

**MINUTES OF A
WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 17, 2014**

The Jackson County Board of Commissioners met in a Work Session on February 17, 2014, 2:00 p.m., Justice & Administration Building, Room A227, 401 Grindstaff Cove Rd., Sylva, North Carolina.

Present: Jack Debnam, Chairman
Doug Cody, Vice Chair
Charles Elders, Commissioner
Mark Jones, Commissioner
Vicki Greene, Commissioner

Chuck Wooten, County Manager
Pat Parris, Clerk to Board
J. K. Coward, Jr., County Attorney

Chairman Debnam called the work session to order.

(1) **MENTAL HEALTH CONSOLIDATION UPDATE**: Shelly Foreman, Sr. Director, Planning & Public Affairs, Smoky Mountain Center, reported the following:

(a) **The Concept:**

- Consistent with Governor McCrory's "Partnership for a Healthy North Carolina," CenterPoint Human Services, Partners Behavioral Health Management and Smoky Mountain Center formed the Western Regional Partnership.
- From this partnership, it is anticipated that an eventual "new entity" will emerge which will build from the current, strong operations of the three organizations. Corporate form, governance, location, leadership and staffing decisions are all real and challenging considerations that will be addressed at the appropriate time. Presently, all options for those key decision points are considered "on the table."
- The three LME-MCOs see the work of this partnership occurring as part of two separate, but related, efforts. These efforts are occurring as part of two separate, but related, efforts. These efforts are occurring simultaneously, but have different degrees of complexity and pace.

(b) **Operational Effort:**

- The Western Regional Partnership is identifying opportunities for
 - administrative efficiencies,
 - standardization, and
 - sustainability and strengthening of local connections
- Functional workgroups consisting of representatives from the three LME-MCOs are building on the statewide standardization effort. Through a process of discovery, analysis and recommendations, the workgroups are developing strategies to be shared and implemented concurrently in each of the three LME-MCOs.
- Ultimately, these strategies will contribute to an improved, streamlined and strengthened integrated healthcare system in North Carolina.

(c) **Organizational Effort:**

- This effort encompasses the exploration of a combined and enhanced regional LME-MCO. While there is currently no specific timeframe for MCO merger, this exploration is consistent with the continuation of Medicaid reform as proposed by the Governor, as well as the goals of Comprehensive care provided through an accountable and efficient system.

- A regional LME-MCO will incorporate
 - person centered care,
 - the integration of “specialty care” with health related care, and
 - a continued commitment to local systems of care and ongoing relationships with valued community partners.

The Western Regional Partnership is committed to a transparent process with the goal of meeting the expectations for a bold framework of outcome focused, person centered, comprehensive care provided in a culture committed to excellent customer service. She also presented a financial report and a list of the current Board of Directors. .

(2) **WHITTIER FACILITY**: Lynn Sprague, Executive Director, RC& D Council, stated that as discussed several months ago, a team has been looking at the abandoned Drexel Plant in Whittier as a possible site for the Smoky Mountain Agriculture Development Station. The Commissioners gave the go ahead for the RC&D Council to lead a Steering Committee and outline a plan within a year. The Steering Committee has been pleased with the response and has even been called by possible funders to make the Ag Development Station a reality. The next workshop will include the following topics:

- A more accurate description of the site
- Identify the Steering Committee and the many advisors
- Describe the proposed multi-use of the site
- Present what has been accomplished
- Define the goals/desires/next steps
- Present the current funding options

The main concern is the interest of several major funders happened much quicker than expected. The Committee would like to pursue these opportunities, but needs a commitment from the Commissioners to proceed and develop the Drexel Plant into the Smoky Mountain Agriculture Development Center.

Consensus: *Continue with the planning and grant efforts, made a request for a business plan versa a list of goals.*

(3) **PERSONNEL POLICY**: Danielle Wittekind, Human Resources Director, presented the following proposed revisions to Articles I and II:

(a) **ARTICLE I:**

Section 1. (revise last paragraph to read as follows):

With the adoption of the Human Resources Manual, the Board of Commissioners is making a good faith effort to comply with all applicable state and federal laws and regulations. While adoption of these policies culminates a comprehensive review and update of the County’s personnel policies, it is understood that these policies are not a complete and exhaustive set of policies or procedures that govern employment with the County and cannot cover every possible situation that may arise. There may be amendments to Human Resources Manual over time. As policies are amended and adopted, employees will be notified of any changes. The most current version of the Human Resources Manual can be found on the County’s website and a copy will be posted in each department.

(b) ARTICLE II:

Section 2. revise paragraphs C1 and C3:

1. *Employees governed by the State Personnel Act shall be subject to all articles except Article II, IV, and VIII.*
3. *Employees of the Board of Elections shall be subject to all articles except Articles IV, VIII, and IX.*

Section 3. revise definition of Immediate Family Member:

Immediate Family Member. Unless otherwise stated, immediate family is defined as spouse,

child, mother, father, sibling, grandparent or grandchild.

Section 5. revise responsibility of the Board of Commissioners:

The Board of Commissioners shall establish personnel policies, rules, and procedures, including the classification and pay plan, and shall make and confirm all department head appointments.

Consensus: *Continue reviewing additional Articles in future work sessions.*

(4) COMPREHENSIVE TRANSPORTATION PLAN – NEXT STEP: Gerald Green, Planning Director, stated the County's Comprehensive Transportation Plan (CTP) provides a comprehensive review and analysis of all transportation needs in the county. All modes of transportation are addressed in the plan – vehicular, bike, pedestrian, transit, rail, and airport. The plan reviews and acknowledges the relationship between land use and transportation, making recommendations for transportation improvements based upon the anticipated growth of the county. Future transportation needs required to support projected development are identified in the CTP. Needs and projects identified in the CTP are placed on NCDOT project priority list which are ranked for funding. Identification of projects in the CTP is required for the projects to be included in the State Transportation Improvement Plan (STIP). NCDOT relies on the CTP to identify transportation needs as it provides for local input into the identification of needed improvements. It is time for updating the 2010 Jackson County CTP with NCDOT mandating that the updated CTP be adopted by the end of the calendar year. The CTP is produced by the county using the NCDOT plan format and process. Minimal assistance, primarily oversight, is provided by NCDOT in the preparation of the CTP. Projects currently on the NCDOT project priority list are:

- NC 107 Connector from NC 107 east of Sylva to west of Cope Creek – new road
- NC 107 Connector from west of Cope Creek to US 23/74 east of Sylva – new road
- US 19 from Hughes Branch Road (Bryson City) to US 441N in Cherokee – upgrade
- US 64 from NC 107 to Lance Road – replace 2-lane road with 3-lane road, construct roundabout at intersection of US 64 and NC 107
- US 441 from US 74 to US 19 – convert 5-lane to boulevard with bike lanes and sidewalks
- US 74 from exit 74 to Piney Mtn, Road – construct directional medians, U-turn bulbouts, and replace median islands with concrete median barrier
- NC 107 from US 23 Business to NC 116 – Upgrade to boulevard with median, improve intersections, and construct access management improvements
- US 74 at US 23 Business – construct westbound ramp
- US 23 Business from Hospital Road to NC 107 – widen to 4-lane divided boulevard
- Old Settlement Road from NC 107 to NC 116 – widen to minimum 22'
- US 441 at NC 116 – convert existing intersection to interchange
- US 19 from Rough Branch Road to Blue Ridge Parkway – widen to 20' with 4' paved shoulders

- NC 107 from NC 281 to end of climbing lane at Blue Ridge School – widen to 24’ with 5’ paved shoulders
 - Cullowhee Mountain Road from NC 107 to intersection with Tilley Creek Road – Construct 24’ roadway with 5’ paved shoulders for bike lanes and 3’ grass shoulders
 - NC 107 from Old Cullowhee Road to NC 281 – Modernize roadway
- (a) NCDOT requires that a county have a comprehensive plan no more than 5 years old as a pre-requisite for adopting its CTP. The County’s current comprehensive plan was adopted in 2006, meaning that a new comprehensive plan must be prepared and adopted prior to the adoption of the CTP. NCDOT does not provide assistance with preparation of comprehensive plan, leaving this task to the county. A comprehensive plan takes a holistic look at factors affecting development in Jackson County, including:
- Land use
 - Demographics
 - Housing
 - Infrastructure/utilities
 - Economic development
 - Education/schools
- (b) Preparation of the comprehensive plan will require the dedication of resources and time, as well as the involvement of representatives of the community. Among the elements of the comprehensive planning process are:
- Appointment of steering committee to guide the preparation
 - Community involvement and input
 - Coordination among staff in plan preparation
- (c) Different approaches or options can be used in the preparation of a comprehensive plan. These include:
- Preparation by Planning Department staff
 - Low cost
 - Limited staff and resources
 - Other priorities (Cullowhee planning effort, ordinance revisions, etc.)
 - Would need to rearrange priorities
 - Preparation by consultant
 - High cost (\$100,000 - \$150,000)
 - Defined schedule and quality
 - Assistance from state agencies
 - Combination of these approaches
- (d) The schedule mandated by NCDOT requires that both the comprehensive plan and the CTP must be adopted by end of year. In order to meet this schedule the Planning Department has taken initial steps:
- Began collecting information and preparing maps for the Comprehensive Plan
 - Meeting soon with DCA staff to discuss their assistance
 - Obtaining cost estimates from consultants for preparation of a plan
 - Goal is to have a Comprehensive Plan adopted first, followed by adoption of a CTP by December
- (e) In order to proceed with the preparation of the comprehensive plan and the CTP, direction is needed from the Board of Commissioners. The following items should be addressed by the Board:
- Approach for preparation of plan
 - Identify project priorities
 - Appointment of steering/advisory committee
 - Identification of issues and topics to be addressed
- (f) With these issues addressed, preparation of the comprehensive plan and the CTP can begin in order to meet the deadline imposed by NCDOT.

Consensus: Direct the Planning Dept. to present a list of recommendations to serve on a Steering/Advisory Committee and proceed with working on an updated comprehensive plan. Hold a Public Hearing in the near future to make amendments to the priority list.

(5) **CONSERVATION EASEMENTS and 2014 TAX BASE:** Bob McMahan, Tax Assessor, explained Conservation Easements as follow:

(a) **Conservation Easement:** A conservation easement is a voluntary legal agreement between a landowner and a qualified conservation organization or public agency. In the agreement the landowner (Grantor or Donor) promises to keep the land in its natural condition without extensive disturbance, and the conservation organization or public agency (Grantee) is granted the right to enforce the covenants of the agreement and to monitor the property.

- This type of agreement benefits landowners and the public because it protects land while leaving it in private ownership. The landowner retains ownership and in the case of farmland or other productive land, continues using the land for farming or forestry.
- The conservation easement is similar to the declaration of restrictive covenants in a subdivision. That is, it contains a series of restrictions relating to various uses of land.
- Each conservation easement is unique and negotiated between the landowner and the easement holder. Can allow for limited land subdivision, timbering, agricultural use, hunting and fishing and limited construction of homes or other buildings.
- Conservation easements do not remove land from property tax rolls, but can sometimes reduce the amount of property taxes paid.
- Under North Carolina property law, a conservation agreement may be created for a term or it may be perpetual. However, if the landowner wishes to claim federal and state income tax deductions, the agreement must be granted in perpetuity.
- Does not let general public access your land (unless your intent). The conservation easement holder arranges with the landowner to visit the property, usually once a year, to document that the land is being protected as agreed.
- Conservation easements can be placed on whole or portions of total property. Land enrolled in a conservation easement can be condemned for public purpose (roads, infrastructure, etc.).
- Perpetual easements can be purchased or donated and lower property value for estate purposes.

(b) **Land Protection** : Conservation easements seem to work best when the following circumstances are present:

- The landowner is motivated by the desire to conserve and preserve land.
- Current and future uses of the land by the owner are compatible with preservation of its natural features.
- The owner can utilize the tax advantages of an income tax deduction, tax credit, and/or a reduction in the value of his or potential estate.

(c) **Qualifying for Federal & State Income Tax Benefits:** To qualify as a charitable contribution for federal and state income tax purposes, an easement must be perpetual and made to a qualified grantee (a nonprofit organization or public agency) for the public benefit. The easement must meet one or more of the following conservation purposes:

- preservation of land for public outdoor recreation or education
- protection of relatively natural habitats of fish, wildlife, or plants;
- preservation of historically important land or buildings or other conservation purposes;
- scenic enjoyment of the general public

(d) **Federal Tax Incentives:** The Income Tax Charitable Contribution Deduction is a key federal incentive to encourage landowners to make a qualified conservation contribution. The donation of a conservation easement normally qualifies as a charitable contribution, which may entitle the donor to receive federal income tax deductions. The value of a conservation easement is based on the reduction of the land's value after the easement is in place. The new 2006 law:

- Raises the deduction a landowner can take for donating a conservation agreement from 30% of their adjusted gross income in any year to 50%;
- Allows qualifying farmers and ranchers to deduct up to 100% of their adjusted gross income; and
- Increases the number of years over which a conservation easement donor can take those deductions from 6 to 16 years.

(e) **New Tax Incentives:** This tax benefit only applies to conservation agreement donations made in 2006 and 2007. The Farm Bill that is currently being debated by Congress could include a continuation of this tax benefit. Under certain circumstances, families inheriting land can reduce estate taxes by placing a conservation easement on the property within nine months after the decedent owner's death. The equivalent development value of the property given up may then be taken as a charitable deduction against the value of the gross estate. Estate beneficiaries also can exclude from the taxable estate 40 percent of the land's value up to \$500,000, subject to qualifying conservation easements. For information, consult an independent tax professional experienced with conservation easements.

(f) **North Carolina Tax Incentives:** There have been some recent changes to North Carolina tax benefits for conservation easements during the last legislative session. North Carolina offers a tax credit of 25 percent of the fair market value of the donated property interest, up to \$500,000, for corporations and individuals. Any unused portion of the credit may be carried forward for five succeeding years. The tax credit for the donation of conservation land or a conservation easement must be certified by the NC Department of Environment and Natural Resources and a letter from them attached to the state tax return. It also requires a taxpayer claiming the credit to submit as support for the credit either a self-contained or a summary appraisal report, which are two types of reports defined by Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice and required to have certain information included supporting the valuation determination. Married couples are allowed to file separate tax returns and each claim the maximum individual credit.

(g) **Local Property Taxes:** North Carolina requires county tax assessors to consider the reduction in property value caused by the granting of any conservation agreement. The Donor should apply for a change in the ad valorem tax appraisal of land after an agreement is granted. The tax value is usually not less than the Present Use Value Tax.

(h) **Impact on Market Value:**

Summary of Statutory Impact on Market Value					
	Age/Disability Exemption	Veterans Exemption	Present-Use Value	Conservation Easement	Combined Totals
Total	\$30,802,756.00	\$2,575,540.00	\$706,686,300.00	\$47,057,210.00	\$787,121,806.00
Levy Reduction Amount	\$ 86,247.72	\$ 7,211.51	\$ 1,978,721.64	\$ 131,760.19	\$ 2,203,941.06

The tax database also includes 1,463 parcels owned by some form of government agency, religious entity or body, charitable, educational, or philanthropic organization or entity that by the General Statutes qualifies for exemption. The land and building assessments for taxation break down is as follows:

Land = \$1,063,956,510	Buildings = \$645,720,250
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Consensus: *Direct the Tax Administration Office to give periodic reports of property taken out of the tax base due to conservation easements.*

(6) TAX FORECLOSURE DEEDS: Mr. Wooten stated that the County has obtained title to several parcels as a result of tax foreclosures. He requested guidance from the Board concerning disposition of the following properties:

Foreclosure Amount	Township	Size	Tax Value
\$10,021.17	Qualla	12.60 Acres	\$ 203,060.00
\$ 5,403.27	Barkers Creek	1.15 Acres	\$ 42,150.00
\$ 5,374.77	Cashiers	.61 Acres	\$ 35,000.00
\$18,499.19	Hamburg	2.09 Acres	\$ 192,000.00
\$ 6,000.00	Hamburg	1.74 Acres	\$ 104,270.00

Consensus: *Solicit proposals from Realtors to market property with there being a requirement of a CMA (Compared Market Analysis) to be done on each parcel, will bring proposals back for further discussions.*

(7) OTHER COMMENTS: Mr. Wooten shared a list of upcoming community meetings of interest.

Mr. Wooten invited everyone to tour the Transit Office in Dillsboro and the Board of Elections offices in the Skyland Services Building at their leisure.

There being no further comments, Commissioner Greene moved to adjourn the Work Session. Commissioner Elders seconded the Motion. Motion carried and the Work Session adjourned at 5:00 p.m.

Attest:

Approved:

Patsy C. Parris, Clerk to Board

W. J. Debnam, Chairman

