRANT APPLICATION TO FUND INFRASTRUCTURE TO PISGAH LABS WITH THE CITY OF BREVARD

This is a project the County has been working on collaboratively with the City of Brevard and the Transylvania Economic Alliance.

The Manager reported that the City of Brevard is applying for a grant from the Economic Development Administration (EDA) to support workforce development in Transylvania County. These funds are available to communities impacted by a natural disaster in 2021 or 2022, in which Transylvania County was due to Tropical Storm Fred. The application would fund infrastructure extensions to Pisgah Labs.

The terms of the extension are still under negotiation, but the grant application needs to be submitted quickly. The Board of Commissioners is being asked to commit the required grant match of 20%, or \$600,000, of the \$5 million project. County staff would work with the Economic Alliance to pursue grant funds that may be used for the match. There is no promise of being able to leverage the grant funds, but the County would need to be prepared to provide the match in cash if those grant funds are not identified. The County has funds set aside in the fund balance for economic development purposes. The Manager requested the Board commit the funding from the fund balance for the EDA grant so that they know the County will commit the required match funding if awarded the grant.

Commissioner Chapman asked if the City of Brevard supported the extension. The Manager stated that she has received some indication from the City that they are willing to support the extension and thus they agreed to apply for the grant funds. The terms between the City and Pisgah Labs remain under negotiation. The conversations have been positive, and this is a great opportunity for the County to partner with the City on this economic endeavor.

The Manager noted the line could serve other customers. The only reason the application identifies Pisgah Labs is because the grant program requires there to be an economic development benefit.

Commissioner Dalton moved to approve the commitment of up to \$650,000 of County funds via assigning fund balance, direct staff to pursue grant funds for the match, and authorize the County Manager to sign any necessary paperwork for the City of Brevard application for funds, seconded by Commissioner McCall and unanimously approved.

CITY OF BREVARD DOWNTOWN CIRCULATION STUDY SUPPORT REQUEST FROM LAND OF SKY RPO

The Manager reported that the Land of Sky Rural Planning Organization (RPO) is considering a grant application for a downtown Brevard circulation study. The study would be covered with a combination of State Planning and Research funds from FHWA (80%), State funds per N.C.G.S. § 136-214 (10%), and local funds (10%). The RPO will be the applicant for the funds and administer the project. The study will span two fiscal years with a beginning date in late FY 2024 and completion in FY 2025. A consulting firm will conduct the study and evaluate whether modifications would move traffic more efficiently. The County has an interest in this for economic development purposes. The project is expected to require a total of \$20,000 in local match funds. The City of Brevard is willing to commit \$10,000 in matching funds. The RPO requested the County contribute the remaining \$10,000.

Transylvania County pays a required share to the RPO annually of approximately \$15,000. This share is expected to be reduced by half based on the 2020 Census and a new funding model. The match share from the State is based on the county tier level in the funding year. The savings expected would offset most of the requested funding for the match with the remainder being budgeted in FY 24 or from fund balance. The Manager expected there would be no need for a budget amendment for FY 24.

Chairman Chappell thanked the Manager for continually looking for ways within the budget to meet needs when they arise. He pointed out that one of the challenges for future economic development is the ability to get from one point to another efficiently, and in this case, this includes traveling through the City of Brevard. For this reason, he supported the request and the partnership opportunity.

Commissioner McCall asked when the Board could expect to see the report generated from the study and whether the County Commissioners would have any input into the actions generated from the report. The Manager stated the Board of Commissioners would have access to the report; however, because the road system is the responsibility of the NCDOT and the City of

Brevard, the decision will reside with them. The County has other avenues of influence and advocacy at its disposal, including involvement with the RPO.

Chairman Chappell asked staff and Commissioners to encourage the RPO to ensure the study is not done during downtimes. Many times, traffic counts are conducted in the winter or when it is not the leaf-looking season. Commissioner Chapman serves as the County's representative on the RPO, and he has made this point during their meetings.

Commissioner Chapman moved to approve a \$10,000 grant match pending approval of the Land of Sky RPO City of Brevard Downtown Circulation Study grant application, seconded by Commissioner Dalton and unanimously approved.

Commissioner Chapman pointed out that the Board has committed a lot of money during this meeting. The money is available to meet the grant match requirements due to the conservative budget practices of this Board. Had the Board been spending recklessly, when these issues arose, the County would not have had the funds to commit. He commended the Board and staff for planning when creating budgets year after year.

DISCUSSION ON REPURPOSING THE COURTHOUSE

The Board of Commissioners is currently seeking requests for proposals on the design of a new courthouse. The process from the design phase to completion will take approximately three years. The current courthouse is more than 100 years old and is partially designated as a historic building that is cherished by the community. The Commissioners wish to have thoughtful and meaningful discussions on how the courthouse should be repurposed once vacated so that it does not fall into a state of disrepair.

The Manager stated that it is wise for the Commissioners to begin thinking about the options available to them. Some factors for the Board to consider are that the operational expenses that currently support the courthouse will increase significantly when the new facility opens, and counties are seeing more complexity around liability for leasing properties.

Commissioner Chapman stated that it is important for citizens to be involved in how the courthouse is repurposed.

The expense of maintaining the building will continue so it may be necessary to find a paying customer to help offset those costs. He suggested the possible formation of a committee or hiring a consultant. He said many groups are interested in having space in that building and so the Board needs to consider what is best for the overall community. Commissioner Chapman recommended touring other counties that have repurposed their old courthouse.

Commissioner Casciato volunteered to serve on the committee if the Board decides to form one.

Commissioner McCall shared that the State Historic Preservation Office has staff who are well-versed in historic structures and may be willing to contract with the County to help. She stressed that the County must be careful with the front part of the building so as not to disturb the historic fabric and impact its designation on the historic register. Commissioner McCall asked the Board to keep in mind how best the structure should represent Transylvania County. She also wanted to see the front doors of the old building open again once repurposed.

Commissioner Casciato said he did not want the facility to become an office building.

Chairman Chappell proposed the Board continue to have this discussion during a meeting at least once per quarter. For this meeting, the purpose was to open up the discussion and get the Commissioners to think about the next steps.

Chairman Chappell asked the Manager to provide the Commissioners with information on leasing because it could affect future usage.

Commissioner McCall asked when the proposals were due on the design and construction of the new courthouse. The Manager stated they are due in October. Staff will review them and then narrow down the choices to bring before the Board to consider before the end of the year.

DISCUSSION ON COMMEMORATING AMERICA'S 250TH ANNIVERSARY

On July 4, 2026, our nation will commemorate the 250th anniversary of the founding of the United States. Citizens have approached the Commissioners to share their interest in helping the County plan a celebration. The US Semiquincentennial Commission has created a website to help communities plan and it can be found at www.america250.org. Staff asked the Commissioners to discuss and direct staff on the next steps for commemorating America's 250th Anniversary in 2026.

Commissioner Dalton shared that the local chapter of the Daughters of the American Revolution requested involvement.

Chairman Chappell shared that the County's planning of the Sesquicentennial included setting aside monies in the budget in anticipation. For this event, brainstorming has included building on the annual July 4th Festival.

Commissioner Chapman requested to bring this topic to the TCTDA meeting on Thursday. He stated that while they do not have the staff to be solely responsible for the planning, TCTDA does have funds available. The Board agreed to him discussing this at the meeting on Thursday.

Chairman Chappell said the TCTDA should be involved. He also expected other groups, like DAR, the Joint Historic Preservation Commission, community centers, etc. to participate as well. He asked the Board to continue with quarterly discussions on this topic.

MANAGER'S REPORT

The Manager reported the following:

- Zitel will start laying fiber over the next 30+ days to provide fiber internet service to the areas of Cedar Mountain, East Fork, Old Toxaway, and Balsam Grove. This is part of the GREAT Grant expansion from last year.
- US 64/Rosman Water and Sewer Extension Project is nearing substantial completion. The project was delayed due to the weather but is expected to come in under budget. The project will be completed in October. The lines and pump station have been tested. Once fully complete, the interconnection between the City of Brevard and the Town of Rosman will be installed.
- Several county building signs are being refurbished and should be replaced soon.
- The last meeting's audio was not captured due to a lightning strike that took out equipment. Staff have replaced the faulty equipment and developed a secondary recording method for audio backup in the event of a future equipment malfunction.
- The new EMS Base is moving along. The contractor has begun laying the stone for the parking and is starting framing. The project is on target for a February completion time.
- Transylvania County was favored well in the recently passed State Budget. The Commissioners, Manager, and staff are extremely grateful to the members of the General Assembly, especially to our

representatives – Senator Corbin and Representative Clampitt – for awarding much-needed funds to Transylvania County so that we may move some of our projects forward. This would not be possible without the relationships that we have worked so hard to build. The State Budget includes the following:

- Transylvania County: \$10 million for infrastructure; \$7 million for Solid Waste; \$2 million for cost share program split with four counties
- City of Brevard: \$13 million for infrastructure; \$100,000 for Ecusta Trail
- Town of Rosman: \$10 million for water/sewer expansion
- Blue Ridge Community College: \$2.3 million to be used at either campus
- Transylvania County Schools: \$2,449 per teacher state-funded teacher supplement
- Shared important 2023 Municipal Election information. Copies of the flyer were made available to the public in the foyer. Election Day is on November 7. Early voting begins on October 19. Key dates on the flyer include information about absentee voting. The Voter ID law will take effect for this election.
- Kudos to Deputy Register of Deeds Antje Owen. She met the requirements to become a Certified Deputy Register of Deeds and was recognized at the Register of Deeds annual conference last week in Winston-Salem.
- Kudos to Deputy Fire Marshal Gary Brown and TC Sheriff's Office Detective Tim Reinhardt. They attended and completed the 80-hour NC Office of State Fire Marshal – Fire Investigation Technician certification.
- Condolences to the family of Robert “Bob” Masengill who passed away on September 16 at 89 years old. Bob served as a Transylvania County Commissioner from 1994-1998.
- The Animal Shelter will be closed October 9-15 to repair flooring necessary to maintain regulatory compliance. Staff are working now to make sure that animals are housed away from the work during that time but will be unable to accept surrenders during the work. The Animal Shelter has experienced an increase in animal surrenders due to the economy. She encouraged the public to consider the Animal Shelter if they are looking to add a pet to their home.
- Planning and Community Development will be issuing a call for community center grant applications – an informational meeting is scheduled in the Commissioners' Chambers on October 18 at 6:00 p.m.
- The education capital study work group will be meeting with the maintenance reserve study consultant for a presentation on the draft results this week. It is a staff-level meeting and not open to the public. The group will report back to both Boards.
- Congratulations to Chairman Jason Chappell! He is the Transylvania Times Transylvanian of the Week, and a current copy of the newspaper is on newsstands now.

Chairman Chappell stressed how instrumental our State delegation was in securing funds for Transylvania County. It also would not have been possible without the advocacy of the Commissioners and staff and their continued communication with the State on the County's needs.

PUBLIC COMMENT

There were no comments from the public.

COMMISSIONERS' COMMENTS

Commissioner Chapman was out of town and unable to attend the previous meeting. He thanked the Commissioners for the position they took on the social district at the last meeting. Commissioner Chapman said he was amazed at the progress of the new EMS Base Station, and he thanked all those working on this facility. He shared that he attended his 55th high school reunion this weekend. Those who traveled here from out of town had very positive comments about the County.

Commissioner Casciato invited everyone to attend the Veterans Day Ceremony at the courthouse gazebo on Saturday, November 11 at 11:00 a.m. to show our veterans how much we appreciate them. There will be free food for all attendees. The ceremony will take place on the lawn due to permitting requirements for street closures.

Commissioner McCall congratulated Chairman Chappell for being the Transylvanian of the Week. She has known him for many years and served with him on the Board of Education. She shared that he is the longest-serving County Commissioner in Transylvania County. Commissioner McCall shared that he has led the Board through difficult meetings and always acted level-headed and kept the Board moving in the right direction. She thanked him for all he and his family have done for Transylvania County.

Commissioner Dalton announced that the Fields of Faith event will be held next Wednesday night at Silversteen Memorial Stadium in Rosman. Food will be served at 5:45 p.m. The program starts at 7:00 p.m. He encouraged everyone to attend because he said it was something to behold.

Chairman Chappell was very appreciative of the kind words shared by Commissioner McCall. He was also thankful to the person who nominated him for this honor. The nominating person is anonymous.

Chairman Chappell moved to enter into 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) (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee, following a 10-minute recess, seconded by Commissioner Dalton and unanimously carried.

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) (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee, a closed session was entered into at 8:35 p.m. Present were Chairman Chappell, Commissioners Casciato, Chapman, Dalton, and McCall, County Manager Jaime Laughler, County Attorney John Kubis, and Clerk to the Board Trisha Hogan.

The Board consulted with the County Attorney on a privileged matter and discussed a confidential personnel 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 Casciato and unanimously approved.

ADJOURNMENT

There being no further business to come before the Board, **Chairman Chappell moved to adjourn the meeting at 8:55 p.m., seconded by Commissioner Casciato and unanimously approved.**

Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board