

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
June 14, 2021 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, June 14, 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 30 people in the audience, including staff presenters.

CALL TO ORDER

Chairman Jason Chappell presiding declared a quorum was present and called the meeting to order at 4:00 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

FY 2022 BUDGET PROPOSAL

The Manager provided information for the public hearing. She presented the recommended FY 2022 Budget to the Board of Commissioners on April 26, 2021. The Board then held two budget workshops in May where they discussed various elements of the budget.

At the first budget workshop, the Board reached a consensus to adjust the general fund tax rate to provide resources for fire departments. At their second workshop, the Board reached a consensus to implement a \$200 availability fee for Solid Waste services for parcels not within the jurisdiction of the City of Brevard and Town of Rosman.

Based on decisions made by the Board during their budget workshops, the Manager brought forth a budget for the public hearing totaling \$67,279,111 necessitating a tax rate of \$0.5853/\$100 valuation. Per statute, the published revenue-neutral rate must be announced. Transylvania County's revenue-neutral rate is \$0.5592/\$100 valuation and was calculated consistent with the State Treasurer's guidance.

The Manager highlighted the following elements of the FY 2022 Budget:

- Requests for new positions were not approved
- Personnel hiring freeze set to expire July 1
- Increases part-time pay rates to be equivalent to the minimum full-time pay rates within all departments to help with recruitment

- Includes previously reclassified positions in the Department of Social Services
- Continues school nurse position for one year with COVID funds; no funding for position beyond FY 2022
- All classifications of expenditures remain flat, except for Education, Culture and Recreation, and Public Safety
- County's primary revenue source is property tax
- Sales taxes have grown due to an increase in online sales
 - Articles 40 and 42 are restricted for education spending
- Experienced revenue losses elsewhere
 - Medicaid funding for Sheriff's Office Detention Facility due to COVID-19
 - Loss of transit funding
 - Offset by broadening the sales tax base
- Expenditures by function
 - Increase in Sheriff's Office primarily due to vehicle replacement catch-up from reductions in FY 21
 - Increase in Emergency Management includes the takeover of City of Brevard Dispatch, with offset from revenues from City of Brevard
 - Increases due to change in accounting standards for occupancy tax remittances to the Transylvania County Tourism Development Authority
 - Increases in Education due to State decisions regarding personnel; funds to be set aside in fund balance until State budget finalized
 - Projected transfers to other accounts
- Expenditures by type
 - Substantial increase in remittances; pass-through funds but account for the total net increase to County's budget
 - Includes occupancy taxes and Register of Deeds conveyance due to real estate transactions
 - Maintenance and repairs increased by 13.1% due to restoring cuts made during the pandemic when the impacts to the budget were unknown
 - 20.1% increase in Education expenditures due to bond payments budgeted for in FY 21
 - Personnel costs account for 39% of the budget because local government is service-oriented

The Manager recapped action taken by the Board during the budget workshops.

- Workshop #1 – Fire and Rescue budgets
 - A consensus of Board to accept staff recommendations with regards to fire and rescue budgets
 - Included a slight increase in fire and rescue personnel at 5% across the board
 - Cost offset by ad valorem tax rate adjustment and a flat fire district rate of \$0.05/\$100 valuation
- Workshop #2 – Solid Waste funding
 - Consensus to fund operations at current tipping fee rate, \$200 parcel fee, and elimination of sticker program effective January 1, 2022
 - Will allow residents with a placard to use convenience centers for free
 - FY 22 Solid Waste expenditures projected at \$4.1 million
 - FY 22 Solid Waste revenues projected at \$2.4 million
 - Leaves deficit of \$1.7 million
 - Operational budget flat from FY 21

- Initial engineering fees to design and permit new cell projected at \$663,000 over a seven-year time frame
- \$600,000 for heavy equipment, including compactor refurbishment, dump truck, and roll-off truck repairs

For the benefit of the public, the Manager explained that Transylvania County has committed to landfilling. Over the last several budget planning cycles, staff has raised concerns about the fees not covering the costs of operating solid waste operations or future expansion. The current cell's projected lifespan is through 2027. Designing and permitting a new cell takes seven years and must begin in FY 22 to ensure continuity of operations when the current cell becomes full.

In 2019 and 2020, staff conducted a major planning study that directly compared the cost of designing and permitting a new cell versus a transfer station. The in-county cell model is the least expensive venture at \$134 million versus \$141 million. Thus, in the fall of 2020, the Board of Commissioners gave permission to expand the current landfill.

The Manager shared that over the past 25 years of operating a landfill system, revenues have covered annual operating expenses in only two years despite being accounted for as an enterprise fund. The goal is to align revenues, operational expenses, and long-term capital needs with a funding mechanism that pays for itself, i.e., an enterprise fund.

Local governments must use the enterprise fund model if the outstanding debt is backed solely by fees and other charges. The advantage to enterprise fund accounting is that it protects the fund balance from the long-term post-closure and care liabilities for the Woodruff landfill which are estimated at \$6.6 million. Enterprise funds in North Carolina are commonly used for government functions that represent significant long-term commitments. The construction of a landfill cell would be considered a multi-year commitment. Additionally, the County will always be responsible for the maintenance and care of any closed landfill cell according to State and federal regulations.

Laws govern how counties may pay for the disposal of solid waste. One way is to operate disposal facilities, which include landfills, transfer stations, and collection centers. Counties may also levy a usage fee or an availability/parcel fee. If a facility is funded through user fees, local governments may not charge the availability fee and vice versa. Up until the 1990s, Transylvania County imposed an availability fee exclusively to finance solid waste operations. State statutes establish the legal authority for counties to levy property taxes to provide solid waste disposal services. Rural counties north and west of Transylvania levy availability fees in addition to user fees. In their research, staff was unable to identify a county that explicitly and exclusively uses property taxes to offset the cost of solid waste operations.

Transylvania County's price structure using the sticker program at convenience sites is unique and intended to directly incentivize recycling. Recycling reduces the long-term cost by extending the lifespan of the landfill. However, revenues from selling recycled materials have declined by over 50% since FY 18. This is attributable to changing national and international policies and has added pressure to the County's solid waste operations because there is no dedicated revenue source to cover the recycling programs. In other words, recycling does not pay for itself in Transylvania County.

As stated earlier, in the second budget workshop, the consensus of the Board was to impose an availability fee of \$200 which allows for free usage of the convenience centers. The fee would impact 13,700 improved parcels not located within the incorporated limits of the City of Brevard and the Town of Rosman.

The Manager informed that the Commissioners requested to revisit this item during this meeting. During that discussion, she intends to review all the options staff presented during the budget workshop. The Manager shared there are elements of the budget that remain unknown and may require budget ordinance amendments. One item the Board will consider is adding license plate agency services. County staff has completed the interview process with the Department of Motor Vehicles and is awaiting a response on whether the County will qualify to offer those services. If approved, there would be a need to hire two additional staff in addition to the reclassification of one position. Estimated revenues are expected to offset these expenditures. In addition, the Register of Deeds is exploring adding passport services which would also require additional staff and modifications to the office to accommodate this service and to keep passport and vital records duties separate. Revenues are expected to offset expenditures as well.

The Manager shared there is also ambiguity about the issuance of the general obligation bonds for Transylvania County Schools. The timing of the bond issuance will impact the bond payment. There is currently \$6.2 million in the Education Capital Fund for this purpose. Additional decisions that could impact the County's budget are related to operating a second courtroom, the extension of grants in the Health Department related to COVID, the maintenance agreement between the County and Town of Rosman for the Rosman Community Park, and the carry-forward of funds related to an assortment of capital projects.

The Manager concluded her presentation for the public hearing.

Chairman Chappell declared the public hearing open at 4:19 p.m.

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

Karla Marr: Ms. Marr stated the \$200 parcel fee is unacceptable and unfair. The increase would cause her property taxes to increase by 75%. She said it was obvious to her the County has not responsibly managed the solid waste operations resulting in a significant budget shortfall. Ms. Marr stated the Board has kicked the can down the road for too long.

Bruce Gleasman: Mr. Gleasman asked the Board to consider cutting the budget by 2% instead of adding the parcel fee for solid waste. He was concerned about the County putting people out of business and hurting people's budgets. He was also concerned that Commissioners were taking away choices for citizens who currently choose to pay for private haulers. Mr. Gleasman pointed out that the County's current model would not thrive as a private business. He encouraged the Board to transfer ownership of the landfill to a third party. He did not think the County could continue to sustain growth at the rate it is going.

Chairman Chappell declared the public hearing closed at 4:26 p.m.

NC GENERAL STATUTE CHAPTER 160D LOCAL PLANNING AND DEVELOPMENT REGULATIONS

Planning and Community Development Director Allen McNeill presented this item. The new Chapter 160D of the North Carolina General Statutes consolidates current city- and county-enabling statutes for development regulations (now in Chapters 153A and 160A) into a single, unified chapter and organizes them more logically and coherently.

While the new law does not make major policy changes or shifts in the scope of authority granted to local governments, it does provide clarifying amendments and consensus reforms that will need to be incorporated into local development regulations.

Chapter 160D is effective now, but local governments have until July 1, 2021 to adopt the amendments to conform local ordinances to this new law. All city and county zoning, subdivision, and other development regulations, including unified-development ordinances, will need to be updated by that date to conform to the new law. Per state statute, local ordinances are to be considered in a public hearing before adoption.

The staff has been working since July 2020 to prepare all the affected ordinances with required and recommended changes to bring them into compliance. Staff recommended changes to the following ordinances to comply with the statutory changes:

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

In total, there are 82 proposed changes. Of the proposed changes, 30 of them are statutory reference changes. Another 33 are text amendments required by statute. An additional nine changes are recommended by statute, but not required. Staff recommended 10 more changes to ensure operational efficiency and applicant convenience or simply for modernization. The Planning Board provided a favorable recommendation for all the proposed changes being considered.

Mr. McNeill reiterated that a public hearing is required before adoption. Staff met the notice requirements for the public hearing and the draft ordinances were posted online for public viewing. He asked the Board to conduct the required public hearing and then consider the proposals before June 30, 2021.

Chairman Chappell declared the public hearing open at 4:35 p.m.

There were no comments from the public.

Chairman Chappell declared the public hearing closed at 4:36 p.m.

This item will be placed on the agenda at the next meeting for approval.

PUBLIC COMMENT

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

Benny Frady: Sergeant Benny Frady addressed the Board about court officials' request for a second courtroom. He informed Commissioners that the most recent request is markedly different from previous

requests. Court officials are requesting the use of a facility for a limited number of days to help fill a space need during jury trials. Sergeant Frady stated he saw no need to rent space for this purpose when there is County space available. He expected the impact on government services to be minimal. He stated that the Elections Center conference room is ideal because it is relatively close to the Courthouse which lessens the burden on their operations. He also outlined the process by which they would oversee security for the space. He urged the Board to consider the request to use the Elections Center conference room as a second courtroom.

Ralph Frady: Mr. Frady shared that he had been wrongfully imprisoned for many years and that some officials in the County government and the court system were to blame.

Leopold: (speaker did not give his full name) Leopold addressed the Board to request a conservation easement in Sutton Creek to build a food forest that would provide food to the local school system. He intends to send a formal request to the Board for this purpose, as well as seek assistance to acquire the property.

Karla Marr: Ms. Marr presented the Board with a rainbow flag in honor of LGBTQ Pride Month.

AGENDA MODIFICATIONS

There were no agenda modifications.

Commissioner Chapman moved to approve the agenda as submitted, 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 Board approved the following items:

APPLICATIONS FOR PERMITS TO CONDUCT AERIAL FIREWORKS DISPLAYS

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

Applicant	Event Date	Event Information
City of Brevard	July 4	Public display by Zambelli
Jacquelyn Rogow	July 4	Private event
Camp Carolina	July 4	Private event
Burlingame	July 4	Private event
Lake Toxaway	July 4	Private event
Camp High Rocks	July 4, September 4	Private event
Camp Rockbrook	4 displays, 1 for each session of camp to celebrate the 100 th anniversary	Private event
Camp Illahee	June 20, July 4, July 17, August 1	Private event

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

PRESENTATIONS/RECOGNITIONS

RECOGNITION OF OUTGOING CITIZEN ADVISORY COUNCIL MEMBERS

In July 2015, the Board of Commissioners implemented a recognition program to express their appreciation to citizens who volunteer their time and expertise on the County's citizen advisory councils. The Board intends to recognize citizens on a semi-annual basis. This period covered January 1, 2021-June 30, 2021.

Chairman Chappell presented each person in attendance with a certificate of appreciation and a coffee mug with the county logo. The Clerk extended the invitation to either of the June meetings. The Clerk will mail certificates to those citizen volunteers who are unable to attend.

John Wayne Hardison, Jr.	Planning Board
Bob Twomey	Planning Board
Becky Alderman	Mountain Area Workforce Development Board
Stephanie Smith	Brevard Planning & Zoning Board
Leslie Logemann	Agricultural Advisory Board
William Leroy Newell	Agricultural Advisory Board
Dr. John Folger	Transportation Advisory Committee
Lisa Sheffield	Personnel Board
Frances Bradburn	Personnel Board
Lee McMinn	Personnel Board & Transylvania Natural Resources Council
Josh Hallingse	Blue Ridge Community College Board of Trustees
Heather Layton	Parks and Recreation Commission
Robert Hurring	Parks and Recreation Commission
Kay Hunter	Nursing & Adult Care Home Advisory Committee

APPOINTMENTS

JURY COMMISSION

Artie Wilson's term on the Jury Commission expires at the end of June. There are no term limits. Mr. Wilson is eligible and willing to serve another term. Clerk of Superior Court Kristi Brown recommended his reappointment.

Commissioner Guice moved to reappoint Artie Wilson to the Jury Commission, seconded by Commissioner Dalton and unanimously approved.

CHILD FATALITY PREVENTION TEAM

The terms of Teesie Stanton and Mae Clayton expire at the end of June. They are both eligible and willing to serve another term. There are other applications on file for consideration. Staff requested the Board approve the recommendations from the CFPT Coordinator due to the sensitive nature of the information reviewed by the membership. The applications will remain on file and will be considered when there is an opening.

Commissioner McCall moved to reappoint Teesie Stanton and Mae Clayton to the Child Fatality Prevention Team, seconded by Commissioner Chapman and unanimously approved.

COMMUNITY CHILD PROTECTION TEAM

Erin Drew's term expires at the end of June. She is eligible and willing to serve another term. CCPT Chair Katherine Cox and Public Health Director Elaine Russell recommended the Board reappoint Ms. Drew to another term.

Commissioner Guice moved to reappoint Erin Drew to another term on the Community Child Protection Team, seconded by Commissioner McCall and unanimously approved.

BLUE RIDGE COMMUNITY COLLEGE BOARD OF TRUSTEES

Josh Hallingse's term on the Blue Ridge Community College Board of Trustees expires at the end of June. He has served two full terms. There are applications on file for consideration. BRCC Board of Trustees Chair Chip Gould recommended the Board appoint Mark Isabelli effective July 1.

Commissioner McCall moved to appoint Mark Isabelli to the Blue Ridge Community College Board of Trustees effective July 1, 2021, seconded by Commissioner Guice and unanimously approved.

OLD BUSINESS

SOLID WASTE MANAGEMENT

Commissioners requested to revisit this issue following the previous budget workshop. The Manager presented information for their discussion.

The Manager reported that N.C.G.S. § 153A-292 allows counties to levy fees for usage of specific disposal facilities which are defined based on amounts, characteristics, or form of materials for disposal. The fees are restricted to Solid Waste expenditures and cannot be set in such a way that would generate excess revenues. Currently, the County imposes the following Solid Waste fees:

- \$1.50/bag at convenience centers
- \$60/ton tipping fee at the landfill for municipal solid waste (MSW) and construction and demolition (C&D)
- \$20/ton tipping fee at the landfill for inert debris (LCID)

This allows for Solid Waste capital planning to occur independently of other County budgetary needs. These dollars can also be pledged against revenue bonds.

Availability fees (parcel fees) are calculated by the status of a property. In theory, a property defined as an improved parcel would produce trash, whereas an unimproved parcel or motor vehicle would not. However, property taxes are levied on all parcels and motor vehicles.

The Manager included in the recommended budget to make available to residents the convenience/collection centers and recycling program at no additional cost over and above the parcel fee. The parcel fee revenues would be restricted to Solid Waste expenditures and would not generate excess revenues. The Manager reiterated that the parcel fee allows for capital planning to occur independent of the County's needs and they can be pledged against revenue bonds. When property tax is used to balance Solid Waste operations, the County loses its ability to use revenue bonds as a funding stream. The Manager noted that the County used the availability fee to finance Solid Waste operations until 1998.

The other avenue for funding Solid Waste is through property taxes. The property tax applies uniformly to all real and personal property. The levy is based on assessed value, not the status of the property (improved versus unimproved) or whether it generates solid waste. Property taxes are collected in the General Fund and then transferred to the Solid Waste budget. This funding method is more difficult to

align collected revenues with services, resulting in the County’s having to plan and balance Solid Waste needs alongside other government capital needs since the revenue source for both is the same. The property tax can be pledged for general obligations bonds that require a referendum or limited obligation bonds which require no referendum but do necessitate upfront investment.

Staff explored ways to balance the Solid Waste fund by implementing higher user fees at the convenience centers:

- At least \$5 per bag to cover direct costs of Solid Waste Convenience Centers
 - The annual operating cost of convenience centers is \$1 million
 - Direct costs are staff, utilities, supplies, and equipment needed to accept waste
 - The annual cost of disposing of one bag per week would increase from \$78 to \$260 (\$21/month)
- At least \$7 per bag to cover direct and indirect costs of Solid Waste Convenience Centers
 - Indirect costs include oversight, hauling, and long-term equipment needs
 - The annual cost of disposing of one bag per week would increase from \$78 to \$364 (\$30/month)
- \$12 per bag to fully cover the deficit in Solid Waste Fund
 - The annual cost of disposing of one bag per week would increase from \$78 to \$624 (\$52/month)
- Would require additional personnel or technology to account for higher cash flow
 - \$5 bag fee would increase revenues from \$350,000 to \$1,160,000
 - Public entities are responsible for managing public funds and must adhere to the Fiscal Control Act
- The availability fee model is more sustainable at \$16.67/month or \$200 annually

Staff also evaluated ways to balance the Solid Waste fund by implementing higher user fees at the landfill:

- The current minimum tipping fee per trip is \$5 which is lower than equivalent solid waste operations

New Minimum	Additional Revenue Estimate
\$8	\$37,500
\$10	\$68,000
\$12	\$102,000
\$15	\$157,000

- Based on current volume, \$1 increase in tipping rate (\$60/ton to \$61/ton) would generate \$18,000 net revenue
- (Commissioner question from the budget workshop) Why not account for revenue from telecommunication towers at the landfill facility in the Solid Waste Fund?
 - Total estimated revenues for all tower leases are only \$88,000
 - Not a meaningful addition to the funding picture
 - Revenues currently fund the Communications Department which manages the towers and ensures they remain operational
 - Accounting for lease revenue is not sustainable long-term

- New lease accounting standards effective June 2022 will change how counties record revenues and expenditures

Staff completed a thorough assessment of reducing expenditures and the impacts of doing so:

- Delaying engineering/permitting expenditures saving \$660,000 will create delays in finalizing cell permits and construction
 - The possibility that a new cell would not be fully permitted and constructed before capacity is reached in cell 5
 - Engineering and permitting is a multi-year process
- Close convenience sites but continue sticker/bag program at the landfill
 - Reduction of direct/indirect costs of nearly \$1 million
 - Further shifting to part-time scheduling at the convenience centers was not recommended because most costs at convenience sites are related to capital/equipment costs, not personnel
 - Trading service provision for long-term capital needs not recommended
- An additional convenience site would add \$300,000 to annual operating expenses
 - Requires \$220 parcel fee or \$0.032 property tax increase unless an existing site was closed and combined with the additional site
 - Estimated construction for a new convenience site is \$600,000 and does not include land acquisition; this cost is not included in the parcel fee/property tax rate above
 - The idea of another convenience center was brought up previously to serve the upper/northern end of the County

During the budget presentations, the Manager presented the Board with four primary options for funding Solid Waste operations:

- Option #1 kept fee structure in place (bag stickers/tipping fee) combined with a property tax rate to close the deficit
- Option #2 reduced user fees by eliminating bag stickers, increased ad valorem taxes by 2.94 cents/\$100 valuation
- Option #3 reduced user fees by eliminating bag stickers and replacing them with an availability fee of \$200
- Option #4 reduced expenditures by closing convenience centers and funding the remaining budget gap with an availability fee to support recycling

At the end of the second budget workshop, there was a consensus of the Board to proceed with the implementation of the availability fee (Option #3). However, since that time, Commissioners and staff have received unfavorable feedback from the public. Public input was against the implementation of the availability fee. The public preferred the Board mitigate the gap in funding using the property tax rate and higher user fees. Therefore, staff evaluated the fee structure further and presented an additional option (Option #1B) for the Board to consider. Option #1B is an unusual model and staff relayed that they would not be able to account for all risks nor be fully confident in their budget assumptions. Staff did not recommend this option due to the many downsides.

Option #1B:

- Doubles bag sticker price to \$3/bag
 - Will generate \$730,000
- Increases tipping rate to \$62/ton
 - Will bring in \$158,000 in revenue based on 19,000 tons

- Increases the minimum scale fee at the landfill from \$5 to \$15
 - Expected to generate \$157,000
- Minimizes impact to property tax rate with an ad valorem increase to 1.8 cents/\$100 valuation
 - Will bring in another \$808,000 to offset the costs

The Manager stated that this option pushes the fees higher than the staff is comfortable with. An analysis of public policy has proven that an entity cannot impose fees so high that the public will not use the service. She pointed out another downside to this option is having additional cash at the convenient centers which creates a security risk and added fiscal responsibility. This would require modifications at each site to mitigate those risks. In addition, she pointed out that staff cannot promise that the revenues will be estimated correctly. For instance, raising the minimum fee scale may steer people to use the convenience centers and pay the sticker fee. However, at least for the first year, staff estimated these changes would bring in the necessary revenue for operations, but the revenue structure may need to be tweaked in the future. The Manager noted that the increase in the property tax rate will impact unimproved parcels and vehicles that do not generate waste. Because this is not the typical model for funding Solid Waste, the tax rate would appear inflated. Most counties have opted for the improved parcel fee.

Another impact of Option #1B is the possibility of having to roll the enterprise fund into the general fund rather than having a separate fund since a sizable portion of the revenue would be coming from the property tax. It also changes the County's debt options for major construction items or post-closure costs.

An increase in the bag fee from \$1.50 to \$3.00 could lead to illegal dumping. However, keeping the current bag fee of \$1.50 is subsidizing some citizens from neighboring counties who are disposing of their trash at our convenience centers and not being assessed a property tax or parcel fee to offset the cost of operations.

The Manager stated that she wanted to be transparent about the concerns staff have raised over this option even though it is favorable to the public. She concluded her presentation and requested feedback from the Board to gain consensus to present at the next public hearing on the budget. The Board is required to adopt a budget by June 30.

Commissioner Chapman was concerned about being asked to solve a 20-year issue over one year and the impact it will have on citizens. He also pointed out that all other County services are paid for through the property tax rate. He preferred to make the necessary revenue adjustments over time, not in one fiscal year and doing so with a partial tax increase and higher fees.

Commissioner McCall asked how higher user fees would impact cash handling operations. The Manager stated that the main concern involves security with the amount of cash coming into the facility on any given day. It is important to have protocols in place to ensure safety, security, and accountability. Staff will need to take proactive security measures at each site or prevent theft, especially with the potential for having more cash on hand.

In response to public comments made during the public hearing, both Commissioners Chapman and McCall explained that the significant increase in the County's property tax was due to the school bond referendum and was not a result of growth in the County government. The referendum was voter-approved; thus, the Board of Commissioners had no choice but to raise the tax rate to pay for the bond. The Manager added that each year staff reviews their budgets for cost-savings opportunities while meeting State mandates for services.

Chairman Chappell asked how many employees worked in the Solid Waste Department and whether all those employees would be without employment should the County seek to privatize these services. The Manager informed approximately 15 employees are working in this department. If the County were to get out of the landfilling business today, the County would forever be responsible for maintaining the closed landfill which would necessitate some of those staff staying on to maintain and monitor it.

Commissioner Guice pointed out that of the County's \$67 million budget, more than \$57 million is mandated by law. In response to public comments earlier in the meeting, he stated that a 2% cut across the board would be equivalent to a 16%+ cut across those non-mandated services which fall under law enforcement and public safety, education, and other essential areas that are critical to the well-being of our citizens.

Commissioner Guice shared that a huge portion of the waste coming into the landfill is collected at the convenience centers which is why the public was against the County closing these sites. He also referred to accusations that the County has somehow mismanaged Solid Waste operations. He emphasized that the budget process is very transparent. In addition, the statutory requirements and federal regulations for maintaining a landfill continue to become more stringent and thus contribute to rising costs that are out of the local government's control. Failure to comply could result in hefty fines. It also takes time to design and permit a new cell which is costly and thus has contributed to the budgetary shortfall. He stressed there has been no mismanagement of Solid Waste operations.

Before this meeting, Commissioner Guice researched how the parcel fee and tax increase would impact citizens, especially those young families with children and the elderly on fixed incomes. He supported the tax increase over the fee because he felt it was fairer. Commissioner Guice said those using a private hauler are making a personal choice, but it has nothing to do with the overall management of solid waste and landfill operations. He was concerned about the increase in bag fees and that it may cause people to illegally dump their trash. For these reasons, he supported a tax increase over the fee.

Chairman Chappell recapped that Commissioners Chapman and Guice supported spreading the impact over two years or a tax increase and that Commissioner Dalton preferred to close the convenience centers (as expressed in a previous meeting). Chairman Chappell stated that he previously supported the parcel fee, even though he did not think it was the ideal choice. He felt the new option has merit because it spreads the cost across the board and impacts every property owner, not just those with an improved parcel. Chairman Chappell supported the new option acknowledging that the figures may have to be tweaked in the future. He agreed with Commissioner Guice that this issue has nothing to do with mismanagement of the landfill and solid waste operations. Chairman Chappell stressed that Commissioners must come to a consensus at this meeting for the public hearing and approval at the next Board meeting.

Commissioner McCall asked if the Board has the option of not moving forward with expansion. The Manager responded that the risk is too great to delay any longer.

Commissioner McCall stated she favored a solution that minimizes the impact on citizens. While she did not support any of the options fully, she leaned toward supporting Option #1B because it spreads the cost across the board; otherwise, her second choice would be the parcel fee.

Commissioner Guice emphasized that staff does not support Option #1B because fees control behavior, thus resulting in illegal dumping or citizens taking their trash elsewhere. The fees also gain the County little in terms of revenue so he felt the issue should be addressed with a tax increase but keeping the tipping fee in place.

The Manager informed that keeping the existing fee structure in place would necessitate a 2.2 cents property tax increase. If the sticker program were eliminated, the tax rate increase would need to be 2.94 cents.

Commissioner Guice asked how the County would deal with those outside of the County attempting to dispose of their trash here. The Manager responded that it is complicated because there is no way to identify a resident from a non-resident at this time. Staff had anticipated using a placard with the parcel fee method that would permit that person to use the convenience center.

Commissioner Guice emphasized for the benefit of the public that these dollars are needed for the long-term management of solid waste in Transylvania County. The Board previously decided to continue landfilling rather than transfer the County's waste, and the cost between the two options was significant. The Manager added that the transfer station option also comes with risks that are out of the County's control, such as fuel cost inflation and fees charged by the outside facility.

In response to a question about how the County's fees compare to other counties, the Manager stated that the County ranks in the middle. Most counties do not have a bag sticker program and thus do not accept cash on site. They have either implemented a parcel fee or a combination thereof. Staff felt comfortable with the proposal to raise the tipping rate to \$62 without seeing a major impact on behavior. The minimum scale fee of \$5 is on the low end compared to other counties.

Chairman Chappell inquired about what the property tax increase would be if the County closed the convenience centers. The Manager stated that closing the convenience centers would necessitate a \$110 parcel fee or 2.2 cents tax increase to bridge the funding shortfall. Eliminating the convenience centers does not make up for the full shortfall, so an increase in the fee structure would be needed.

At the request of the Board, Chairman Chappell called for a 5-minute recess. The Board reconvened the meeting at 6:16 p.m.

Following the break, Chairman Chappell recapped the options before the Board which included those presented during the budget workshop and the new option offered by the Manager during this meeting.

While Commissioners were not completely happy with any of the options, they understood the need to plan to fund solid waste operations, prepare for the future cell, and continue providing services to the community that the public expects. Commissioners expressed support for the option that spreads the cost across the board. Therefore, the consensus of the Board was to support Option #1B. The Board understood they would need to reevaluate the structure annually to ensure its effectiveness. Staff will update the draft ordinance for the public hearing at the next meeting.

NEW BUSINESS

REPORT ON ACTUAL FINANCIAL ACTIVITY THROUGH Q3 FY 2021

Finance Director Jonathan Griffin presented this item. This information is organized by major funds. Some funds are not detailed in this narrative because their portion of the County's financial position would be considered immaterial.

General Fund Revenues

Ad valorem property tax collections through the end of March are healthy, with net collections approximately 97% of the budget. These figures differ slightly from the monthly collection reports the

Board has received from Tax Administration because they also take into account the collections of motor vehicle taxes transmitted to the County by NCDMV.

Local option sales taxes distributions received so far this year are approximately 19% over the prior year. Staff expects this will exceed revised budget figures because the summer month figures tend to reflect the tourism season. Staff believes the strength of these revenues is predominantly reflective of a shift in retail habits to significant online sales with delivery to Transylvania County.

The County received its first disbursement of Medicaid Hold Harmless for FY 2021 – a disbursement of \$954,000, significantly above the budgeted figure of \$637,500. Some organizations had advised counties to count on no payments of Medicaid Hold Harmless in FY 2021 during the pandemic, and that would have required a significant, unnecessary reduction in expenditures.

Occupancy taxes levied by the County at a rate of 5% of gross sales are at 98.8% of the budget. These are strictly pass-through for the County's general fund, recorded as revenues when collected and as expenses when "passed" on to the Tourism Development Authority. Hotel stays and short-term rentals are also subject to North Carolina's sales and use tax laws, so increased tourist stays will generate extra sales tax.

The Register of Deeds continues to generate significant revenues driven by real estate transactions, up 66% over the prior year and with revenues well over budget. Real property transfer taxes (the excise tax) is 128.1% of the budget as of March 31, 2021. A percentage of Register of Deeds' revenues is required to be remitted to the State of North Carolina general fund, necessitating an adjustment to the expense side of their budget.

The Office of the Sheriff generates revenues from issuing concealed carry permits, issuing documents on behalf of the courts or other law enforcement agencies, and housing inmates for other jurisdictions either pre-or post-trial. Revenues are significantly below the prior year and the long-term trend, driven by a low average daily population at the jail. Revenues from the State Misdemeanant Confinement Program are 28.4% of the budget (\$72,000 received out of an estimate of \$253,500) and inmate housing for other counties is at 11.2% (\$11,000 out of an estimate of \$100,000). Earlier in the fiscal year, revenues from increased SRO billings and civil process fees had covered this gap but the low jail population has widened this gap.

The EMS Department generates revenue on a fee-by-fee basis for each ambulance trip provided. These revenues are recorded as they come in, instead of being accrued as trips are provided because of significant uncertainty about if and when insurance companies will pay for claims made on behalf of citizens who needed ambulance services. FY 2020's decision to outsource EMS billing to a third party has generated significant positive results even in the event of lower average trips.

Other Public Safety revenue relates primarily to fees at the Animal Shelter and grant revenues to Emergency Management. At this point, the largest difference between the current year and the prior year is persistently low fees collected at the Animal Shelter and timing issues related to receipt of the Homeland Security Grant Program (HSGP) which was \$120,000 received in the 4th quarter.

Public Health and the Department of Social Services are both higher than the prior year at the equivalent period. This is attributable to intergovernmental revenue grants from the State of North Carolina, which is allocating revenues to and from the various CARES Act sources to reimburse the County for various expenditures.

New Adventure Learning Center's revenues are higher for two primary reasons in the current fiscal year – a market rate adjustment implemented in the current year, and some restricted operational grants passed through to eligible child care centers by NCDHHS.

Public Transportation's revenues are lower primarily in the third quarter compared to the prior year because this would be the timeframe when the State would normally begin paying out the ROAP program (Rural Operating Assistance Program) to offset the day-to-day costs of running a public transit system in a rural area. Given the changes in gas tax collections during the pandemic, the State suspended these payments out of the Highway Trust Fund.

Miscellaneous Revenues represent donations, smaller non-governmental grants, property and liability insurance settlements, and investment revenues. Three primary factors explain the variances between FY 2020 and FY 2021. The primary variance between the first quarters is that the County's revenues from the investment of idle funds have now approached zero over the first three quarters of FY 2021. There are not that many reasonable investment options available for idle funds for the County with the low-interest-rate environment. The secondary variance is that the County is seeing the bulk of the payments from insurance settlements for the hail damage to County buildings last year, and the total on those payments was almost \$300,000. Thirdly, the franchise and alcohol taxes have been strong this year but have three-month lag times, so there will be considerable revenues to come as they represent only two of four payments for FY 2021.

Expenditures by Function

County Administration, which consolidates the Board of Commissioners, Administration, Human Resources, Information Technology, Finance, and Central Services, is effectively on the budget for the remainder of the fiscal year. The primary difference between the third quarter of FY 2021 and the prior year is the land acquisition for the Gallimore Road park parcels which happened in this period last fiscal year.

The Board of Elections' expenditures are lower than the prior fiscal year as the prior year included more primary elections. This is generally expected and is highly cyclical.

The Register of Deeds' expense budget is 17% above the equivalent prior-year period, driven mostly by remittances of real estate taxes. These expenditures are set by statute and not under the Register of Deeds' direct control.

Public Facilities (Maintenance and Housekeeping) is 26% under budget, mostly driven by lag times imposed by the capital project freeze implemented early in April 2020. While the Board reauthorized projects in January, many are still in the design and scope phase and have not begun work.

The Office of the Sheriff's expenditures are 2% below the prior year, mostly driven by lapsed salaries due to vacant positions and lower operational expenses – some key elements of the patrol division such as vehicle fuel or the detention center like inmate food are close to only 50% of their annual budget. The capital outlay in the Sheriff's Office in the revised 2021 budget is not significantly below the 2020 budget, once mid-year vehicle additions driven by insurance payouts are accounted for.

Emergency Management (a consolidation of Emergency Management, Fire Marshal, Emergency Medical Services, the Animal Shelter, and 911 Communications) actual expenditures are lower than the third quarter of 2020 due primarily to the VHF radio system upgrade project wrapping up – where most of the \$1.2 million project's expenditures occurred in FY 2020, only the tail end of this project has occurred in FY 2021. Volunteer Fire Departments and Rescue Squad expenditures in the general fund are lower than

FY 2021 because of the issue with Balsam Grove's department falling out of compliance with the County's service contract and then refusing to sign the promissory note to allow the County to convert its annual appropriation into a forgivable loan for the duration.

Agriculture and Economic Development (a consolidation of Planning and Community Development, Cooperative Extension, Soil and Water Conservation and remittances to the Tourism Development Authority) is significantly above the prior year and is driven entirely by the payments made from the County's general fund to the Tourism Development Authority's accounts to record the distribution of occupancy taxes.

Public Health and Social Services have higher expenditures in the current year than in the prior year, almost entirely driven by COVID-19 related payments. Most of these expenditures are non-recurring, due to the nature of the pandemic pass-through monies.

New Adventure Learning Center, Public Transportation, Parks and Recreation, and the Transylvania County Library all saw lower operating expenditures related to lapsed salaries, closures, and restricted grants moving expenditures elsewhere in the County budget.

Juvenile Crime Prevention Council is up over the prior year because of an expanded level of base funding from the NC Department of Public Safety and timing from the prior year. In FY 2020, it took longer to authorize the annual projects so the payments in July and August were lower than they were in FY 2021.

Debt Service and Education's variances are also related to the timing of payments made and different classifications of payments. Particularly in Education, the lower amount paid out compared to FY 2020 is the change in method of funding capital projects for Transylvania County Schools. After two years of major project reimbursements (\$50,000 not being paid out until after Transylvania County Schools has paid invoices), it looks like there is lower spending, but these resources are committed to reimbursing Transylvania County Schools so it will end the year with a higher reflected spend.

Expenditures by Type

Generally, the proposed plan of expenditures in the original FY 2021 budget was to cut back on soft expenditures throughout the budget, while preserving the County's core investment in its staff and public education. Analyzing July 1, 2020 through March 31, 2021 expenditures show how that commitment has played out.

Personnel costs, contracted services, and operating expenses are all less than their budget, sometimes significantly below budget and the prior year.

Education expenses are up over the prior year, reflecting a difference between accounting methods and higher operating expenditures offsetting the more variable capital payments to Transylvania County Schools.

Other Human Service Programs are up due to the addition of a second grant to the Children's Center of Transylvania County from the NC Department of Public Safety (NCDPS). The County is required to act as a pass-through entity because of the small size and staffing of the Children's Center. Previously, they have only managed one \$60,000 NCDPS grant per year, but now have two, so these expenditures are comparatively higher.

By the third quarter, the following major statistics are representative of the General Fund's performance in terms of expenditures. Many major categories of General Fund spending are below the 75% benchmark you would expect after the third quarter of the fiscal year.

Overall, both revenues and expenditures are significantly higher through the end of the third quarter compared to the immediate prior fiscal year:

2020 Revenues through 3/31/2020	\$50,755,919
2021 Revenues through 3/31/2021	\$53,458,003
2020 Expenditures through 3/31/2020	\$42,626,134
2021 Expenditures through 3/31/2021	\$41,292,216
2020 Surplus/(Deficit) through 3/31/2020	\$8,129,785
2021 Surplus/(Deficit) through 3/31/2021	\$12,165,787

In many ways, these surpluses are to be expected in the General Fund because of how various aspects of governmental accounting rules and the Fiscal Control Act's impact on County finances. Even though it is reasonably expected that certain high-turnover positions will be vacant during the year, such as in Social Services or the Sheriff's Office, staff must still budget the full salary and benefits and collect appropriate revenues to offset that cost even if it does not occur (property tax and occupancy tax decisions can be made only once per year, sales tax decisions based on referendum results, etc.). Similarly, certain revenues collected for long-term capital planning purposes appear as revenues on financial statements but do not have an equivalent expense because the County has not adopted a formal capital improvement plan and that restricts how to account for how those expenditures will eventually occur.

When adjusting for factors such as transfers to other funds for Education Capital, current encumbrances, changes in long-term liabilities, the actual surplus in the General Fund is approximately \$244,717.

Other Major Financial Items Solid Waste Fund

Revenues from the Solid Waste Fund, which levies fees exclusively through the use of Solid Waste Facilities, lag the prior year slightly, by less than \$10,000 in actual realized revenue.

However, expenditures in the Solid Waste fund are significantly higher – with slight increases in personnel costs (FY 2020 had more vacant positions on average than FY 2021 has so far) and operating expenditures. Key pressure points in operating expenditures are the cost of disposing of leachate and engineering services to monitor the landfill for legal and environmental compliance.

Overall, as in prior reports, the operating revenues of Solid Waste, both by function (landfill facility versus convenience sites) and in the aggregate, are not covering the annual operating costs of the Transylvania County Solid Waste Department.

Fire District Special Revenue Fund(s)

The County operates eight distinct fire service districts to meet the need for fire protection services across both the incorporated and unincorporated areas of Transylvania County. For the current fiscal year and the prior fiscal year, at the Board's direction, County staff built a single rate across the eight districts. For FY 2021, this rate was set at \$0.06/\$100 valuation, and the expenditures were set at levels that most departments were split between the Fire District Funds and the General Fund.

Two primary factors are driving the difference between revenues and expenditures in the Fire District Funds. First, the rates are set in Sylvan Valley II and Lake Toxaway to build fund balance with revenues higher than expenditures, and, secondly, because no payments have been made to Balsam Grove Fire Department.

Self Insurance Fund

The County pays Blue Cross Blue Shield directly for health insurance claims filed on behalf of County employees and their families under the self-insurance model. Medical and pharmaceutical claims represent over 70% of the annual budget for the County's self-insurance plan. Rather than report on all of the ins and outs of this major component of the County's finances, the Finance Director reported on the most important variable cost – the medical/pharmaceutical claims that are paid out weekly to BCBS. Compared to FY 2020, the performance is significantly better, with \$2.7 million paid out over the prior fiscal year compared to only \$2.5 million in the current fiscal year. This gap of \$172,000 represents a 7% decrease in actual claims paid from the prior year.

Retiree Health Fund

The primary driver of expenditures in the Retiree Health Fund is similar to the Self Insurance Fund - claims paid to BCBS by the County on behalf of a very small pool of retirees. Last fiscal year, the resources of this fund were significantly stretched, but this year it is significantly lower.

This concluded the first third-quarter financial report. This item required no action by the Board.

REQUEST FOR SUBMISSION OF COMPREHENSIVE OPIOID, STIMULANT, AND SUBSTANCE ABUSE PROGRAM (COSSAP) GRANT APPLICATION BY TRANSYLVANIA COUNTY PUBLIC HEALTH & TRANSYLVANIA COUNTY SHERIFF'S OFFICE

Public Health Director Elaine Russell presented this agenda item. The C.A.R.E. Coalition is a valuable partnership comprised of diverse community representatives that have contributed to environmental, policy, and systems changes to prevent, address, and reduce substance misuse in the community. In the past few months, C.A.R.E. has completed a thorough gap/needs assessment and led a strategic planning process with community partners to improve treatment and recovery systems for substance use disorder. This work was made possible through the federal RCORP grant. Establishing therapeutic and reentry support services in the Transylvania County detention center emerged as a top priority from the planning work of the RCORP grant.

The COSSAP grant is the next opportunity in this federal support chain. The COSSAP grant will allow the coalition, Sheriff's Office, and Public Health to place a mental health clinician and care coordinator in the detention center. Providing these services to the detainees will better equip them with tools to be stable, healthy, and productive community members upon release, by linking them to care, resources, and services that support successful reentry and decrease criminogenic risk factors. The anticipated, measurable outcomes of this project are: 1) increased "nesting" in treatment or rehabilitation programs, 2) decreased internal conflict among detainees, and 3) reduced recidivism. To implement the grant, two full-time employees would be required to fill the positions of mental health clinician and care coordinator. These positions would be entirely federally grant-funded (\$600,000) for 36 months and administratively supported by C.A.R.E., Public Health, and the Sheriff's Office. No local financial match is required. Staff is exploring future funding opportunities through the Dogwood Health Trust. They are impressed with the work that the C.A.R.E. Coalition is doing. Ms. Russell sought permission from the Board to submit the grant application.

Chairman Chappell noted that with any position-adding grant that comes before the Board, there is no guarantee the position will continue in the future when the grant funding is no longer available.

Commissioner Guice commended Ms. Russell and the C.A.R.E. Coalition for their tremendous work. He reminded the public that Transylvania County was one of 10 communities in the State of North Carolina selected to participate in the opioid response which has been successful thus far at obtaining grant funds for efforts such as this. Commissioner Guice felt strongly that these dollars will help address reentry from incarceration because many times those folks do not have the resources or support they need to make it in society, many times resulting in their reincarceration.

Commissioner Guice moved to approve the submission of the federal COSSAP grant with the two FTE to leverage outside federal grant money to fulfill community needs and implement one of the priority recommendations of C.A.R.E.'s strategic plan that enhances treatment and recovery in Transylvania County, seconded by Chairman Chappell and unanimously approved.

FIRE DEPARTMENT CONTRACT REVISION

Assistant County Manager David McNeill presented this item. He reported that the highest number of revisions to the fire department contracts occurred in 2012. Since then, the Board has approved policy and procedural changes that should be included in a new contract. One of the most significant changes was related to the audit requirements in which the County would contract with a firm to conduct uniform audit services for each fire and rescue department. The County Attorney recommended other language changes to reflect current procedures and standard contract clauses. Staff sought input from the fire and rescue departments during the contract revision process but received none. Mr. McNeill asked the Board to approve the revised contract or direct staff otherwise.

Commissioner McCall moved to approve the revised contract for fire service as presented by Mr. McNeill, seconded by Chairman Chappell, and unanimously approved.

REGISTER OF DEEDS PASSPORT PROGRAM

Register of Deeds Cindy Ownbey presented this item to the Board. During the FY 22 budget process, she expressed interest in providing passport agency services through the Register of Deeds Office. This service has not yet been included in the FY 22 Budget Ordinance but could be amended upon approval from the Board. There are currently no passport agency services in Transylvania County, and this would enhance service to citizens.

Ms. Ownbey's due diligence found that potential revenues in the first year alone would cover the cost of providing this service. She reported that Rowan County nets \$58,300 annually. The County is required to have the staffing in place before making an application to the State. The cost of adding a part-time employee is estimated at \$20,000 annually. Following approval from the State, the Register of Deeds would order the starter kit at \$1,000. In addition, she recommended relocating the public computers to the records room, freeing up that office to serve as the passport agency. Ms. Ownbey noted the position cannot provide vital records services and passport services, hence the need to house it separately; however, the person can be cross-trained to perform other duties if needed.

Commissioner Chapman moved to authorize the addition of the part-time position in the Register of Deeds, to submit the application for passport agency, to provide the necessary upfront costs, and to amend the FY 22 Budget Ordinance, seconded by Commissioner Dalton and unanimously approved.

MANAGER'S REPORT

The Manager reported the following:

- Reminder: Board of Commissioners' regular meeting on June 28 was rescheduled to June 21 at 6 pm and will include the second public hearing on the budget
- June 14 is Flag Day which commemorates the adoption of the flag the United States on June 14, 1777

Next, the Manager updated the Board on the ongoing discussions regarding the need for a second courtroom.

Background

- In 2014, Commissioners relocated to the new Administration Building and stopped using the Courthouse for their meetings
 - For security and liability purposes, the Courthouse was used for only court functions
- In 2019, staff began discussions with court officials about a second courtroom
 - Court staff indicated certain requirements for operating a second courtroom
 - Their needs disqualified sites such as the American Legion and Masonic Lodge from consideration
- County Commissioners are responsible for providing court space, including security through the Sheriff's Office

New Information

- Court staff have confirmed that a second courtroom offsite does not have to be for their exclusive use
 - Staff have reengaged the American Legion and Masonic Lodge and added Rosman Town Hall as an option
 - Space required for dockets of 3-40
- The Board of Election and Elections staff have expressed concern about the use of their facility as a second courtroom and how that would impact their essential functions
 - The impact of holding court two days/week at the Elections Center is broad with ripple effects throughout County government
 - Essential services (Tax Administration, Register of Deeds, Administrative functions, Health and Human Services, Library) would be strained due to parking issues created by using the facility for court functions
- If Commissioners are comfortable with using a facility that does not require exclusive use by the courts, staff can explore other sites where there would be less impact on parking and government services
 - Masonic Lodge, American Legion, Grace Community Church, and Rosman Town Hall have availability
 - The next step is for staff to consult with court officials to gather input on these sites
- Funding from the courthouse assigned fund balance would be used to offset any rental costs and costs to ensure the security of the facility while in use by the courts
- The Manager intends to have options for the Board's consideration at the next meeting

PUBLIC COMMENT

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

Ralph Frady: Mr. Frady was concerned about people throwing trash in the Davidson River due to the increased costs of disposing waste at the convenience centers and landfill. He also accused the Board and County employees of not being affected by the tax increase and of making hasty decisions. Mr. Frady

also noted that he authored a book about his past mistreatment that was mentioned during the first public comment period, but it is currently unpublished.

Karla Marr: Ms. Marr apologized if she offended anyone with her earlier comments. She said she was amazed and thankful at the work the Board and staff did during this meeting and the preparation that went into it. However, she said it does not change the fact that the Board has delayed a decision on appropriately funding Solid Waste for 20 years which she equated to mismanagement. Ms. Marr pointed out that no one discussed the possibility of going back to strictly scale sales.

Kristi Brown: Ms. Brown is the Clerk of Superior Court. She informed the Board that the Rosman Town Hall option would not be acceptable for use as a second courtroom due to its distance from the Courthouse and the difficulty in moving files easily between locations. She urged the Board to consider the use of the Elections Center conference room. They have used the facility before, and it served them well. Court officials do not intend to interrupt local government services or add costs by renting a facility. She pointed out that parking will be an issue no matter where the court is held.

COMMISSIONERS' COMMENTS

Commissioner Guice stated that the personal attacks levied on him by Mr. Frady during public comment about his imprisonment were unfounded and he disputed them. He offered to have conversations with him or anyone concerning his management style or about decisions he has made in the past.

Commissioner Guice also addressed the accusations that the Board has been “kicking the can down the road” in terms of funding Solid Waste operations. He emphasized that the Board has been very transparent and honest with the public over the years about the shortfall and the Board’s decision to fund the gap by using fund balance.

Commissioner Chapman echoed Commissioner Guice’s comments that there has been no mismanagement of Solid Waste operations. That does not dispute the fact that there is a budget shortfall that the Board must address. He trusted staff to bring forth their best recommendations to the Board.

Commissioner Chapman thanked the County staff who provided support for the Memorial Day ceremony. It was well-attended. He thanked the Manager for referencing Flag Day in her Manager's Report. The American Legion hosted a ceremony conducted by the Marine Corps JROTC this morning honoring this day. He also wished the US Army a happy 246th birthday and thanked all those who served.

Commissioner Dalton thanked County staff and Commissioners for the lengthy deliberations this evening, noting that while each Commissioner might not agree, their voices are heard and for that he was appreciative.

Commissioner McCall thanked Commissioners and County staff for the work they put into tackling issues. She did not feel it was appropriate for citizens to attack staff when those staff are acting on directives by the Board.

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

CLOSED SESSION

Per N.C.G.S. § 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, a closed session was entered into at 7:43 p.m. Present were Chairman Chappell, Commissioners Chapman, Dalton, Guice and McCall, County Manager Jaime Laughter, Transylvania Economic Alliance Executive Director Josh Hallingse, County Attorney Julie Hooten, Attorney Susan Cooper with Womble Bond Dickson, and Clerk to the Board Trisha Hogan.

The Board of Commissioners received information on potential economic development projects and directed staff and legal counsel on how to proceed.

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 sessions until such time that opening the minutes does not frustrate the purpose of the closed session, seconded by Commissioner Guice, 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 McCall and unanimously approved.**

Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board