

**MACON COUNTY BOARD OF COMMISSIONERS**  
**JUNE 11, 2019**  
**MINUTES**

Chairman Tate called the meeting to order at 6:00 p.m. and welcomed those in attendance. All Board Members, the County Manager, Deputy Clerk, Finance Director, County Attorney, members of the news media and interested citizens were present.

**ANNOUNCEMENTS:** Chairman Tate said that he had received an email from Town of Highlands Commissioner Eric Pearson just prior to the meeting, who informed him that with regard to the proposed tax increase for the Highlands Fire Department to fund a land purchase and a new fire station, a purchase agreement was ready but there was no fully executed contract for the property yet.

**MOMENT OF SILENCE:** Chairman Tate asked those in attendance to stand and observe a moment of silence.

**PLEDGE TO THE FLAG:** Led by County Attorney Chester Jones, the pledge to the flag was recited.

**PUBLIC HEARING ON THE RECOMMENDED FISCAL YEAR 2019-20 BUDGET:** Chairman Tate called the public hearing on the recommended Fiscal Year 2019-20 budget to order at 6:04 p.m. **Lenny Jordan**, a member of the Macon County Library Board of Trustees, asked the commissioners to consider “a very modest increase” of \$40,000 for the library. He said that a letter had been sent to the County Manager outlining the need for the request, which includes funding for additional costs for existing personnel and an increase in the materials budget. In asking for the approximately 4 percent increase in the library budget, Mr. Jordan told the board that visits to the library totaled close to 200,000 last year. **Narelle Kirkland** shared memories of attending board meetings as far back as 2002 and urged the board to not “go overboard” with any proposed tax increase. **John deVille** pointed out that the County Manager had benchmarked the county’s school system against others in the region, and said he would like to see all county departments benchmarked against others next year. He asked the board to consider a resolution asking the state for restoration of school funding to the 2008 level. **Molly Phillips** told the board

that in terms of “adequate funding” for the county’s school system, “We should be more than that.” She said that “a bunch of parents support this tax increase” and that they “stand behind you.” **Nancy Scott** said she was an elderly person speaking in favor of public education, and echoed Mrs. Phillips in saying that “adequate is not enough.” She told the board we need to strive for more and suggested it might be time to stop bragging about a low tax rate. Chairman Tate then invited the County Manager to present his updated budget recommendation, as instructed by the board at the June 3<sup>rd</sup> continued session. The County Manager addressed the level of commitment to school funding by the commissioners in past budget cycles, and provided a recap of how an additional \$310,000 in funding for the school system would be spent. He noted that at the June 3<sup>rd</sup> meeting, new capital costs had arisen that could no longer be avoided, along with discussion of expansion of the STEM (Science, Technology, Engineering and Mathematics) Program by adding two new teaching positions. In light of this, he presented the board with a new option, which leaves capital funding for the system flat and adds \$105,000 for the two new STEM positions, bringing the increase to the school system to \$415,000. In order to have the revenue to support that increase, he said the tax rate would need to go from the proposed level of 36.94 cents per \$100 of property valuation to 37.47 cents, which will yield \$419,000, with the extra dollars to be moved to the contingency line item. Chairman Tate, as a point of clarification, asked if the two tax increases requested by volunteer fire departments had been included in the budget, the County Manager stated that they had. Commissioner Shields made a motion to accept the County Manager’s recommendations, and it was seconded by Commissioner Beale, and Chairman Tate opened the floor for discussion. Commissioner Higdon asked if the proposed tax increase needed to be publicly advertised, and the County Manager said the board could consider and adopt the budget at this meeting. Commissioner Higdon stated that the board gave the County Manager the goal of a revenue neutral budget in a property revaluation year, but said “every year at the last moment we do the same thing” by amending the proposed budget to increase funding for schools. He said that while he is “not picking on education,” he stated, “I can’t support a 2.5 mill tax increase when we charged you to present a revenue neutral budget.” Chairman Tate closed the public hearing at 6:47 p.m.

**BUDGET DISCUSSION:** Dr. Chris Baldwin, the superintendent of Macon County Schools, expressed that he was “grateful” for the additional funding, stating that this would be the first time in seven years that the school system would have the opportunity to expand. Jennifer Love, the STEM Coordinator for the school system, told the board it was “very hard not to jump up and down” at the thought of having two new STEM teachers and that her mind was “swirling with opportunities.” Commissioner Beale, one of the board’s two liaisons to the school system, noted there have been some “lean years” recently

and predicted that it will come back to the county commissioners “to keep our schools viable.” Tommy Jenkins, the county’s Economic Development Coordinator, said that the STEM Program is essential to workforce development. Commissioner Gillespie said the county is very fortunate to have the County Manager and Finance Department we have, and that he sent a list of priorities to the County Manager back in April and “all of them are not in here.” While he doesn’t want a tax increase, he said, “but that’s how things are funded,” adding that we must educate our children to compete globally. Chairman Tate, noting that he is in his eighth year as a commissioner, said the county has not had an increase in the ad valorem tax rate in that time, even as costs go up every year. And while he commended county staff, he said there is no incentive for county department heads to come in under budget like there would be in the private sector. He said he and the County Manager have discussed some ideas on how to incentivize county employees. The County Manager was asked to state for the record the new budget number, which is \$53,253,502, along with a total of \$4,227,042 for all of the volunteer fire department budgets. The board then voted 4-1, with Commissioner Higdon opposing, to approve the budget for Fiscal Year 2019-20 as amended.

**PUBLIC COMMENT PERIOD:** No one signed up to speak.

**BUDGET ORDINANCE:** During the board’s discussion regarding approval of the agenda, the County Attorney pointed out that the board specifically needed to adopt the Budget Ordinance for Fiscal Year 2019-2020. Upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted unanimously to approve the budget ordinance as presented, a copy of which is attached (Attachment 1) and is hereby made a part of these minutes.

**ADDITIONS, ADJUSTMENTS TO AND APPROVAL OF THE AGENDA:** Upon a motion by Commissioner Shields, seconded by Commissioner Beale, the board voted unanimously to approve the agenda as adjusted, as follows:

- To add a presentation on an opportunity for grant funding for Macon County Transit as Item 9B under Reports/Presentations, per the County Manager.
- To add consideration of Change Order Number One on the South Macon Elementary School project as Item 11G under New Business, per the County Manager.
- To add discussion of the liaison committee recommendation regarding improvements to Macon Middle School as Item 11H under New Business, per Commissioner Beale.

**US FOREST SERVICE PROJECTS AND ACTIVITIES:** Mike Wilkins, the District Ranger for the Nantahala National Forest, gave the board an update on U.S. Forest Service activity in the region. He reported that work is ongoing on a

national forest plan, which should come out in draft form in late summer and will feature four alternatives. He said it would be important for the county "to tell us what your needs are." He then reviewed a list of highlights that covered everything from clean up from last December's ice storm to timber sales to parking lot improvements at trails and waterfalls. He also noted that his agency works with eight different volunteer groups to help maintain hiking trails. He expressed his thanks to the county commissioners and staff for the support he had received. As Mr. Wilkins is soon retiring after nearly 30 years of service to the U.S. Forest Service in Macon County, Chairman Tate asked Commissioner Beale to present Mr. Wilkins with small gifts of appreciation on behalf of the county. Commissioner Beale described Mr. Wilkins as "a truly dedicated public servant."

**TRANSIT DEPARTMENT GRANT FUNDING:** Macon County Transit Director Kim Angel made the board aware of a grant opportunity that would allow the department to expand its facilities on Pannell Lane. The county is in a position to apply for federal money that will come through the state, she explained, adding that she is anticipating asking for \$418,560, of which the county would need to match as much as 20 percent. The County Manager said that expansion of the Transit facility is in the county's Capital Improvement Program (CIP). Ms. Angel said the money is not required at this point but that she does need a letter of support that would essentially commit the county for a match of up to 20 percent, or \$83,712, should the application be approved. Asked for his recommendation, the County Manager noted that this would help fund a needed capital improvement for "10 to 20 cents on the dollar. That's a win." Ms. Angel said that if the application is not approved, the county has nothing in it but a letter. Following further discussion, and upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted to authorize the County Manager to write a letter of support for the application pledging a matching amount of up to 20 percent, and if the application is approved, the matching funds of \$83,712 would come from the general fund fund balance. The board voted unanimously to approve the motion.

**INTERLOCAL AGREEMENT WITH SOUTHWESTERN COMMUNITY COLLEGE:** The County Attorney informed the board that he had prepared an interlocal agreement with Southwestern Community College (SCC) regarding the planned repaving of the parking lot at the Jerry Sutton Public Safety Training Center. He explained that the project's total cost was expected to be \$51,160, and the county has more than \$46,000 in its contingency line item to apply toward that, with SCC and not the county to be responsible for the balance. The discussion then turned to paving options and the cost of those. As questions arose about the actual cost, Chairman Tate suggested that an exact amount be determined.

Chairman Tate declared a recess at 7:35 p.m.

Chairman Tate called the meeting back to order at 7:46 p.m.

It was determined that \$46,365 remains in the county's contingency line item, leaving a difference of \$3,795, again for which SCC would be responsible. Following additional discussion, Commissioner Beale suggested that the board members "approve what we have in front of us," and revisit the matter later if needed, with the County Attorney noting that SCC could request an amendment to the agreement. Upon a motion by Commissioner Gillespie, seconded by Commissioner Shields, the board voted unanimously to approve the Interlocal Government Agreement as presented, a copy of which is attached (Attachment 2) and is hereby made a part of these minutes. It was understood that the County Manager would contact SCC officials following the meeting to determine if the college had the remainder of the project funds available.

**RESOLUTION AND LEASE AGREEMENT WITH AG1, LLC:** Economic Development Director Tommy Jenkins presented a proposed lease agreement with AG1, LLC, known locally as Appalachian Growers, for space in the county's Business Development Center. Founded in 2017, Mr. Jenkins said the company has an industrial hemp program where the plants are grown to produce CBD oil for distribution. He said the company is looking to lease 900 square feet of space at \$240 per month to produce, package and distribute their product. Lori Lacy, one of the two owners of AG1, then spoke of the company's efforts to not only produce the product but to educate potential consumers on its use. Commissioner Beale noted that a goal of the North Carolina Association of County Commissioners was essentially to get the hemp industry to replace tobacco, and told the group that he uses CBD oil every day. This was followed by further discussion between the board members and Ms. Lacy. Upon a motion by Commissioner Gillespie, seconded by Commissioner Beale, the board voted unanimously to approve a "Resolution of the Macon County Board of County Commissioners Declaring Property to be Surplus and Approving a One Year Lease of the Same by Macon County to AG1, LLC," a copy of which is attached (Attachment 3) and is hereby made a part of these minutes, along with a copy of the accompanying lease agreement (Attachment 4). Ms. Lacy was prepared to provide complimentary bottles of the CBD oil to the board members and staff, but the County Attorney reminded the board members that they could not accept the gift.

**HIGHLANDS CASHIERS HEALTH FOUNDATION GRANT:** Emergency Management Director Warren Cabe told the board that he was seeking permission to apply for a \$195,000 grant from the Highlands Cashiers Health Foundation to fund a number of items, including two cardiac monitors valued at \$40,000 each, along with a power lift stretcher and a CPR system to improve

cardiac arrest survival rates. He said no match is required. Upon a motion by Commissioner Gillespie, seconded by Commissioner Beale, the board voted unanimously to approve his request to apply.

**LEASES OF CLINIC SPACE AT MACON COUNTY PUBLIC HEALTH:**

Following comments from the County Attorney and brief discussion among the board members, upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted unanimously to approve the following items regarding the lease of clinic space at Macon County Public Health by one motion:

- “Resolution of the Macon County Board of County Commissioners Declaring Property to be Surplus and Approving a One Year Lease of the Same by Macon County to Community Care Clinic of Franklin, Inc., a North Carolina non-profit corporation. (Attachment 5).
- The Lease Agreement with Community Care Clinic of Franklin, Inc. (Attachment 6).
- “Resolution of the Macon County Board of County Commissioners Declaring Property to be Surplus and Approving a One Year Lease of the Same by Macon County to Community Care Clinic of Highlands-Cashiers, Inc., a North Carolina non-profit corporation. (Attachment 7).
- The Lease Agreement with Community Care Clinic of Highlands-Cashiers, Inc. (Attachment 8).
- “Resolution of the Macon County Board of County Commissioners Declaring Property to be Surplus and Approving a One Year Lease of the Same by Macon County by North Carolina Community Care Networks, Inc., a North Carolina non-profit corporation. (Attachment 9).
- The Lease Agreement with North Carolina Community Care Networks, Inc. (Attachment 10).

**FIREWORKS PERMITS:** Upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted unanimously to approve requests for fireworks permits from (1) Nantahala Volunteer Fire and Rescue for a display to be held on Nantahala Lake on June 29, 2019 and (2) the Franklin Area Chamber of Commerce for a display to be held at the Macon County Veterans Memorial Park on July 4, 2019.

**TOURISM DEVELOPMENT COMMISSIONS:** The County Attorney provided the board with an overview of the action that needed to be taken with regard to updating certain documents related to the county’s tourism development commissions, or TDCs. He explained that this was brought about by the policy of Airbnb, which lists rental properties online and collects the occupancy tax from those rentals. However, he pointed out that Airbnb sends the county a check for the tax without identifying the properties, their locations or the owners. Attempts to resolve this issue with Airbnb were not successful. A

formula to disburse the receipts from the Airbnb rentals will be as follows: Highlands 71.04 percent, Nantahala 6.22 percent and Franklin 22.7 percent. Based on this information, the County Attorney had prepared a "Resolution Amending in Part the Resolution Creating the Franklin-Nantahala Area and the Highlands Area Tourism and Development Commissions," and upon a motion by Commissioner Higdon, seconded by Commissioner Gillespie, the board voted unanimously to approve that resolution as presented, a copy of which is attached (Attachment 11) and is hereby made a part of these minutes. In addition, the County Attorney pointed out the need to attend the bylaws for both commissions. Upon a motion by Commissioner Higdon, seconded by Commissioner Gillespie, the board voted unanimously to approve (1) a "Resolution Amending in Part the Bylaws for the Franklin-Nantahala Area Tourism and Development Commission" and (2) a "Resolution Amending in Part the Bylaws for the Highlands Area Tourism and Development Commission," copies of which are attached (Attachments 12 and 13, respectively) and are hereby made a part of these minutes. In conclusion, the County Attorney explained the need for amended service contracts for both commissions, and upon a motion by Commissioner Higdon, seconded by Commissioner Gillespie, the board voted unanimously to approve service contracts with the Franklin Area Chamber of Commerce and the Highlands Area Chamber of Commerce, copies of which are attached (Attachments 14 and 15, respectively) and are hereby made a part of these minutes.

**AMENDMENT TO PERSONNEL POLICY:** Human Resources Director and Deputy Clerk Mike Decker requested an amendment to the county's personnel policy that would require an employee to have 30 years of service and retire with Macon County in order to be eligible for the health insurance benefit listed in Article VI, Section 2 of the personnel policy. This recommendation came from the county's Insurance Committee, and would become effective for all new hires entering county service on or after July 1, 2019. Following additional comments from the County Manager as to the reason and need for this change, upon a motion by Commissioner Higdon, seconded by Commissioner Shields, the board voted to approve the request as presented.

**CHANGE ORDER FOR SOUTH MACON ELEMENTARY SCHOOL PROJECT:** Upon a motion by Commissioner Beale, seconded by Commissioner Shields, the board voted unanimously to approve Change Order Number 01 from Brantley Construction Services, LLC for the Additions to South Macon Elementary School project in the amount of \$24,076.61, with the money to come from the project's contingency fund. A copy of the change order is attached (Attachment 16) and is hereby made a part of these minutes.

**RECOMMENDATION REGARDING MACON MIDDLE SCHOOL:** Commissioner Beale shared with the board that a preliminary estimate for the

cost of renovations to Macon Middle School was approximately \$15 million. He asked that the board authorize the County Manager to send out a Request for Qualifications (RFQ) for architectural services in order to help “get a true cost.” Commissioner Beale made a motion to the effect, and it was seconded by Commissioner Shields. Following discussion regarding setting a budget for this project, with the understanding that \$15 million is not feasible, the board voted unanimously to approve the motion.

**CONSENT AGENDA:** Upon a motion by Commissioner Shields, seconded by Commissioner Beale, the board voted unanimously to approve the following items on the Consent Agenda: (1) a Grant Project Ordinance for the 2019 Urgent Repair Program in the amount of \$100,000; (2) a Grant Project Ordinance for the Weatherization Assistance Program FY 2020 in the amount of \$191,644; (3) a Grant Project Ordinance Amendment for the Weatherization Assistance Program FY 2019 in the amount of \$155,868; (4) the Ordinance Amending the Fiscal Year 2018-19 budget; (5) a Capital Project Ordinance Amendment for School Technology in the amount of \$300,000 and (6) a Capital Project Ordinance for the dog park in the amount of \$111,457. Copies of each document are attached. Also approved were tax releases for April of 2019 in the amount of \$39.06.

**ADJOURN:** With no other business, at 8:40 p.m., upon a motion by Commissioner Higdon, seconded by Commissioner Shields, the board voted unanimously to adjourn.

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Derek Roland  
Ex Officio Clerk to the Board

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Jim Tate  
Board Chairman