

**MINUTES OF A
WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MARCH 17, 2015**

The Jackson County Board of Commissioners met in a Work Session on March 17, 2015, 10:00 am, Justice & Administration Building, Room A227, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian McMahan, Chairman
Mark Jones, Vice Chair
Charles Elders, Commissioner
Vicki Greene, Commissioner
Boyce Deitz, Commissioner

Chuck Wooten, County Manager
Angela M. Winchester, Clerk to Board
J. K. Coward, Jr., County Attorney

Chairman McMahan called the meeting to order.

(1) GOOD SAMARITAN CLINIC UPDATE: Rebecca Mathis, Executive Director Good Samaritan Clinic, presented

(a) Their mission is to provide healthcare to underserved adults as exemplified by the Good Samaritan.

(b) The Good Samaritan Clinic of Jackson County is a volunteer-based free clinic that serves adults (18-65), with limited income (below 175% of the federal poverty level), who are ineligible for Medicaid, and have no health insurance. They provide primary care and medication assistance to an active patient load of 400+ per year, serving patients from Jackson, Swain, Macon, Graham, Clay, and Cherokee Counties.

(c) How they serve:

- Provider Clinic: Appointments are made for patients to be seen by volunteer physicians, physician assistants, and nurse practitioners. Provider clinic operates on a weekly basis, occurring every Tuesday afternoon and evening (3-9pm).
- Nurse Clinic: Our Nurse Case Managers coordinate and provide patient care and are available for follow-up questions, referrals, medicine refills, education, and patient applications. Nurse Clinic operates Monday-Thursday (8:30-4:30).
- Medication Assistance Program: Eligible patients (both clinic patients and patients from community providers) may utilize this program to obtain free prescription medications.

(d) Despite recent changes in healthcare, they continue to enroll new patients and serve as the medical safety net for those who have nowhere else to turn. The need for a free clinic in our community has not been eliminated, as there are many who do not qualify for Medicaid or the new tax-subsidies through the Affordable Care Act. They take care of many of the most vulnerable people in our community, providing vital care and access to treatment that enables our neighbors to live healthier lives. As a non-profit organization, funded solely by grants and private donations, we are grateful for the generosity of our partnering agencies, community organizations, businesses, and faith-based groups who serve alongside us.

(2) WEBSTER ENTERPRISES UPDATE: Gene Robinson, Executive Director Webster Enterprises, stated on November 17, 2014 the Board of Commissioners approved the advancement of five years' appropriations to Webster Enterprises (WE), which totaled \$165,000. WE agreed to utilize these funds to offset a portion of construction costs for a new building or to expand current manufacturing operations for new product lines. High production demands and opportunities dictated that WE expand its operations to a larger space. WE entered an agreement to lease the Ashley building to accommodate these demands. The appropriations made it possible to secure the needed space. To date, WE has requested and received two advancements.

- (a) December 23, 2014 – First Draw of \$25,000
 - Transition cost to move into Ashley building \$3,464.82
 - Lease/permits for building \$6,439.70
 - Labor costs (includes management, staff and hourly wages associated with transition \$12,995.48
 - Travel expenses, visit Lovesac \$2,100.00
- (b) January 28, 2015 – Second Draw of \$40,000
 - Purchase raw materials to support production demands \$20,189.32
 - To date \$19,810.68 remains open and available. Additional transition and material costs to support WE growth will be extracted from the remaining balance of the draw.

As of this date, all existing jobs have been retained in WE sewing operations. Because of increased demands, two positions have been added and applications are being accepted for anticipation of further growth. The medical device arm of the business is also experiencing growth. One position has been added and two more will be filled before month's end. WE's next report to the Board will be in May, 2015.

Commissioner Jones asked Mr. Robinson to provide a snapshot of information showing the percent of people being served by WE from Macon, Jackson, Swain Counties and Cherokee. This information will be helpful during budget discussions.

(3) REVOLVING LOAN FUND PROCEDURE MODIFICATIONS: Rich Price, Economic Development Director stated the Economic Development Office is proposing changes to the county's existing Revolving Loan Fund (RLF) policy, which was written in 1993. These changes will bring the loan review process into alignment with best financing practices and current economic development goals as established by the Board of Commissioners.

(a) CDBG Restrictions on Eligibility and Job Creation Criteria: Because the Revolving Loan Fund was established with Community Development Block Grant (CDBG) funds, there are some restrictions that cannot be changed. These include:

- Jobs created or retained must be filled by at least 51% low- to moderate-income persons, as defined by HUD and NCDOC.
- Loans may not be made for working capital.
- Alternative uses of funds are restricted to specific activities defined by CDBG.
- Monitoring requirements are established by CDBG.
- Amendments to the policy require a public hearing.

(b) Proposed Changes to the RLF Policy: The changes proposed in the RLF policy include numerous spelling and formatting changes throughout the document. There are also several changes to the content and intent of the RLF.

- Expansion of scope and purposes for RLF loans: The revisions include an emphasis on place-based and small business development and retention of existing jobs.
- Revised criteria and points system: The revisions include changes to the weighting system of the criteria used to evaluate each application. The proposal lessens the importance of "Use of county utilities" from 7 to 4 points. The proposal also weights "retention of existing jobs" as equally important as "creation of new jobs."
- New Loan Review Board guidelines: The revisions expand the Loan Review Board to include the County Finance Director and Economic Development Director or their designees; a representative from the Southwestern Planning Commission; and two local members appointed to two-year terms. The two local members shall include one business owner or operator and one local investment services representative, both of whom shall have principal offices or locations in Jackson County.
- New loan review process: The revisions establish a new process for application review, which brings the application before the Loan Review Board prior to review by the bank. After written recommendations from the Loan Review Board and the review bank, the application package will be submitted to the Board of Commissioners for review.

Commissioner Greene stated that there is no longer a need for the 51% reference regarding low and moderate income. She recommended Mr. Price speak with the auditor and the person overseeing the Economic Development CGB funding. She also recommended that Mr. Price add language that would require a personal guarantee from the applicant and a credit check of each applicant.

Mr. Coward suggested a statement should be added that this is not a vested right of any applicant. There is no right to appeal decisions.

Mr. Price stated he will make the recommended revisions and present them to the Business and Industry Advisory Committee at a meeting the first week in April and then present the final document to Commissioners for approval.

(4) CULLOWHEE BRIDGE DOT REQUEST: Gerald Green, Planning Director stated The NC Department of Transportation will construct a new bridge over the Tuckasegee River in Cullowhee, with construction planned to begin late this year. NCDOT staff has worked with the county, the Cullowhee community, and the Cullowhee Community Planning Advisory Committee to incorporate enhancements into the bridge design. These enhancements include providing additional clearance under the bridge to provide room for pedestrian walkways under the bridge on either side of the river and an enhanced design that will fit the community better than the standard design.

At the request of the Cullowhee Community Planning Advisory Committee, the bridge design incorporates conduit to accommodate future wiring. The wiring would enable pedestrian lighting to be placed on the bridge, making it safer for pedestrians using the bridge at night. NCDOT will place standard conduit in the bridge as it is constructed for no additional cost. However, for conduit meeting the specifications of Duke Energy an additional cost is charged. The cost for the enhanced conduit is \$38 per foot for a total cost of \$22,800. This additional charge, or betterment cost, must be paid by the county if the enhanced conduit is desired. Duke Energy will not provide the wiring and lights without the enhanced conduit. The bridge over the Tuckasegee River in Cullowhee is not located within Duke Energy's service area; electrical power in this area is provided by the WCU electrical system. A copy of the conduit plans have been provided to WCU staff with the question of whether the standard conduit meets their specifications or if they require the enhanced conduit. No response has been received yet.

This issue brings the larger question of whether the county wants all new NCDOT bridges in the county to be capable of accommodating wiring for pedestrian lights. While lighting of the bridges would provide a safer environment for pedestrians, the conduit meeting Duke Energy specifications, the lights, and the operation have a cost. Because Duke Energy serves most of the county, the betterment cost for the enhanced conduit should be anticipated on any bridge for which lighting is desired. In addition to the initial cost for the conduit, there would also be a charge for the installation of the wiring and lighting as well as the charge for the electrical power used to operate the lights.

The input of the Board of Commissioners regarding the installation of enhanced conduit to accommodate wiring for pedestrian lights on the Cullowhee bridge is needed. NCDOT will place standard conduit in any new bridge if requested to do so. An important factor in making a decision regarding the placement of conduit in the Cullowhee bridge is the cost of the enhanced conduit - \$22,800.

Mr. Green will await a response from WCU as to whether they will require the enhanced conduit or if they will accept the NCDOT specs.

(5) ABC LAW ENFORCEMENT CONTRACT: Mr. Wooten and Sheriff Chip Hall stated NCGS 18B requires that the ABC Board either hire an ABC law enforcement officer or contract for ABC law enforcement with a local law enforcement agency. The ABC Board is also required to expend at least 5% of profits for ABC law enforcement. The ABC Board is of the opinion that contracting with the Agency for ABC law enforcement would constitute the most efficient use of its ABC law enforcement funds. The Agency agrees to provide ABC law enforcement in the county, outside the municipal limits, in return for the agreed funding. The Sheriff Department will receive 60% of the funds set aside for law enforcement from the ABC Board.

The contract will be brought before the Commissioners at a future meeting for action.

(6) ABC EDUCATION FUNDS: Mr. Wooten and Sheriff Chip Hall stated according to NCGS 18B-805, revenue of a local board from proceeds from the sale of alcoholic beverages, after making required distributions, shall make quarterly distributions from the remaining gross receipts. The local board shall spend or pay to the County Commissioners to spend, for limited purposes, an amount set by the board which shall be at least 7% of the gross receipts remaining after the required distributions for alcohol education. The county will receive 60% of that required distribution. A program needs to be devised where the county would allocate those funds for activities pertaining to alcohol education, such as the Sheriff Department's D.A.R.E. program. There are other entities in the county support recovering alcoholics or provide other alcohol education. It is recommended that the county allow applications to be submitted for an allocation of the funds.

Chairman McMahan requested that the County Manager, Sheriff and Finance Director, form a committee or group to review applications that are submitted and present them to the Commissioners for evaluation.

(7) NON-PROFIT ALLOCATIONS: Darlene Fox, Finance Director and Mr. Wooten stated they wanted to share with the Commissioners the funding requests that were made from non-profits and other related entities in the last fiscal year. Ms. Fox stated that requests have been sent out for applications. Commissioners will be receiving applications for consideration as they begin budget talks for the next fiscal year.

(8) MACON COUNTY REQUEST – EMS / 911 CALL CENTER AND SOLID WASTE: Mr. Wooten stated he had been contacted by Mr. Derek Roland, Macon County Manager, who is asking the Commissioners to consider Macon County's request for compensation for properties located in Jackson County, which receive Macon County Services.

Mr. Roland's email states that there are 332 parcels of property located in the Macon County Service Area. According to GIS/Tax Data provided by Jackson County, these parcels have a total land and building value of \$445,610,370. When applying the Jackson County rate of .28 per \$100 of assessed value and using a collection rate of 96.10%, Jackson County receives an estimated \$1,199,048.38 in annual tax revenue from these properties. It is estimated that Jackson County also receives an additional \$16,044 in disposal fees at \$84 per household, bringing the total revenue received from these properties to an estimated \$1,215,092.38.

Due to the unique topography of the area in which these 332 parcels are located, Macon County becomes the primary service provider for landfill, EMS, dispatch and fire protection. The Jackson County residents living in this area also utilize the Macon County School System, recreation facilities and Sheriff's Department.

Macon County is requesting Jackson County to consider reimbursing Macon County in the amount of \$159,811, which is 13% of the \$1,215,092.38 in projected revenue to be received by Jackson County from these 332 properties, for landfill utilization, fire protection, 911 Communications and EMS Services, which Macon continues to provide to these properties that are located in the Macon County Service Area. Furthermore, it is requested to begin discussing an acceptable method to ensure this reimbursement continues to be provided on an annual basis. Although Macon County has been providing these services for years, the Macon County Board of Commissioners is primarily concerned with addressing this issue moving forward.

Mr. Wooten recommended that as part of the budget process, a determination could be made in another way such as a per parcel amount spent from the EMS budget, etc. He believes it is reasonable to provide compensation for these services since residents in Jackson County are being served by another county. Also, another option would be to release the Jackson County landfill charge by obtaining certification that all of those resident's solid waste goes to Macon County.

Chairman McMahan stated he would be more comfortable evaluating this request, if Macon County would restore funding for Southwestern Community College.

(9) FIRE SERVICE DISTRICTS: Todd Dillard, Emergency Management Director and Mr. Wooten presented a copy of proposed the notices and fire service district maps to be sent to the Cashiers-Glenville and Highlands fire districts.

Mr. Wooten stated the suggested public hearing date is April 30th at 6:00 pm. The public hearing will need to be set by Commissioners at their Regular Meeting on Thursday, so that the notices can be mailed out.

Chairman McMahan asked that the Cashiers Recreation Center be reserved for the hearing. Also, he asked to add to the notice that the public may provide written comments, to be mailed to the Clerk, if they are unable to attend the hearing.

(10) GREEN ENERGY PARK UPDATE: Timm Muth, Green Energy Park Director, stated the Green Energy Park (GEP) captures methane gas from the old Dillsboro landfill, then uses that gas as fuel for a variety of energy-intensive craft studios. Since its inception, the GEP has worked to provide a model of success for other communities seeking to manage landfill gas or address other energy issues in an economically-viable and environmentally-conscious fashion. The GEP has successfully encouraged the creation of private-sector jobs, increased local tourism, and brought regional, national, and even international recognition to the county. To date, the Green Energy Park has met a number of important infrastructure milestones: rehabilitation of an old trash transfer station into modern studio spaces and an art gallery; installation of an extensive glassblowing facility; operation of the world's only landfill gas-fired blacksmith forges and bronze/aluminum foundry; and construction of a wood and waste vegetable oil-fired ceramics kiln.

Construction of the Artisans' Complex will complete the original vision and Master Plan of the Green Energy Park. This facility – built using the framework of the old Webster Enterprises warehouse – will include a professional quality ceramics studio, along with rental studios to allow artists to set up an actual business space, and space for educational purposes.

(a) Benefits to Community:

- Increased Economic Development. Completion of the Artisans' Complex will encourage the creation of private-sector jobs by providing working facilities and low-cost studio spaces for eighteen (18) resident artists. The GEP will then become a logical starting point for WCU graduates and other artists as they start their careers.
- Increased Rental Income. By having actual studio spaces for artists to rent and set up shop within, the GEP will increase facility rental income by at least \$50,000/yr., offsetting a large portion of the GEP's operating costs.
- Increased Tourism. Completion of the Artisans' Complex will drive a 6-fold increase in the number of working artists located in Dillsboro. Adding another eighteen working artist studios will put Dillsboro on the map as a destination for art-loving tourists. As seen in Asheville's River Arts District, developing a community of working artisans leads directly to significant increases in local tourism and investment.
- Increased Partnership Opportunities. Expanding the studio offerings at the GEP will strengthen the ties between the county and WCU and other local schools. It will encourage increased educational tours, provide unique training and research opportunities, and establish the GEP as a regional resource for arts and energy.
- Increased Quality of Life. More working artisans in town will foster expanded festival offerings, public art classes, and other recreational events.

(b) Construction Estimates:

- Phase One ceramics area: \$318,788
- Phase Two rental studios: \$323,048
- Phase Three larger gallery, multi-use educational facility: \$470,575
- Design A/E fees: \$55,621
- Grand Total: \$1,168,031

(c) Part-Time Staff: Mr. Muth is requesting two part-time people be hired at the park.

Chairman McMahan stated that these requests would be look at as two separate requests, one as a capital request to expand the park and the second as a staffing issue and will be considered for the budget in the upcoming fiscal year.

(11) COMMUNITY SERVICES BUILDING RENOVATIONS: Paula Carden, Health Department Director, Odell Thompson, Architect and Mr. Wooten presented updated proposed phased plans for the Community Services Building and Skyland Services Center.

Phase 1	\$1,206,000
Phase 2	Moving
Phase 3	\$180,000
Phase 4	\$1,296,000
Phase 5	Moving
Phase 6	\$180,000
Phase 7	Moving
Phase 8	\$1,116,000
Phase 9	Moving
Phase 10	\$375,000
Phase 11	Moving
SUBTOTAL	\$4,353,000
15% Contingency	\$653,000
7% A/E Fees	\$350,000
TOTAL	\$5,356,000
FFE	\$996,000
GRAND TOTAL	\$6,352,000

		QTY	UNITS	\$/UNIT	COST
Main Floor	Remodel existing office spaces into new office spaces	1943	SF	\$ 85	\$165,155
	Remodel existing into new clinic spaces with some sinks	4453	SF	\$100	\$445,300
	Remodel existing into new lab with more sinks	1425	SF	\$125	\$178,125
	Remodel existing into new restrooms/shower/locker rooms	1357	SF	\$175	\$237,475
	Upfit open space into new offices	3580	SF	\$ 85	\$304,300
	Remodel circulation corridors	1565	SF	\$ 45	\$ 70,425
	Remodel mechanical spaces	383	SF	\$ 45	\$ 17,235
	Re-remodel central space after temporary occupancy	3580	SF	\$ 40	\$143,200
					\$1,561,215
Upper Floor	Remodel existing office spaces into new office spaces	8136	SF	\$ 85	\$691,560
	Remodel existing into new restrooms/shower/locker rooms	1064	SF	\$175	\$186,200
	Upfit open spaces into new offices	3051	SF	\$ 85	\$259,335
	Remodel circulation corridors	2698	SF	\$ 45	\$121,410
	Remodel mechanical spaces	567	SF	\$ 45	\$ 25,515
	Re-remodel central space after temporary occupancy	1550	SF	\$ 40	\$ 62,000
				\$ 1,346,020	
Both Floors	New floor structure in 2 story central room	3580	SF	\$ 50	\$179,000
	New ADA compliant elevator in reconfigured shaft	1	LS	\$75,000	\$ 75,000
				\$254,000	
	Subtotal				\$3,161,235
	CONTINGENCY	15%			\$474,185
	TOTAL CONSTRUCTION COSTS				\$3,635,420
	Design fees A/E fees (A,M,E,P,S)	7%	Of	Const \$	\$254,479
	Standard clinic furniture, fixtures and equipment	30602	SF	\$ 25	\$765,050
	Allowance for equipment in each exam room	12	EA	\$8,500	\$102,000
	GRANT TOTAL				\$4,756,950

Estimate of potential construction costs at Skyland Services Center

		QTY	UNITS	\$/UNIT	COST
Skyland Services Center	Cooperative Extension upfit	2355	SF	\$80	\$188,400
	Kitchen/ Meeting construction	1245	SF	\$90	\$112,050
	Soil & Water upfit	1961	SF	\$80	\$156,880
	Farm Service Agency upfit	914	SF	\$80	\$73,120
	Unfinished Undesignated spaces	1883	SF	\$45	\$84,735
	Circulation space: solar tubes, new finishes	2833	SF	\$45	\$127,485
	Re-work sprinkler system	11191	SF	\$5	\$55,955
	skylight feature over the common lobby	1	LS	\$150,000	\$150,000
	Exterior facelift allowance	1	LS	\$50,000	\$50,000
	Sitework/ landscape allowance	1	LS	\$50,000	\$50,000
	Subtotal				\$1,048,625
	Contingency	15%			\$157,293.75
	TOTAL CONSTRUCTION COSTS				\$1,205,919
	DESIGN FEES A/E FEES (A, M, E, P, S)	7.00%	OF	CONST.\$	\$84,414
	TOTAL				\$1,290,333
	Furniture, Fixtures, and Equipment	5230	SF	\$15	\$78,450
	Allowance for commercial kitchen equipment	1	LS	\$50,000	\$50,000
	GRAND TOTAL				\$1,418,783

Programming Health Department

Department	Existing SF	Mult. Factor	Proposed SF
Clinic	2,713	2	5,426
Administrative	3,233	1.5	4,850
Reception/Clerical	787	2	1,574
Waiting	409	2	818
Lab	757	2	1,514
WIC	721	2	1,442
Environmental Health	2,694	1.5	4,041
Health Education	544	2	1,088
Mechanical	470	1.5	705
Restrooms	910	1.5	1,365
Circulation, walls, etc. 15%	1,986		3,423
TOTAL	15,224		26,246

Construction cost range for new single story building at proposed square footage

Base Construction Cost	8% Contingency	7% A/E Fees	Total Construction Costs	\$25 / SF FFE	Totals
\$200 / SF \$5,249,175	\$419,934	\$367,442	\$6,036,551	\$656,147	\$6,692,698
\$225 / SF \$5,905,322	\$472,426	\$413,373	\$6,791,120	\$656,147	\$7,447,267
\$250 / SF \$6,561,469	\$524,918	\$459,303	\$7,545,689	\$656,147	\$8,201,836

Commissioner Jones stated that the Board of Health has recommended keeping the building in its current location because of its proximity to the hospital and ample parking.

Ms. Fox stated that \$404,000 hold harmless funds were set aside last year and she expects the same amount this year.

Mr. Wooten stated the funds could be used for the project or debt service could be used if the funds were borrowed. From the numbers that have been put together, the lease expensive way to manage this project would be to renovate. Other properties have not been evaluated for a site to locate a potential new building.

Commissioner Greene stated that if the option is used of paying for this with debt service, she would also like to include an animal shelter in that cost.

Mr. Wooten stated there is approximately \$7 mil that the Commissioners could choose to spend and still maintain the fund balance.

Chairman McMahan stated he has asked the County Manager to work with the Finance Director to produce, in the next couple of weeks, a graph showing potential examples of different scenarios of using fund balance and a combination of borrowing funds for these projects.

Chairman McMahan stated he thinks the next step for an animal shelter is to be have a public meeting and invite members of the community, organizations and volunteers in the county that work with the animal population and adoption process. They are important stakeholders in this process.

Mr. Wooten asked Ms. Carden to identify the various groups in the county and coordinate with them to determine a date for a planning meeting in the next month.

(12) SINGLE POINT OF ENTRY: Odell Thompson, Architect, Mr. Wooten and Sheriff Chip Hall presented Option C:

- New storefront (inside entrance to clerk of court, Register of Deeds, etc.) and pair of doors with magnetic hold-open devices and closers so that they close in case of fire need to keep separate from other parts of the building so smoke can't migrate between floors
- Existing pair of doors with magnetic hold-open device (inside entrance to tax collector, etc.) so that they close in case of fire need to keep separate from other parts of the building so smoke can't migrate between floors
- Existing interior storefront to be removed
- New storefront to match existing (inside in front of stairwell
- +/- 200 SF of new conditioned space to extend to the soffit of the rooms above the new area will require ceiling finishes to match existing, tile flooring to coordinate with existing terrazzo, interior lighting, exit lights, exterior emergency lights, power, etc.
- The new lobby space, which is connected to the stairwell will need a dedicated HVAC unit to provide for thermal comfort
- New storefront and pair of doors at the entrance
- New 42" wide exit door through existing masonry wall. This will need an awning over the exit to protect from rain and blowing rain

Ball Park Budget Costs

Demo and patching	\$5,000
New interior SF and finishes	\$20,000
New storefront and doors	\$30,000
New exit door from stairwell	\$5,000
New exit door canopy	\$2,000
new HVAC for lobby and stairwell	\$10,000
"What If" contingency	\$8,000
TOTAL	\$80,000

Mr. Wooten stated the next steps would be a request to the Commissioners asking for an allocation of funds from contingency to move forward and to have an informal bid process for quotes.

Consensus: Move forward.

(13) CULLOWHEE FIRE DEPARTMENT BUILDING: Tim Green, Cullowhee Fire Chief and Odell Thompson, Architect presented preliminary schematic floor plans and a preliminary estimate of potential construction costs.

		QTY	Units	\$ / Unit	Cost
SITWORK	Remedial Soil Replacement	7,819	CY	\$60.00	\$469,140
	Concrete apron south	\$8,900	SF	\$20.00	\$178,000
	Concrete apron north	\$4,500	SF	\$20.00	\$90,000
	Walkways	\$1,600	SF	\$7.00	\$11,200
	Landscaping - stabilization and plants	1	LS	\$20,000.00	\$20,000
	Hardscape - stone, lighting, etc.	1	LS	\$30,000.00	\$30,000
	Contingency	5%	OF	COST	\$39,917
	SUBTOTAL				
BUILDING	Heated space CVFD wing	7,140	SF	\$175.00	\$1,249,500
	Front porch	1,400	SF	\$100.00	\$140,000
	Truck bays south wing	6,480	SF	\$110.00	\$712,800

	Truck bays east wing	3,146	SF	\$110.00	\$346,060
	Contingency	5%	OF	COST	\$122,418
	FFE (fixt, furn, equip, heated)	7,140	SF	\$20.00	\$142,800
	FFE (fixt, furn, equip, bays)	9,626	SF	\$10.00	\$96,260
	SUBTOTAL				\$2,809,838
	SUBTOTAL: CONSTRUCTION COST				\$3,648,095
DESIGN FEES	A/E (A, M, E, P, S)	5%	OF	COST	\$182,405
	Civil Engineering Fees	1%	OF	COST	\$36,481
	SUBTOTAL: FEES				\$218,886
	GRAND TOTAL				\$3,866,981

(14) FY 15-16 COMPENSATION, BENEFITS AND CLASSIFICATION

REPORT: Danielle Wittekind, Human Resource Director stated that the compensation and benefits report provides information as it relates to the county’s current total compensation system. Overall, the county is successful in recruitment for new entry level positions as the starting salaries for these positions are market competitive and the county’s benefit offerings are richer in comparison with other private and non-profit sector organizations; however, an area of concern is the growing salary compression that has occurred since 2009 as adjustments within the salary grade have not been made and the long-term results this may have on retention if not addressed.

There are two proposals for general salary increases:

- Option One includes a step increase (2%) for each employee
- Option Two proposes a tiered step adjustment based on an employee’s hire date to remedy the salary compression issue currently facing the county, in addition to implementing a longevity bonus plan and continuation of 2.5 days of bonus leave.

Both options include a step increase that will at least differentiate between the salary minimum. Salary compression has impacted retention rates and employee morale, as all employees hired on or after July 1, 2009 make the same salary as an individual hired today starting at the salary minimum step 1. In the future, the county may want to consider contributing 401(k) for every employee and reinstating a longevity bonus to improve our compensation program and reward employees for their hard work and dedication.

The county’s total turnover rates have been below 10% over the last three years and this year it is currently at 7.5%, whereas compared nationally the average total turnover rate is much higher ranging from 18-24%. In the last year, the county has remained steady in all types of turnover (voluntary, involuntary and retirements). It is projected that the number of retirements will continued to grow over the next decade as the workforce ages and an increasing number of employees become eligible for an unreduced retirement benefit.

(a) County Salary & Regional Comparison: Total Compensation is more than a base salary; it includes benefits, retirement contributions, paid time off and other fringe benefits afforded to each eligible employee. It is important for employees to be knowledgeable of the value of their employment in the terms of base pay, benefits and other employer paid related employment costs. When analyzing compensation figures, base pay is often the benchmark used for comparison in determining market alignment; however, the associated benefits must also be considered into this evaluation as a competitive benefits package is a primary attractor in recruiting prospective employees and a driver of retention of current employees. Below is a calculation of benefits as a percentage of average base pay. Calculation based on salaries of permanent full-time employees. In 2014, the average employee salary was \$38,796.26 with an average of 9.21 years of service. These figures are slightly lower than last year’s averages - \$39,149.71 and 9.35 years of service respectively.

Benefits Category	Percentage of Average Salary	Average Value
Holidays	4.62%	\$1,790.60
Sick Leave	4.62%	\$1,790.60
Vacation Leave	5.77%	\$2,238.25
Bonus Leave	0.96%	\$373.04
FICA	7.65%	\$2,967.91
Retirement	7.07%	\$2,742.90
Health & Dental Ins.	23.72%	\$9,202.96
Total Benefit Value	54.41%	\$21,106.26
Average Base Pay		\$38,796.26
Average Benefit Value		\$21,106.26
Average Total Compensation		\$59,902.52

(b) Salary Adjustment Proposal:

- General Salary Adjustment: In review of the current pay plan and the pay/incentive plans of other counties, Jackson County needs to position itself to not only have market competitive starting salaries, but have rewards and incentives in place to motivate and retain current talent.
- Option One provides all employees a one-step adjustment effective 07-01-2015.
- Option Two provides employees with a step(s) adjustment based on hire date effective 07-01-2015
 - Hired before 06-30-2011: 3 Steps = 6%
 - Hired between 07-01-2011 – 06-30-2013: 2 Steps = 4%
 - Hired between 07-01-2013 – 06-30-2015 1 Step = 2%

(c) Longevity Pay:

- Less than 5 years: \$100
- 5 – less than 10 years: \$400
- 10 – less than 15 years: \$600
- 15 – less than 20 years: \$750
- 20+ years: \$1,000

(d) Bonus Leave: Last year the Board of Commissioners granted 2.5 days of bonus leave for employees who were employed to permanent positions prior to the beginning of the fiscal year. The bonus leave was issued in addition to regularly accrued vacation and sick leave. The intent of bonus leave was to provide employees with additional paid leave in order to cover unforeseen absences such as inclement weather. All bonus leave was to be taken within the fiscal year; any unused bonus would not carry over into the next year.

(15) SYNTHETIC TURF AT SMHS: Mr. Wooten stated that the school system is asking for a letter of support from the Commissioners for synthetic turf at the high school so that they can apply for a \$200,000 grant to help pay for the costs. This area is in the NFL Carolina Panthers district and is eligible for up to a \$200,000 grant.

Consensus: *Grant a letter in support of the synthetic turf for the grant application.*

Chairman McMahan adjourned the meeting.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman