

**MINUTES OF A SPECIAL JOINT MEETING**  
**OF THE**  
**JACKSON COUNTY BOARD OF COMMISSIONERS**  
**AND THE**  
**TOWN OF SYLVA BOARD OF COMMISSIONERS**  
**HELD ON**  
**APRIL 14, 2014**

The Jackson County Board of Commissioners and the Town of Sylva Board of Commissioners held a Special Joint Meeting on April 14, 2014, 6:00 p.m., Justice & Administration Building, 401 Grindstaff Cove Road, Room A201, Sylva, North Carolina.

Present:

County of Jackson

Jack Debnam, Chairman  
Doug Cody, Vice Chair  
Mark Jones, Commissioner (joined by phone)  
Charles Elders, Commissioner  
Vicki Greene, Commissioner  
Chuck Wooten, County Mgr.  
J.K. Coward, County Attorney  
Pat Parris, Clerk to Board  
Brandi H. King, Town Clerk

Town of Sylva:

Maurice Moody, Mayor  
Harold Hensley, Commissioner  
Barbara Hamilton, Commissioner  
Danny Allen, Commissioner  
Mary Gelbaugh, Commissioner  
Linda Sossamon, Commissioner  
Paige Roberson, Town Mgr.  
Eric Ridenour, Town Attorney

Chairman Debnam called the Special Joint Meeting to order and stated the purpose of the meeting is to consider a merger of the Sylva ABC and Jackson County ABC systems.

A Joint Resolution was presented for merging the two systems. Some of the major agreements include that:

The Town of Sylva Alcoholic Beverage Control Board, the Jackson County Board of Commissioners ("County") and the Town of Sylva Board of Commissioners ("Town") have determined it is in the public interest to have a Consolidated System to serve both Jackson County and the Town of Sylva as permitted by the merger provisions of Chapter 18B of the North Carolina General Statutes.

The merger would take place effective May 1, 2014 and the two boards will be combined into a single 5-member board known as the Jackson County Alcoholic Beverage Control Board ("Jackson County ABC Board"). Three members will be appointed by the County and two by the Town.

The distribution of net profits will be on a 60/40 basis with the County receiving 60% and the Town receiving 40%. The Town will be "held harmless" against a possible decline in net profits from the merger by receiving a guaranteed distribution of at least \$160,000 annually. The County and Town will review this guarantee at the end of five years to determine if it should continue.

The statutory distribution for law enforcement will follow the same 60/40% distribution as agreed to for net profits.

The statutory distribution for alcohol education will follow the same 60/40% distribution as agreed to for net profits. The County and Town will each determine how their respective proportionate share of these funds is utilized in support of alcohol education and rehabilitation.

The County and the Town will capitalize a new ABC system by contributing funds to provide six weeks of working capital. In this case, working capital is defined as six weeks of projected sales. Utilizing the most recent audit report of annual sales for the Sylva ABC Store (\$2,136,980) and the projected annual sales for the Cashiers store (\$1,000,000) the initial total contribution will be \$360,000. The County will provide \$216,000 (60%) and the Town will provide \$144,000 (40%). These funds will be deposited into the Jackson County ABC Store depository account as of May 1, 2014.

The County will provide a five (5) year line of credit to the Jackson County ABC Board for the purchase of the Sylva ABC store inventory, the initial inventory for the Cashiers store, and the fixtures and equipment for the Cashiers store. The estimated line of credit is \$500,000 and it will carry an annual interest rate of 2%. The repayment terms will be negotiated between the County and the Jackson County ABC Board. The loan will be collateralized with the inventory and fixtures. Future debt needs of the Jackson County ABC Board will be from a commercial banking institution, but real property will not be pledged as collateral for a loan without the express written consent of the County and the Town.

All assets purchased by the Jackson County ABC Board will be the property of the ABC Board.

***Jackson County Motion:*** Commissioner Greene moved to adopt the Resolution to consolidate the systems and submit same for approval by the North Carolina Alcoholic Beverage Control Commission. Commissioner Cody seconded the Motion. Motion carried by unanimous vote.

***Town of Sylva Motion:*** Commissioner Sossoman moved to adopt the Resolution to consolidate the systems and submit same for approval by the North Carolina Alcoholic Beverage Control Commission. Motion carried by unanimous vote.

There being no further business, Chairman Debnam moved to adjourn the Special Meeting. Sylva Co

mmissionerHensley seconded the Motion. Motion carried and the meeting adjourned at 6:10 p.m.

Attest:

Approved:

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Patsy C. Parris, Clerk to Board

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W. J. Debnam, Chairman