

**MINUTES**  
**TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS**  
**May 10, 2021 – REGULAR MEETING**

The Board of Commissioners of Transylvania County met in regular session on Monday, May 10, 2021 at 4:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

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

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

There were approximately 75 people in the audience, including staff presenters. Due to the number of people in the audience and the need to social distance, the conferences rooms were used as overflow space.

**CALL TO ORDER**

Chairman Jason Chappell presiding declared a quorum was present and called the meeting to order at 4:04 p.m.

**WELCOME**

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

**PUBLIC HEARING**

**DRAFT CEDAR MOUNTAIN SMALL AREA PLAN**

Planning and Community Development Director Allen McNeill presented information for the purpose of the public hearing. Prior to his presentation and for the benefit of the public, Chairman Chappell informed attendees that this public hearing is being held for the purpose of receiving public input. The Board of Commissioners does not intend to take any action on this item during this meeting. The following is a summary of the presentation:

*Background*

The Small Area Plan Process tasked the Board of Commissioners with receiving a draft plan and holding a public hearing. The Cedar Mountain Small Area Plan Committee held their first meeting in September 2019 and has since been working through the Small Area Plan Process with assistance from Planning and Community Development staff.

*Mission*

“The Cedar Mountain Small Area Planning Committee will develop a small area plan responsive to community input, guidance, and direction. The plan will articulate values, priorities, and a vision of the community members in a set of goals and recommended tools purposed to balance responsible commercial and economic development with the preservation of the area’s rural mountain character, natural and aesthetic beauty, environmental and ecological features, as well as historic and cultural aspects.”

### *Plan Goals*

The draft plan includes several goals that fall under the following categories:

- Agriculture
- Community Character and Design
- Community Facilities and Services
- Economic Development
- Land Use Development
- Natural Resources
- Transportation

### *Draft Plan*

The plan concludes with a list of applicable planning tools and solutions.

The Planning Board was tasked with reviewing the draft plan for potential revisions prior to its being submitted to the Board of Commissioners for approval. The Planning Board reviewed the draft plan on April 29. In addition to minor clerical changes, the Planning Board removed the development of a County-administered support program that assists property owners with developing up-to-date and active timber management plans. The Planning Board encouraged Commissioners to consider adding a specific tool that involves the development of a citizen-comprised review committee to shepherd an approved Small Area Plan. With these changes, the Planning Board moved to provide a favorable recommendation to the Board of Commissioners.

Mr. McNeill asked the Board to conduct the public hearing as advertised and consider adoption or revision of the draft Cedar Mountain Small Area Plan at a future meeting or provide staff with additional direction.

### **Chairman Chappell opened the public hearing at 4:10 p.m.**

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

Curly Huggins: On behalf of the Cedar Mountain Small Area Planning Committee, Mr. Huggins thanked the Board of Commissioners for consideration of the community's Small Area Plan. He named the members of the committee who were in attendance. He gave a brief background on their work and commended them for their tremendous efforts. Mr. Huggins stated that the plan reflects the priorities, values, and vision of the Cedar Mountain community and it gives an accurate depiction of what the citizens feel is important and crucial for the future of their community - balancing economic and employment growth, quality of life, protection of natural resources, preserving agricultural lands and open space, aesthetic beauty, and maintaining historical and cultural resources. He stated that the committee realizes this effort is a balance between various and differing citizen concerns, all of which have considerable impact to the Cedar Mountain community and to public policy. The committee also understands the sensitive political, social, and economic impacts that must be considered by the Board of Commissioners. Mr. Huggins concluded by saying that the plan reflects the vision of Cedar Mountain community members and that the committee has completed its charge by the Board of Commissioners.

Elizabeth Thompson: Ms. Thompson stated she became interested in the small area plan process after having tried to stop the Dollar General at Becky Mountain. She generated a survey last spring that was open to County residents and in which 419 households responded. Most respondents were from Cedar Mountain and Dunn's Rock. She shared that most respondents supported updating County ordinances to promote responsible development of commercial projects in rural areas, such as imposing limits on the

size of commercial buildings. In addition, most respondents wanted improvements to the Floodplain Management Ordinance, adoption of stormwater management requirements for commercial projects after construction, designation of scenic corridors, and better protections for slopes, rivers, and streams. Ms. Thompson urged the Board of Commissioners to adopt the Cedar Mountain Small Area Plan. Over the years of dealing with two Dollar General stores being built along Highway 276, she stated that residents have been pushed to organize to protect and preserve the rural character of their communities. She felt that it makes sense for communities to have the ability to determine the scope and size of commercial development, as well as a method to identify codes and ordinances to help them protect what they value most. Ms. Thompson felt that the plan is a compromise between countywide zoning and no zoning. She stated that the County's 2025 Comprehensive Plan highlights many of the key areas of importance to residents. She felt that the Board has an obligation and duty to listen to their constituents. She asked the Board to stand up for their citizens to help protect the rural characteristics of their community by adopting this plan.

Drew Bridges: Mr. Bridges stated he was supportive of many of the provisions in the Cedar Mountain Small Area Plan, but he was concerned about the boundary maps. He pointed out the boundary map allegedly mirrors the Cedar Mountain voting precinct which extends beyond the boundaries of what he considered to be Cedar Mountain. He questioned the focus and motive behind the plan. He did not feel the plan was clear and he thought the survey contained loaded questions. He said, of course, citizens want to keep rivers and streams clean, and people would more than likely not answer a survey question otherwise, but the methods of keeping the rivers and streams clean impose methods that are scary to some, including him. Mr. Bridges lives in a very rural area of the County and he did not feel the plan should be imposed on those areas.

Chairman Chappell read aloud written comments from citizens who requested they be read aloud during the public hearing. These comments were forwarded to the Board via email prior to today's meeting. Other comments received were forwarded to the Board of Commissioners for their consideration. The written comments have been summarized by the Clerk to the Board below.

Margaret MacCary: Ms. MacCary stated she supported the Cedar Mountain Small Area Plan which has the full support of the Planning Board. She stated that the community wants and deserves to have a voice in the growth and development of their small rural community. A small area plan is the best way for a community to adopt codes, policies and ordinances that align with the results of several surveys and public input sessions. Ms. McCary urged the Board of Commissioners to consider the wishes of the Cedar Mountain community and adopt the plan.

Karen Gleasman: Ms. Gleasman is a member of the Transylvania Planning Board. She addressed concerns previously expressed by some members of the Board of Commissioners regarding the survey participation rate and a focus on zoning. While the Cedar Mountain Small Area Plan survey had a 35% rate, the County's 2025 Transylvania County Comprehensive Plan survey received 11% participation and several small area plan examples reviewed by the Planning Board had a survey response rate ranging from 2% to 21%. This suggested to her that the Cedar Mountain participation rate of more than one-third was well done and is confidence-boosting. She also pointed out that of the 22 tools suggested, only four of them approach zoning. She further pointed out that all the proposed tools were endorsed by Cedar Mountain residents and will require more specific approval to be enacted. Ms. Gleasman felt that small area plans are a wonderful way to increase involvement in local government and she challenged Commissioners to think about why communities are motivated to use these plans. Ms. Gleasman concluded by saying the committee worked hard to listen to input from Cedar Mountain residents and thus deserve the Board's open-mindedness and careful consideration.

Stuart Jordan: Mr. Jordan urged the Board of Commissioners to adopt the Cedar Mountain Small Area Plan that has the full support of the Planning Board. He stated that the plan is the result of tireless work by the community. He pointed out that community participation was high. Mr. Stuart stated the wishes of the Cedar Mountain community are clear in that they wish to have a say in how the community grows and develops. He felt strongly that the Board should recognize citizens' desires by adopting the plan.

Galen & Lou Garapolo: The Garapolos expressed support of the Cedar Mountain Small Area Plan as endorsed by the Planning Board. As the Board's constituents, they reminded Commissioners that they have an obligation and duty to support the desires of the community. They felt the plan would benefit the area and community as a whole and urged the Board to adopt it.

Frank McConnell: Mr. McConnell enthusiastically supported the Cedar Mountain Small Area Plan. He stated that many citizens have spent three years fighting to have a say in the growth and development of their rural communities. He felt that the Small Area Plan is the best way for each community to adopt codes, policies and ordinances that align with the results of several surveys and public input sessions. He pointed out that this was the only way for each community to have self-determination. He emphasized that citizens expect the Board to adopt this plan because it is their desire.

Rick and Robin Williams: The Williams' supported the Cedar Mountain Small Area Plan. They stated that the Small Area Plan is the best way for each community to adopt codes, policies and ordinances that align with the results of community surveys and public input sessions. They stated that if the Board cared about the community, they would adopt the plan and fulfill their obligation to the desires of the community. They asked the Board to take an active role in the protection and enhancement of the area by adopting the plan.

Carolyn Chambers: Ms. Chambers enthusiastically supported the Cedar Mountain Small Area Plan. She stated that the Cedar Mountain community is a unique community in which she has had the privilege of growing up during summers then moving here as an adult later in life. She stated that the goal of the residents is to keep what is beautiful and wonderful about this mountain so that children can grow up here in a beautiful environment. She stated that those who live in Cedar Mountain are very much part of the community in many ways and contribute to making it an amazing place to visit and live. Thus, she felt the small area plan process is the best way to adopt codes, ordinances and policies that align with the community's desires. She urged the Board to adopt the plan.

Peter Anderson: Mr. Anderson supported the Cedar Mountain Small Area Plan which has the full support of the Planning Board and most Cedar Mountain residents. He stated the Small Area Plan is the best way for the community to adopt rules, policies and ordinances that match what community members have expressed through several surveys and public input sessions since the Board of Commissioners adopted the process in the fall of 2019. As a constituent, he felt that the Board has an obligation and duty to support what residents have invested an incredible amount of time and energy producing by adopting the Cedar Mountain Small Area Plan.

Meredith Brooks: Ms. Brooks asked the Board to acknowledge the overwhelming support for the Cedar Mountain Small Area Plan. She stressed that residents worked hard trying to be inclusive of many opinions and to keep their community rural and minimally developed. She understood this process to be the most reasonable way for each community to have some self-determination. Ms. Brooks hoped she could rely on the Board's good judgment to support the community's hard work and keep the community in alignment with their stated goals.

Gina Skelton: Ms. Skelton enthusiastically supported the Cedar Mountain Small Area Plan. She stated that many citizens have spent three years fighting to have a say in the growth and development of their

rural communities. She felt that the Small Area Plan is the best way for each community to adopt codes, policies and ordinances that align with the results of several surveys and public input sessions. She pointed out that this was the only way for each community to have self-determination. She stated that citizens expect the Board to adopt this plan because it is their desire.

There were no further comments. **Chairman Chappell closed the public hearing at 4:34 p.m.**

Many of the attendees left the meeting following the public hearing portion.

### **PUBLIC COMMENT**

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

David Morrow: Mr. Morrow, on behalf of the Transylvania County Board of Elections, presented a plaque to Public Health Director Elaine Russell in appreciation of the Health Department's leadership and work navigating and caring for citizens during the pandemic. Ms. Russell graciously accepted the plaque on behalf of the Health Department.

Melanie Spreen: Ms. Spreen is the Chair of the Joint Historic Preservation Commission, and she gave a brief update on their activities. She thanked the Board for their support by approval of a proclamation declaring May as Historic Preservation Month. She distributed rack cards that highlight some of the different activities that have been planned with ongoing exhibitions and historic tours, cemetery clean-up days, etc. The information is available on the County website. She shared that the Joint Historic Preservation Commission has also put together a scavenger hunt to encourage people in the community to explore and learn more about the historic preservation of different sites and buildings throughout the County. Ms. Spreen again thanked the Board for their support and invited the Commissioners and public to participate in activities in the month of May.

### **AGENDA MODIFICATIONS**

Staff requested to remove the Minutes from the Consent Agenda. There were no other modifications.

**Commissioner Dalton moved to approve the revised agenda, seconded by Commissioner McCall and unanimously approved.**

### **CONSENT AGENDA**

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

The following items were approved:

#### VAYA HEALTH FISCAL MONITORING REPORT – FY 2021 3<sup>RD</sup> QUARTER

Per NC General Statute §122C-117 (c), the quarterly Fiscal Monitoring Reports (FMR) for the local management entities must be presented to the Board of Commissioners. The following information was read into the minutes per statute.

Vaya Health reported their current actual revenues as \$362,750,594 (99.03% of annualized budget) through March 31, 2021 and their current actual expenditures through December 31, 2020 as \$349,071,712 (95.29% of annualized budget). This equates to a current net income of \$613,678,882.

Vaya Health reported the following fund balances:

- \$54,018,257 restricted for risk reserve
- \$17,148,535 restricted for statute, prepaids and investments in fixed assets
- \$22,741,111 unrestricted

They also reported total operating cash of \$91,722,994 net of risk reserves. The total spendable cash estimate is \$16,914,074 on April 31, 2021.

#### EMS WEEK PROCLAMATION

In 1974 President Gerald Ford signed into law the Emergency Medical Services Systems Act of 1973. The third full week of May has since been designated as EMS Week. The purpose of EMS Week is to honor the dedication of the EMS personnel who provide day-to-day lifesaving services of medicine's front line. Transylvania County is proud of the paid and volunteer EMS staffs who provide critical lifesaving service to the citizens and visitors of Transylvania County. This year's theme is ***THIS IS EMS: Caring for Our Communities***. Chairman Chappell read aloud the proclamation for the benefit of the public. Commissioners approved Proclamation #18-2021 EMS Week and presented it to EMS Director Kim Bailey.

#### **EMS Week Proclamation #18-2021 To designate the Week of May 16 - 22, 2021, as Emergency Medical Services Week**

**WHEREAS**, emergency medical services are a vital public service; and

**WHEREAS**, the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

**WHEREAS**, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

**WHEREAS**, emergency medical services have grown to fill a gap by providing important, out of hospital care, including preventative medicine, follow-up care, and access to telemedicine; and

**WHEREAS**, the emergency medical services system consists of first responders, emergency medical technicians, paramedics, emergency medical dispatchers, firefighters, police officers, educators, administrators, pre-hospital nurses, emergency nurses, emergency physicians, trained members of the public, and other out of hospital medical care providers; and

**WHEREAS**, the members of emergency medical services teams, whether career or volunteer, engage in thousands of hours of specialized training and continuing education to enhance their lifesaving skills; and

**WHEREAS**, it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week;

**NOW, THEREFORE**, the Transylvania County Board of Commissioners in recognition of this event does hereby proclaim the week of May 16-22, 2021, as

#### **EMERGENCY MEDICAL SERVICES WEEK**

With the EMS Strong theme, **THIS IS EMS: Caring for Our Communities**, we encourage the community to observe this week with appropriate programs, ceremonies, and activities.

This the 10<sup>th</sup> day of May 2021.

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

## **PRESENTATIONS/RECOGNITIONS**

### COVID-19 VACCINE UPDATE

Public Health Director Elaine Russell provided an update on the COVID-19 vaccine program. The following is a summary of her presentation:

- Percentage fully vaccinated 39.1% (13,433)
- Percentage partially vaccinated 42 % (14,448)
- Vaccine is now a weekly order process
- Agency vaccine work is a slow and steady pace
  - Outreach efforts
  - Accepting walk-in appointments at the Health Department
- State has granted flexibility for 2<sup>nd</sup> dose coverage due to constraints being lessened
- FDA approval for Pfizer in 12-16 age group
  - Regional sharing of Pfizer through Mission Health
  - Pfizer ships in trays of 1,170
  - Pfizer has a 2-week utilization if not in deep freeze

Commissioners thanked Ms. Russell and her staff for their work serving the community.

### LAND USE DEVELOPMENT ORDINANCE AMENDMENTS - NORTH CAROLINA GENERAL STATUTE 160D

Planning and Community Development Allen McNeill presented this item. He reported that in 2019, the North Carolina General Assembly adopted Part II of S.L. 2019-111 (Senate Bill 355). It is a complete reorganization of the State's planning and development regulation statues. The newly created Chapter 160D consolidates the previous county and city General Statutes (Article 18 of Chapter 153A and Article 19 of Chapter 160A) into one unified statute. This is all being done to centralize and simplify land development regulation. 160D does not make major policy changes or shifts in the scope of authority granted to local governments. It does, however, include many clarifying amendments and consensus reforms.

160D makes updates to Transylvania County's existing land development ordnances including:

- Flood Damage Prevention Ordinance
- Joint Historic Preservation Commission
- Manufactured Home Park Ordinance
- Mountain Ridge Protection Ordinance
- Pisgah Forest Community Zoning Ordinance
- Planning and Development Charter
- Subdivision Control Ordinance
- Telecommunications Tower Ordinance
- Watershed Protection Ordinance

Staff broke down the changes into four categories:

- Reference changes: 30
- 160D required text amendments: 33
- 160D recommended text amendments: 9
- Staff recommended text amendments: 10

Reference changes example:

*Transylvania County Subdivision Control Ordinance, Article II*

*Pursuant to the authority and provision conferred by the General Statutes of the State of North Carolina (~~Chapter 153A, Article 18~~) (Chapter 160D, Article 8), the Board of County Commissioners of the County of Transylvania hereby ordain and enact into law these Articles and Sections.*

160D required changes:

- Definitions: “Building,” “Dwelling,” and “Dwelling Unit.”
- Remove all references to the term “conditional use permit.”
- Add staff conflict of interest language.
- Add Board conflict of interest language.
- Replace all reference to “guidelines” with “standards” in the Historic Preservation Commission Ordinance.
- Update the Performance Guarantee Process in the Subdivision Control Ordinance.
- Update the Appeal Process in the Subdivision Control Ordinance.

Required change example:

*Pisgah Forest Community Zoning Ordinance, Article VI.*

*~~Dwelling Unit means a building, or a portion thereof, providing complete and permanent living facilities for a single family. A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.~~*

Recommended changes:

- Definitions: “Development” and Developer

Recommended change example:

*Manufactured Home Park Ordinance, Section 11-5.*

*~~Developer A person, firm, cooperation or duly authorized agent submitting an application for a manufactured home park construction permit. A person, including a governmental agency or redevelopment authority, who undertakes any development and who is the landowner of the property to be developed or who has been authorized by the landowner to undertake development on that property.~~*

Staff recommended changes:

*Subdivision Control Ordinance, Section 4.12*



*The subdivider shall submit to the Transylvania County Planning Department a completed application and two (2) copies one (1) copy of a preliminary plat containing the requested information required in section 7 of this Ordinance.*

*Subdivision Control Ordinance, Section 6.1*

*Certificate of Ownership and Dedication*

*I (we) hereby certify that I am (we are) the owner(s) of the property located within the subdivision regulation jurisdiction of Transylvania County as shown and described hereon, and that I (we) hereby adopt this plan of subdivision with my (our) free consent, and dedicate all roads and other sites and easements to public or private use as noted in the Disclosure of Private Roadways, where applicable.*

\_\_\_\_\_  
DATE \_\_\_\_\_ OWNER(s)

*Planning and Development Charter, Section 16-22(a)*

*The ~~chairman~~ chair shall be appointed by the ~~county commissioners~~ committee for a term of one (1) year. The ~~vice-chairman~~ chair shall be elected by the planning board members and serve until his/her term expires.*

Replacing the term “chairman” with “chair” is proposed three (3) other times through the rest of the document.

*Planning and Development Charter, Section 16-28(b)*

*The planning board shall review the comprehensive plan annually and shall submit to the board of commissioners its recommendations, if any, for adoption or revision. The Planning Board shall review the Comprehensive Plan in April and shall submit it the Board of Commissioners for recommendation.*

Proposed changes to the Manufactured Home Park Ordinance, Pisgah Forest Community Zoning Ordinance, Planning and Development Charter, Subdivision Control Ordinance, and the Watershed Protection Ordinance have been reviewed by the Planning Board as directed in the text of those documents. The Planning Board provided favorable recommendations to all the proposed changes as presented.

Proposed changes to all nine ordinances have been provided to legal counsel for review. In accordance with 160D, required changes must be adopted prior to July 1, 2021. Text amendments to County ordinances must be reviewed in a public hearing. Planning and Community Development staff requested Commissioners schedule a public hearing on June 14.

**Commissioner Guice moved to schedule a public hearing for June 14, seconded by Commissioner McCall and unanimously approved.**

## APPOINTMENTS

### PLANNING BOARD

Jim Lorenz resigned his position on the Planning Board in April, leaving a vacancy. The Clerk to the Board advertised on the website and in the local newspaper twice and received only one application in addition to the applications on file. Staff recommended the Board fill the vacancy on the Planning Board from the applications on file.

**Commissioner Guice nominated and moved to appoint Bob Twomey, seconded by Commissioner Chapman, and failed by a vote of 2 to 3. Vote tally: Ayes – Chapman, Guice; Noes – Chappell, Dalton, and McCall.**

**Commissioner Dalton nominated and moved to appoint Scott Sullivan, seconded by Commissioner McCall, and approved by a vote of 3 to 2. Vote tally: Ayes – Chappell, Dalton, and McCall; Noes – Chapman and Guice**

## OLD BUSINESS

### USE AGREEMENT WITH VETERANS' HISTORY MUSEUM OF THE CAROLINAS

The Veterans History Museum of the Carolinas has a use agreement in place with the County to operate a museum in the old Administration Building. On March 8, Commissioners approved a request from the Museum to modify the building to install a door to facilitate display of a military jeep. Commissioners also discussed roof conditions and directed staff to repair leaks as they arise, with the understanding that the entire roof would need to be replaced at some point. Commissioners directed the County Attorney at the same meeting to prepare an agreement that would reflect the lease of the space for an additional two years with a six-month notice to terminate. Delay in approval of the agreement was caused by a request by the court system for additional courtroom space. The former Administration Building was considered an option for court space but was later ruled out.

The County Attorney reviewed the agreement and suggested technical changes as noted in the draft agreement. Staff recommended the Board consider approval of the draft agreement renewal and authorize the Manager to sign if approved. The Manager noted that County Maintenance will continue to address building issues, but the County does not intend to make major investments in the building.

**Commissioner Guice moved to approve the Use Agreement with the Veterans History Museum of the Carolinas, seconded by Commissioner Dalton and unanimously approved.**

## NEW BUSINESS

### REQUEST FOR CASH FUNDING FOR SCHOOL BOND PROJECTS

Finance Director Jonathan Griffin presented this item. He reported that Transylvania County Schools has requested to split the guaranteed maximum price contracts for the high school projects from two contracts (one for each project) into four (one earlier, staging contract, and final construction contract for each). They worked with their Construction Manager at Risk (CMAR), Vannoy Construction, to solicit bids for necessary materials and equipment.

For the Brevard High School projects, the main expenditures in GMP#1 are plumbing, electrical subcontractors, and mechanical equipment allowance. For the Rosman Middle and High School projects, primary GMP#1 expenditures are temporary scaffolding.

The tax increase to pay for the anticipated debt service for the General Obligation Bonds was implemented in FY 2020. This necessitated the transfer of \$5,282,182 from ad valorem property taxes into an education capital to account for those expenditures. Of the \$5.2 million, \$1.2 million was spent in FY 2020 and \$1.6 million so far in FY 2021 to reimburse the School System for project expenditures. County Finance budgeted for a \$6.2 million debt service payment that will not occur based on the current project timeline, so there are general fund resources available for this request.

Staff asked the Board to approve the request to split the construction contracts into two for each campus. To fund the request, staff recommended adjusting the current planning budgets for the projects from \$4.1

million to \$4.5 million for Brevard High School and \$2.1 million to \$2.2 million for Rosman Middle/High Schools. Based on the current construction schedule, the County would not be able to issue General Obligation Bonds until after GMP#2 is received. This involves using cash on hand to meet this request. Mr. Griffin noted that representatives from Transylvania County Schools were in attendance to answer any questions.

Commissioner Chapman said many people still have questions about the bond projects. He was concerned about whether the increased cost of materials was going to impact the current plans and how the pandemic will impact how education will be delivered in the future. He thought the two Boards needed to have further discussion in a joint meeting setting. The Manager pointed out that the GMP#2 is not in-hand, so the final figures are not yet known.

Chairman Chappell noted part of the reason for this request is to ensure some materials can be ordered during the summer that could otherwise delay the project.

**Chairman Chappell moved to adjust the General Fund and take appropriations for the debt payments and transfer into the Education Capital Fund and to adjust the current planning budget for the Brevard High School project from \$4.1 million to \$4.5 million and for the Rosman Middle/High Schools from \$2.1 million to \$2.2 million, and further to approve the plan to split the construction contracts into two for each project, seconded by Commissioner Guice.** Commissioner McCall inquired as to when the GMP#2 is expected. Finance Director for Transylvania County Schools Norris Barger stated he expects to present the GMP#2 to the Board of Education by July 19 and then to the Board of Commissioners for their July 26 meeting. Commissioner McCall asked for confirmation, based on information provided at the last School Bond Construction Team meeting, that the goal is to issue the notice to proceed in early August. Mr. Barger confirmed. He also shared that the Department of Insurance has reviewed the documents and their directives are easily addressable. He hopes to receive final approval from the DOI in July. Commissioner McCall asked if the GMP#2 is expected to be before the Board on July 26, whether the County had time to sell the bonds prior to issuing the notice to proceed. Mr. Griffin reported the timing would be very tight, but staff would start the process once they knew GMP#2 was going to be in-hand. Staff could prepare the packet for the Local Government Commission quickly thereafter. The Manager pointed out the timeline would be at risk if the GMP#2 came in higher than anticipated because there would be a tighter turnaround to modify the scope and go to bond sale using the current timeline. To address Commissioner Chapman's concerns, Mr. Barger stated the School System is trying to account for the current construction industry situation into their figures. They hope to be ready by July 26. For clarification and in response to Mr. Barger, Chairman Chappell stated the intent of the motion includes approval of the change order. Mr. Barger clarified the change order does not increase the cost. It is a portion pulled out of the \$68 million total. Commissioner McCall was concerned about rising costs and how this might impact the total project. **The motion was approved unanimously.**

Chairman Chappell asked the Manager to determine a date for a joint meeting following the budget cycle.

#### MANAGER'S REPORT

The Manager reported that the next agenda will include consideration of the Falling Waters Affordable and Workforce Housing Project funding to extend sewer with the City of Brevard.

Chairman Chappell called for a five-minute recess. The meeting was reconvened at 5:25 p.m.

## BUDGET WORKSHOP

To begin the workshop, the Manager gave an overview of the recommended budget for FY 22, including clarification on several items per Commissioners' request. The Manager then proceeded with a facilitated discussion on the fire departments' contract requests and solid waste funding.

### *Highlights for FY 2022*

- 2021 is a re-evaluation year
- Typical County services are funded in the recommended budget under the revenue neutral rate of \$0.5592/\$100 valuation
- For the past two years, fire and rescue contracts were supplemented from General Fund Balance
  - FY 22 recommendation is to fund within the tax rate requiring \$0.024 cents for a total tax rate of \$0.5840/\$100 valuation
  - Assumes a \$0.05 cent district rate in all districts
  - Further discussion during budget workshop with outcome potentially changing Manager's proposed budget and tax rate
- Assumes the Solid Waste Enterprise Fund is self-sustaining
  - Further discussion during budget workshop with outcome potentially changing Manager's proposed budget and tax rate
- Total recommended budget of \$67,891,202
  - Lifts soft freeze hiring freeze and allows for advertising of two positions
  - No new positions
  - Includes reclassifications as already approved for DSS positions and DSS paralegal from part-time to full-time, and addition of school nurse addition for one year funded by CARES Act through June 30, 2022 (will be reevaluated for funding)
- Restored some capital reductions made in FY 2021 due to unforeseen issues during the pandemic

### *Revenue Projections*

- Primary revenue source is property tax and comprises 57% of the proposed budget
- Sales tax has grown, but several articles must be earmarked for certain expenses
- Revenue loss of Medicaid from state, offset by broadening sales tax
- Inmate revenue projected down with uncertain return to housing due to COVID-19 restrictions

### *Expenditures by Function*

- Sheriff's Office increase mainly due to vehicle purchase catch up
- Emergency Management budget increase is related to City of Brevard Dispatch contract that was approved last fall
- Agriculture and Economic Development expenses are in the form of remittances to TCTDA as pass-through funds
- Education budget increase result from the State's decisions on personnel costs and includes required transfers for the future bond payments

### *Expenditures by Type*

- Counties provide most services person-to-person, thus most expenditures related to personnel
- Remittances: 21.6% increase due to Occupancy Tax and Register of Deeds conveyance taxes
- Maintenance and repairs anticipated to increase by 13.1% due to restoring projects from last year
- Education increase is 20.1% due to bond payment and State requirements

### *General Fund Summary*

- Presented balanced budget of \$67,891,202
- Includes \$2.4 million in capital pay-as-you-go slated for assigned fund balance to support capital planning (includes courthouse)
- Includes \$6.2 million (FY 20 10.5 cent increase) in FY 22 to pay school bond debt service
- Any additional increases in spending will need to be offset with expenditure cuts, fund balance appropriation or tax increase
  - Staff recommend against any further pressure on fund balance currently
- Includes supplemental funds for fire departments earmarked at last year's approved contract levels
- Restores capital funding to replace vehicles and maintain assets
- Establishes self-sustaining fee schedule for Solid Waste Fund (slated for further discussion during budget workshop)

### *Additional or Clarifying Information*

- Tag office and passport office service expansions to be considered separately
  - May require budget amendments for both revenues and expenditures
  - Timing of essence to adopt recommended budget to meet statutory requirements
- Second courtroom operations are being determined and will amend the budget
- Rosman Park maintenance proposal in response to interest from the Town of Rosman
- Solid Waste fee clarification
  - Town of Rosman and City of Brevard already charge a fee to their customers
  - Both would have to remove their fee for the County to charge fees in their jurisdiction
  - If they do not remove their fees, both entities would continue paying tipping rate
- Education funding recommendation
  - 1.4% increase in operational funding (County services increasing by 1%)
  - Teacher pay is determined by a statewide base salary rate based on qualifications and experience; local jurisdictions may offer a supplement in addition
    - Recommended funding covers state-controlled pay increases, medical insurance increases and funds the current supplement for teachers at 8.5%
    - Only Buncombe County in WNC has higher teacher supplement rate at 9%
    - For comparison purposes, County employee compensation was set at market, or mid-rate for comparison counties
  - Encouraged Superintendent to have thoughtful discussion on use of ESSR funding, just as County did when discussing use of CARES and ARP federal budget, because there are no ongoing resources at the local level to support beyond those federal dollars based on property tax growth

Transylvania County has history of funding public schools at a high level, consistently ranking fourth in the State for highest per student funding, just behind Wake, Orange, and Dare Counties. Over the past five audited years, County funding reflected an average increase of 4.2% while the tax base growth averaged 1.5%. County schools have seen a steady decline in enrollment with a five-year average of 1% loss. This loss, along with an annual increase in budget allocation, has resulted in per student funding showing an average annual increase of 5.4% over the same period. These numbers reflect an unwavering support in prioritization of the education system and teachers.

The Manager stated that public workers are valued for all they bring to the community. They in turn honor citizens by working to keep the tax burden as low as possible while maintaining qualified and reliable staff to provide those necessary and essential services.

The Manager stated there is no expectation that the budget process will ever be easy, but a fact-based approach provides balance and fairness.

Next, she transitioned to the facilitated discussion part of the workshop. She explained the facilitation ground rules for engagement. The structure is meant to promote resolution on the remaining budget items so that a budget can be presented to the public for a public hearing.

#### *Workshop Format*

- Facilitator – County Manager
- Present prior information and any known options for each item of discussion
- Open floor for Commissioners’ discussion/questions with opportunities for each to speak
- Once it appears there are three Commissioners in agreement or when 15 minutes is reached, Manager will poll for consensus unless Commissioners express interest in continuing discussion
- When consensus is reached, move to the next item
- Determine if second workshop is needed and schedule prior to recess/adjournment
- Public hearing on budget to be held during June 14 and June 28 Board of Commissioners’ meetings

#### *Fire Department Budgets*

The Board of Commissioners requested staff provide budget recommendations for the fire and rescue contracts. Assistant County Manager David McNeill presented the staff recommendations. It was noted that the recommended budget includes funds for countywide/across-the-board audits for fire and rescue departments as previously approved by the Board of Commissioners. Staff did not recommend duplication of audit funds in the departmental budgets.

A summary of the requests is shown below. The fire and rescue budget requests totaled \$7,235,896. Following a review of the requests, staff recommended a total budget for fire and rescue services of \$5,686,047. The largest reduction was a new engine requested by the City of Brevard.

## Fire Department FY2021/2022 Summary

### Fire Department Budget Summary FY22

**All recommended budgets reflect a 5% increase with no new positions recommended by staff.**

District	Dept.	Dept. Req.	Staff Rec.	Fire Tax 5.00	GF Prop. Tax	Other Rev.	Major Items
SylvanVal.	Brevard	\$2,410,506	\$1,576,806	\$413,733	\$0.00	\$1,163,073	Capital Equipment
	LR	\$30,000	\$30,000	\$30,000			LR portion of SVII
	NT	\$30,579	\$30,579	\$30,579			NT portion of SV__
	SVII Reserve	\$63,028	\$63,028	<u>\$63,028</u>			Future SubStation
	<b>Total SVII</b>			<b>\$537,340</b>			
Rosman	Rosman	\$747,113	\$676,780	\$263,128	\$413,652		Operational Increases
Little River	Little River	\$646,050	\$545,200	\$306,858	\$208,342	\$30,000	Capital Equipment
Connestee	Connestee	\$891,150	\$831,900	\$568,515	\$263,385		Operational Increases
Cedar Mtn	Cedar Mtn	\$370,046	\$310,539	\$76,715	\$146,299	\$87,525	Capital Equipment / Grants
Lake Tox.	Lake Tox.	\$1,107,174	\$916,924	\$896,794	\$20,130		Personnel Request
Balsam Gr.	Balsam Gr.	\$198,107	\$154,341	\$49,601	\$103,790	\$950	Personnel Unfilled Carryover FY21
North Trans	North Trans	\$322,400	\$305,500	\$77,660	\$195,761	\$32,079	Capital / Personnel
Brevard Res.		<u>\$543,350</u>	<u>\$426,450</u>	<u>\$426,450</u>			Personnel / Future Capital
<b>Total</b>		<b>7,235,896</b>	<b>5,686,047</b>	<b>\$2,776,611</b>	<b>\$1,777,809</b>	<b>\$1,313,627</b>	

The proposed fire tax rate of \$0.05 cents for each district will produce revenues totaling \$2,776,611. Other revenue sources will generate \$1,313,627, leaving a shortfall of \$1,777,809 to meet the recommended budget for rescue and rescue services.

Overall, departments requested increases for both operations and capital, including some significant personnel requests. Mr. McNeill pointed out each budget includes a 5% increase for personnel, but no new additional personnel is recommended. The departments have not had an increase in their personnel line item for the last two years. The increase is equivalent to 2.5% over a two-year period.

Tourism and visitation impact the County's budget, as well as the budgets for fire and rescue agencies. Emergency services agencies routinely respond to emergencies in the State and National forests and parks. In addition, continued loss of land to forest and park lands decrease the County's tax base. This impacts available funding and thus the burden is shifted to the taxpayers. Transylvania County does not receive sufficient monies from the State and federal government to offset those costs. Some departments have been working with the State to advocate for funding for providing fire and service on public lands. Currently, the State provides funding based on the size of the building, not the amount of land covered. Thus, the funding is very small. Staff will continue to advocate for additional revenue, but it will require a change in State law to potentially see any traction.

Mr. McNeill presented the detail of each fire and rescue agency request as summarized below.

#### **Brevard Fire/Sylvan Valley II Service District**

- Requested budget \$2,410,506, which included funds to purchase a service truck and engine
- Recommended budget \$1,576,806
  - Split with City of Brevard based on property valuation
  - City portion \$488,073
  - Sylvan Valley II portion \$413,733
- Loan proceeds \$675,000
  - Service truck debt service starts in FY 2023
  - Approximately \$85,000 annually for 10 years split between Sylvan Valley II and City
  - County responsible for approximately 47% of loan payment
- Staff working with City on feasibility of mini pumper purchase to replace future engine and brush truck
- Sylvan Valley II budget includes three response areas
  - Brevard Fire \$413,733
  - North Transylvania \$30,579
  - Little River \$30,000
- Total budget for Sylvan Valley II \$537,340
  - Includes \$63,028 to reserve for future substation
- Sylvan Valley II Fire Service District Reserve as of 3/31/21 is \$502,373
- Personnel consists of a paid chief and a staff of paid part-time staff

#### **Rosman Fire Service District**

- Requested budget \$747,113
- Recommended budget \$676,780
  - \$263,128 from fire tax
  - \$413,652 from General Fund property tax
- Budget increase compared to FY 21 is \$21,855
- Includes increases for four air packs, fuel, medical supplies, 5% for personnel, and rescue equipment

- Rosman Fire Service District Reserve as of 3/31/21 is \$28,074
- Personnel consists of one paid staff member per shift to cover 24/7 for a total of three paid staff members

#### **Little River Fire Service District**

- Requested budget \$646,053
- Recommended budget \$545,200
  - \$306,858 from fire tax
  - \$30,000 from Sylvan Valley II fire tax
  - \$208,342 from General Fund property tax
- Budget increase compared to FY 21 is \$20,090
- Includes increases for debt service for brush truck (spread out over five years) and 5% for personnel
- Little River Fire Service District Reserve as of 3/31/21 is \$50,791
- Personnel consists of two staff members

#### **Connestee Fire Service District**

- Requested budget \$891,150
- Recommended budget \$831,900
  - \$568,515 from fire tax
  - \$263,385 from General Fund Property Tax
- Budget increase compared to FY 21 is \$40,750
- Includes increases for five Air Packs, 5% for personnel and rescue equipment
- Connestee Fire Service District Reserve as of 3/31/21 is \$68,668
- Personnel consists of staff to cover 24/7

#### **Cedar Mountain Fire Service District**

- Requested budget \$370,046
- Recommended budget \$310,539
  - \$76,715 from fire tax
  - \$146,299 from General Fund property tax
  - Other revenue \$87,525, a majority of which comes from providing fire protection service in Greenville County, SC
- Budget increase compared to FY 21 is \$37,789
- Includes increases for truck replacement at \$50,000 for a dual-purpose engine/tanker and 5% for personnel
- Grant request not included in the recommended budget; department should submit grant application and then ask for approval for grant match by the Board of Commissioners
- Cedar Mountain Fire Service District Reserve as of 3/31/21 is \$1,484
- Personnel consists of one part-time personnel

#### **Lake Toxaway Fire Service District**

- Requested budget \$1,107,174
- Recommended budget \$916,924
  - \$896,794 from fire tax
  - \$20,130 from General Fund property tax
- Requested three additional personnel but not recommended by staff
- Budget increase compared to FY 21 is \$32,065
- Includes increases for service truck reserve of \$40,000 and 5% for personnel



- Lake Toxaway Fire Service District Reserve as of 3/31/21 is \$124,515
- Personnel consists of one paid staff during week and three others that work shifts to cover 24/7

#### **Balsam Grove Fire Service District**

- Requested budget \$198,107
- Recommended budget \$154,341
  - \$49,601 from fire tax
  - \$950 in donations/fundraising
  - \$103,790 from General Fund property tax
- Budget compared to FY 21 is a decrease of \$39,716
  - FY 21 budget included funds for staff that has not been hired currently
- Includes increases for operational expenditures of \$4,000 and one-month's personnel cost
  - Budget assumes the department will hire employee by June 1, 2021, utilizing funding from FY 21 to cover 11 months of FY 22
- Balsam Grove Fire Service District Reserve as of 3/31/21 is \$33,814

#### **North Transylvania Fire Service District**

- Requested budget \$322,400
- Recommended budget \$305,500
  - \$77,660 from fire tax
  - \$30,579 from Sylvan Valley II fire tax
  - \$1,500 donations/fundraising
  - \$195,761 from General Fund property tax
- Budget increase compared to FY 21 is \$11,770
- Includes debt service increase for 1<sup>st</sup> responder vehicle (over five-year period), replacement of PPE, and 5% for personnel
- North Transylvania Fire Service District Reserve as of 3/31/21 is \$34,304
- Personnel consists of one staff person

#### **Transylvania County Rescue Squad, Brevard Unit**

- Requested budget \$543,350
- Recommended budget \$426,450, all of which comes from the General Fund property tax
- Budget remains flat compared to FY 21
- No debt service due to reduction of two debt items
- Recommended budget provides leadership with ability to prioritize funds for future capital and personnel

These recommendations necessitate a fire and rescue tax increase of \$0.0253 for a total property tax rate of \$0.5853/\$100 valuation. This is a slight adjustment from the recommended budget. The Manager opened the floor for discussion by the Board. She noted if the Board moved to change any of the recommendation, there could be a potential adjustment in the tax rate, either negatively or positively, depending on the Board's action.

#### **Discussion**

Chairman Chappell inquired about the replacement cycle for the air packs. Deputy Fire Marshal Scott Justus explained that the replacement cycle depends on the quality of the air packs. Newer air packs can come with a 20-year life cycle rather than a five-year cycle. The cost begins with a basic model at \$16,000 and goes up depending on accessories included and the number purchased.

Commissioner McCall wanted further discussion on each department's reserve funding and the ability for those funds to grow. She shared that some departments expressed concern about losing their reserves should the County move toward implementing a flat tax rate. The Manager explained that the current taxing method still allows for their reserves to grow because the County has historically exceeded the projected tax collection rate. She reminded Commissioners there is a Board-approved policy in place that prioritizes reserve funding requests for capital, not ongoing expenses. In addition to the reserves, any monies unspent by the departments remains on their own financial books and is not subject to Commissioners' approval.

Commissioner Chapman asked if all departments were current on their nonprofit status. Mr. McNeill confirmed they have all met the requirements to have their nonprofit status. In addition, staff is working with the County Attorney to revise the service contract with each department to require them to participate in the County's audit process utilizing a selected firm. Staff has requested input from the fire departments during the contract revision process.

Commissioner McCall asked if the fire departments were entitled to any funds collected higher than the collection rate from the across-the-board tax rate of \$0.0253 or whether there would be the possibility of creating a capital reserve fund to assist the departments with some of their larger purchases. The Manager stated at the end of the fiscal year when the final property tax collection is known, the Board could move funds into assigned fund balance, thus earmarking funds specifically for fire and rescue services. The fund could be open to each department's use as needed and by request.

Commissioner Guice was concerned that the departments' staffing needs are not being met. He was cognizant of the fact that each department is unique and thus staffed differently, but he wondered if their staffing levels met the norm. The Manager responded that staff could confer with each department about their needs and conduct some comparisons with similar communities.

Chairman Chappell asked how many total new positions were requested. Mr. McNeill stated there were three requested by Lake Toxaway and Rosman. Other departments requested approval of additional hours. Rosman used funds to pay for additional staff because of staff absences due to COVID.

Commissioner Guice asked if substations should be considered when determining staffing needs. Mr. McNeill agreed that a district having a substation should be taken into consideration. He noted that the need for staffing varies based on a district's volunteer base, average number of calls, etc. Mr. McNeill reiterated the Manager's recommendation to study comparison communities; however, he was unaware whether any staffing standard exists. Fire department staffing across the State varies widely.

Chairman Chappell inquired further about the back-funding of personnel due to COVID and whether the use of funding went toward additional man hours. Mr. McNeill explained that the department had two staff out for an extended period, so they had to backfill those positions without having the funds to do so. In addition, they had to pay the two employees while they were unable to work during that period. Essentially, they were pulling money from different areas of their budget to supplement pay for the employees filling in.

Commissioner Guice questioned whether this would be covered under the CARES Act funding. He also agreed with paying those personnel while they were in quarantine. The Manager pointed out that the County does not control the fire departments' budgets, so they must best determine how to manage their expenses when an unforeseen situation arises. She pointed out that nonprofits across the State are experiencing many of the same issues, but she was unsure whether nonprofits took advantage of opportunities to apply for any COVID-related funding.

Chairman Chappell suggested staff explore use of State and federal funds that might be available to assist these departments, understanding that the monies are very restricted.

Commissioner Chapman inquired about the advantage of approving staffs' funding recommendation versus levying a countywide fire tax rate. The Manager explained the reasoning behind staffs' recommendation came after consultation with the Fire Chiefs Association. They do not support a countywide flat tax, but functionally it is not different. In fact, the County would save money by moving toward a flat tax, but the recommended funding method is a compromise with the fire departments.

#### *Consensus*

1. Commissioner Chapman supported the recommendations for the fire departments' budgets.
2. Commissioner Guice also supported the recommendation, but he wanted more information on staffing patterns.
3. Chairman Chappell supported the recommendation. He requested information on each department in terms of current staffing levels. He felt the recommendation offered transparency in that taxpayers know exactly which portion of their taxes are funding fire and rescue protection.
4. Commissioner McCall supported the recommendation. She wanted to have future discussion on a fairer funding method.
5. Commissioner Dalton agreed with Commissioners' comments at this point but had difficulty with some departments essentially subsidizing others. He suggested being able to charge users of emergency services a fee for service. Otherwise, he reluctantly agreed with the funding recommendations.

Staff will gather the information as requested and include in the public hearing the general fund tax increase for fire and rescue services.

#### *Solid Waste Funding Options*

The Manager shared there has been a lot of headlines about the Solid Waste and the recommendation to go with a parcel fee. Unfortunately, the full picture of the issues did not fit into a headline. So, she reviewed the challenges in this department, the proposed options, and the reasoning behind the recommendation over other methods available.

#### **Background**

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

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

### **Ongoing Financial Needs**

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

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

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

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

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

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

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

### **Trends**

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

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

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

### **Community Desires**

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

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

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

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

### **What's in a fee?**

N.C. GS 153A – 164 establishes the legal authority for the County to operate a landfill or solid waste facility and levy fees for its use or for its availability. Most mountain counties north and west of Transylvania levy a similar fee. It must be on improved parcels and cannot be levied if another government is already levying it. Thus, City of Brevard and Town of Rosman parcels are exempt because they both levy an availability fee.

*Note: City and Town parcels will ONLY be included if the City and Town elect to drop their fee. If they keep their fee, both will continue paying the tipping rate.*

Some counties add additional definitions to the fee, such as levying a fee by bedrooms or by whether the property is residential or commercial. The fee, as proposed, would make the convenience center model available for residents' use. Rather than paying a sticker fee, they would be able to use the convenience centers. Currently, there is the benefit of people coming from out of county and disposing at our sites paying the sticker fee. However, they are not paying the property tax or the fund balance that has had to subsidize that fee over the years.

Next the Manager reviewed the options before the Board to make the solid waste fund and department self-sustaining.

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

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

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

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

The first three options for funding keep the budget in place as proposed. A fourth option, not recommended by the Manager, eliminates the convenience center sites.

The Manager pointed out that staff can also tweak the tipping fees or parcel fees to show impacts to the budget and property tax rate. The revenue gap is substantial enough that it will take either a property tax hike or a parcel fee to balance the budget. It is not unlike other counties that are experiencing changes in solid waste management and an increased cost to providing those services.

Staff also considered scenarios of paying a higher bag fee or tipping rate. A \$12 bag fee is out of line with what people are willing to pay. The landfill has experienced a loss of revenues in past years when the tipping fee was raised. Staying within the market rate is important. The reason the current market rate is at \$60/ton is due to other counties' having moved toward a property tax or parcel fee to subsidize their operations.

For these reasons, the Manager recommended the parcel fee over the other options. Ultimately, it is a Board decision. The Manager opened the floor for the Board to discuss the options and to direct staff on how to move forward with solid waste operations.

Chairman Chappell stated the most important message about this issue is the fact that solid waste management has been subsidized by \$1.8 million in general fund transfers for some time. He felt it was important that the County pays for the services it is providing and that the financials are transparent in showing how tax dollars are spent. With that said, he expressed concern about imposing a \$200 parcel fee because he was concerned about the impact to those on fixed incomes, without transportation, or unable to pay for a private hauler. He also wanted further discussion on how the parcel fee would impact property owners who owned multiple properties. The Manager informed the parcel fee would be imposed on every improved property. The key difference between a property tax increase and a parcel fee is that a property tax increase would also impact vacant lots. Property tax also inhibits the County's ability to use revenue bonds to support solid waste improvements.

Chairman Chappell emphasized that the parcel fee would not apply to residents in the City of Brevard or the Town of Rosman. The Manager confirmed and reported that \$8 of the City of Brevard's fees go towards the landfill tipping fee and the remainder goes toward the cost of hauling. As long as the City

and Town levy a fee for solid waste services to their residents, the County cannot impose a fee in addition to that fee. The opposite is true for a property tax increase in that it would impact all property owners. Commissioner McCall stated she did not support a property tax increase. However, she was not pleased with the parcel fee options either. She shared some of the same concerns as Chairman Chappell and she preferred the least impactful option on citizens,

Commissioner McCall referred to option 4 which involves closing the convenient center sites and she inquired about the financial impact of closing them. The Manager stated that it costs Transylvania County approximately \$1 million annually to operate four convenient center sites. They do not pay for themselves as users pay only \$1.50 per bag of trash. She pointed out the eliminating the convenience center sites would still require either a \$0.022 cent property tax increase or \$110 improved parcel fee to offset the full cost of operations.

Commissioner Chapman asked if it was necessary for the Board to make this change all at once this year or whether it could be partially assessed with the remaining coming from fund balance. The Manager stated that the Board can no longer delay this decision. The County must move forward now with preparing the next cell which is a time-consuming and lengthy process. Otherwise, there would be nowhere to dispose of and manage waste once the current cell is full.

Chairman Chappell inquired what the cost per bag would be if Commissioners chose to close the convenience centers. The Manager said if the convenience centers were closed, the only method of disposing trash would be through the tipping fee method at the landfill. However, staff could determine a bag fee amount based on sticker sales from last year. Having sticker sales at the landfill would change operations dramatically.

Chairman Chappell pointed out that changing the method by which the County funds solid waste could encourage private economic development by creating more haulers. The Manager informed that the \$1.50 bag fee generates about \$350,000 annually. It would cost \$12 per bag to offset the cost of current operations. Closing the convenience center sites and assuming everyone would take their bagged trash to the landfill would reduce the sticker fee to \$5 per bag.

Commissioner Guice shared that he was not in favor of any of the options offered by staff. While he agreed that something needs to be done, he was not ready to give staff direction on this item during this workshop.

Chairman Chappell asked for the definition of an improved parcel. The Manager stated the definition is related to one's property tax valuation. The property is improved to the point of having either a house or business located on it. For instance, a vacant lot with a shed on it would not be considered an improved parcel. A parcel with multiple homes on it would be assessed one parcel fee. The parcel fee would be assessed parcel-by-parcel, not structure-by-structure.

The Manager explained there are pros and cons for both use of the property tax and parcel fee. Nonetheless, these are the legal methods available to counties to pay for solid waste operations.

Chairman Chappell inquired about the possibility of only assessing a parcel fee to property owners with multiple properties but only if those properties are inhabited. The Manager stated this would not be justified by law because it essentially gives a pass to some improved parcels and not to others. It would also be complicated by the administrative component of trying to track whether homes are inhabited and could in turn cost the County to do so.



Commissioner McCall asked for additional discussion on the pros and cons of closing the convenience center sites and potentially lowering the parcel fee from \$200 to \$100 and how that might also impact the tipping fee. She also asked if it was possible to place a cap on the parcel fee for those owning multiple lots. The Manager stated that the parcel fee must be assessed equally. Capping the fee essentially gives some property owners a “break”. She noted that the parcel fee only applies to improved parcels, whereas property tax would be levied across the board and would include other taxable assets.

Commissioner Guice pointed out that many people recycle and only spend a few dollars a month disposing of their trash. He felt it would be impossible to convince those individuals that a \$200 parcel fee would be a palatable option. He stressed that the County has conditioned people on the importance of recycling, and they have become accustomed to using the convenience centers. In fact, he did not feel there were enough convenience centers to adequately serve the public.

Commissioner McCall said she was not necessarily supportive of closing the convenience centers, but she was open to having the discussion on the pros and cons. She understood the Board could not continue subsidizing the cost of operations from fund balance. She likewise was not ready to give staff direction at this workshop.

The Manager suggested scheduling a second workshop to discuss the pros and cons of each option; however, she did not think the options would change. She pointed out the biggest misunderstanding staff has heard from the public has been them not realizing that the \$1.50 bag fee and the recycling has not been paying for itself. She offered to modify option 4 for further discussion to show an increase in the tipping fee to potentially bring the parcel fee down to \$100.

Commissioner Guice asked staff to weigh in on the cost of adding another convenience center. The Manager agreed to run the figures but estimated it at \$300,000 based on the cost of currently running three sites at nearly \$1 million annually. It does not include the purchase of property and or any property improvements.

Chairman Chappell asked for further explanation on the impact a property tax increase would have on the County’s ability to issue revenue bonds.

The Manager explained that revenue bonds allow local governments to pledge setting fees for a service to pay for capital improvements. If a local government subsidizes from property tax, the revenue bond option comes off the table. A local government would then have to pay in cash or seek a limited obligation bond or another financing method for major construction projects, like opening a new cell. This is an important component when considering which option to choose.

Commissioner Chapman expressed he was against imposing another property tax increase in addition to the one Commissioners agreed to earlier to fund the fire departments.

Commissioner McCall stated it is very important to clarify that the parcel fee does not apply to any property owner within the municipalities.

The Board will add this topic as an item of discussion and decision on the next regular business agenda on May 24. This will allow staff to run the numbers and give time for the Board to review. In addition, staff will gather data from properties to show how a parcel fee would be applied to properties classified as improved.

The Manager noted that public hearings will be scheduled at both the Board's June meetings so there will be two opportunities for the public to give input. They are also welcomed to comment during the public comment periods of any meeting.

Chairman Chappell informed that beginning with the next meeting the Board will return to accepting in-person comments only. Written comments may be submitted to the Board but will not be read aloud during the meeting.

### PUBLIC COMMENTS

Tawny McCoy: Board of Education Chairwoman McCoy thanked the Board for their support of the bond and for funding their GMP request.

Ranessa Thomas: Ms. Thomas is the Program Manager of MountainCare Adult Day, formerly known as KOALA (Keeping Older Adults Living Abundantly), the only adult day program in Transylvania County. It has been a lifesaving program for many families. Historically, the program was funded and supported by Transylvania Community/Regional Hospital/Mission Hospital, but it never supported itself financially. With HCA's purchase of the hospital, this program does not fit into HCA's for-profit business model. HCA no longer supports the program through financial backing of their space, staffing, maintenance, etc. Grant funding typically only covers half the cost of operations. MountainCare is now faced with a fair market lease payment and paying for staffing. Ms. Thomas shared there will be an article forthcoming in the local newspaper to inform the public about the possibility of program's future. She informed the program has four to five months' funding remaining. She asked the Board to help them be innovative to find support and find ways to work together to save this program.

Chairman Chappell agreed to schedule a presentation at a future meeting where they can provide more detail on their needs and potential request from the County.

David Morrow: Mr. Morrow thanked the Board for their support of the Veterans History Museum. He stated that the Museum is working hard to educate the public and serve veterans, students, and visitors.

### COMMISSIONERS COMMENTS

Commissioner McCall stated strongly that individual freedoms are very important to her. She shared that some citizens have expressed concerns to her about issues that unfortunately cannot be resolved by the Board of Commissioners. They expressed concerns about some employers requiring their employees to take the COVID-19 vaccine. She felt it was wrong to mandate an individual choice and she was appalled at how people are being treated for making individual health choices.

Chairman Chappell thanked everyone for their thoughts and prayers due to the death of his mother-in-law.

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

### CLOSED SESSION

Per North Carolina General Statute § 143-318.11 (a) (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public

body, which privilege is hereby acknowledged, closed session was entered into at 8:00 p.m. Present were Chairman Chappell, Commissioners Chapman, Dalton, Guice and McCall, County Manager Jaime Laughter, County Attorney Julie Hooten, Robert Van Camp and Jim Stanly (of Great Scenic Railway Journeys), and Clerk to the Board Trisha Hogan.

The Board consulted with the County Attorney on a privileged matter and directed staff on how to proceed.

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

#### ADJOURNMENT

There being no further business to come before the Board, **Chairman Chappell moved to adjourn the meeting at 8:45 p.m., seconded by Commissioner McCall and unanimously carried.**

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Jason R. Chappell, Chairman  
Transylvania County Board of Commissioners

ATTEST:

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Trisha M. Hogan, Clerk to the Board