

**MINUTES OF A PUBLIC HEARING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
APRIL 30, 2015**

The Jackson County Board of Commissioners held a Public Hearing on April 30, 2015, at 6:00 p.m., Cashiers-Glenville Recreation Center, 355 Frank Allen Road, Cashiers, 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

Chairman McMahan called the public hearing to order and stated the purpose was to receive public input for consideration of the proposed creation of a Cashier Fire Service District and a Highlands Fire Service District.

(1) SERVICE DISTRICTS: Mr. Wooten gave a summary of what had taken place at the county level up to this point. Discussions have been ongoing over the past years with several different Boards of Commissioners. The previous board decided to table this issue since there was not unanimous approval from all seven of the volunteer fire departments. Representatives from Cashiers and Highlands Fire Departments approached the Commissioners over past few months indicating a continued need for additional funding for their departments.

In the fall of 2014, he and Commissioner Jones were invited to meet with group of residents at the Cullasaja Club, who live in Jackson County, but felt they should be served by the Town of Highlands Fire Department. They also learned that the Town of Highlands planned to build a substation in close proximity to their community, which would provide a better response time from the fire department and better insurance rates. Jackson County has supported of the Town of Highlands over the years, with an annual appropriation of \$7,187 and they have provided fire protection to the Bowery area, which is in Jackson County and also a part of the Town of Highlands. In talking with Randy Dillard, Chief of Cashiers Fire Department, he was supportive of setting aside that portion of the Cashiers District to be served by the Town of Highlands Fire Department. Cashiers Fire Department would still provide backup to the area.

In January, 2015 the Fire Chiefs of Cullowhee and Cashiers were invited to appear before the Commissioners. Both chiefs ask the Commissioners to consider establishing a guaranteed revenue source to provide support for their operations. They advised the Commissioners they were spending more and more time raising funds, which was impacting their ability to train and attract volunteers. Discussions continued among the Commissioners and have now reached the point to consider a service district within Cashiers and Highlands. North Carolina General Statutes allows the Commissioners to establish service districts and levy a tax to support various services, including fire protection. The decision was made to move forward with discussions regarding Cashiers and Highlands and to delay conversations regarding Cullowhee to allow them additional time to work on their plan to move forward for a service district.

The fire tax would be established based on the budget that is developed by the Cashiers and Highlands Fire Departments. A tax rate would be calculated based on the tax value in the two districts, determining what rate would be required. The county will contract with these two departments to provide fire protection to the respective service districts. The taxes levied are restricted exclusively for the district in which they are levied. These funds cannot be diverted for other purposes or other districts. All funds generated by a district fire tax will stay with the applicable fire district.

A fire tax is in addition to the general tax that is levied by the county, which is currently 0.28 per \$100, and is anticipated to remain the same through FY 15-16. The fire tax will be listed as a separate line on the tax bill that would be mailed in September and be due and payable until January 5th, without penalty and interest. The fire tax would be assessed against all business, business personal, real property and motor vehicles. Realizing that most of the collections of taxes take place in November, December and January, the county would advance 1/12 of the agreed upon budget to the fire departments each month. The fire department will be required to provide an annual audit of their financial operations and will remain an independent entity with a local board of directors, not becoming a part of the county. The exception to this is the Highlands Department, which is a department of the Town of Highlands and will report to the mayor and town council. The fire tax may increase or decrease as tax values and budgets change. This would become part of the annual budget process where the fire chiefs would be invited to appear before the Commissioners to provide a budget, which a tax rate would be based on and established. The rate could change depending on the needs of the departments and tax values.

This is still an open process and has not been voted on officially by the Commissioners to establish the district or to levy the taxes. Those actions will not take place until they have heard citizen comments that will be taken into consideration. It is anticipated that Commissioners will move towards a decision point on May 21st.

(2) CASHIERS-GLENVILLE VOLUNTEER FIRE DEPARTMENT: Randy Dillard, Chief, stated the Cashiers-Glenville Fire Department was started in 1967. Since that time, it has become a very large operation and they are doing as much as possible can to give fire protection in the 135 square mile district. Without having a fire tax, like surrounding counties have, they have not had a substantial budget. Last year they raised over \$516,000 and ran almost 600 fire calls, met every Monday night and trained. Currently, they have a class 6 rating, which is lowest you can have on homeowners insurance. There are a few areas in district that are in a class 9 and 10 with the difference being they don't enjoy the savings on their homeowners insurance, but get the same protection from the fire department. They are currently making provision to have two people at the Cashiers station 24/7, which will increase response time. The biggest dilemma will be giving up the annual \$200,000 appropriation from the county. He appreciated the support throughout the years, but the cost of firefighting has become overwhelming.

(3) HIGHLANDS FIRE DEPARTMENT: Ryan Gearhart, Chief, stated Macon County currently has a fire tax. The Town of Highlands fire tax amount last year was .009 per 100. However, due to the revaluation, the rate for this year will go to a .010 per 100 to remain revenue neutral. Should Jackson County choose to move forward with a Highlands Fire District, the fire tax collected will be used for general firefighting expenses, general up-keep of the new substation, truck maintenance and training. The Town of Highlands has been serving that area for a long time and will continue to do so no matter the decision.

(4) PUBLIC COMMENTS:

(a) Milton Stork of Highlands stated he has been a property owner in the county for 21 years and has owned a business in the county for 15 years. He is in favor of the fire tax. Improved response time is important when you think about a life and the time it takes to get to the event. Minutes can mean the difference between life and death. The department would also be able to update life-saving equipment such as oxygen tanks, coats and masks. Improved response time can also mean reduced homeowners insurance rates.

(b) Steve Foster of Cashiers stated according to the University of North Carolina's School of Government's local finance bulletin No. 43 (2011) there are two ways to create a fire protection district. The first method is called Rural Fire Protection District and the second is called Fire Service District. There are major differences between the two methods. The establishment of a Rural Fire Protection District requires a petition of at least 35% of resident freeholders in the proposed district and if that requirement is met, then a vote is required before the district is established. A Fire Service District, however, can be established by the county commissioners without a petition or a vote of the freeholders in the proposed district if they find that there is a "demonstrable demand" for the proposed services by persons residing in the proposed district (Page 20 Bulletin No. 43) and although, a county board does not need to solicit formal citizen approval to create a district, because it must establish "demonstrable demand" for the services that will be provided in the district, it likely may not create a county service district if there is strong opposition to the county providing fire protection services in the proposed district by current residents". Jackson County Commissioners have opted to create a Fire Service District without a petition or vote of the residents of the district and would likely create the largest fire service district in the state (135 square miles) and raise property tax by 7% within the proposed district while simultaneously losing our current allocation from the county. That there is a "demonstrable demand" for the proposed tax increase is not really known. Many people he talked with said they were reluctant to come to a public hearing because they felt that if they said anything in opposition it might cause hard feelings in the community or be perceived as being "anti-fire department". Many told me that they felt it was a "done deal" and would do no good. The proposed fire district contains 5.9 billion dollars of real property value or (54%) of the county's roughly 11 billion dollars of total real property value. Since all fire departments in the county are currently funded through the General Fund of the county, one would think that any additional revenue needed by the Cashiers-Glenville department would be made available to the department without the need for a special fire service district tax. Once established under the present proposal, this would create a two tier tax system for Jackson County. One for the North end (28 cents / \$100) and another for the south end (30 cents / \$100) and the southern end would also lose its current \$200,000 allocation from the general fund. No matter how you cut it, it's a permanent 7% tax increase for the South end of the county. Once established, no tax ever goes away. For the last 50 years he heard the complaining of folks in the south end of the county that they pay the largest share of taxes and get nothing in return, and folks in the north end of county complaining about all those rich folks in the south end who feel they need special treatment. Things have gotten better in the last several years, but the creation of a two tier tax system will not help with mending fences or promote the continued unification of Jackson County they all desire. There is still time to contact your county commissioners before they vote on this proposal.

(c) Carolyn Franz of Glenville stated she has been here for six years and is favor of the fire tax, but would like to give some requests. As part of Friends of Lake Glenville they became concerned last year with the number of fires in the Glenville area around the lake. There were 28 fires and as part of their education, they invited chief Dillard to be part of their discussions. They learned about response time and it became clear that they are a mountainous area with expensive homes with a large terrain and with a volunteer fire department that spent most of its time raising funds. She is in favor of the fire tax and likes the fact that the fire tax revenue would stay in the district it was raised in. When a discussion starts about taxes or money, it seems to become about northern or southern parts of the county. There is an issue with the fact that the southern part of the county would be losing \$200,000 of revenue. There are needs there to buy land for parking for Cashiers and economic development. She asked that the Commissioners think about that as they go forth and make the decision.

(d) Edward Morse of Cashiers stated he has not lived in the area a long time, but bought property in 2000 and built a house in 2005. He stated he had a different perspective than most. He loved the EMS, police officers and the sheriff and believed that when someone scratches a firemen, they scratch a hero. When everything breaks loose, as he learned in New Orleans, there is one group of men that will come to help you no matter what, the firefighters. He has been fighting since he moved there to have permanent firemen in the fire stations, but it can't be done without money. They need firemen in the fire stations 24 hours a day so they can respond to their houses and families. That is why they need a fire tax.

(e) Ray Trine of Cashiers stated he supports the fire department, they do a wonderful job and are great people. He is not opposed to the fire tax, he is opposed to the equity of the fire tax. If every district in the county were going to be taxed for their own fire departments, he would be 100% in favor of that. He believes they pay 60-65% of the taxes in the county because of real estate values. This is going to change when the revaluations come out. He expects their property values to drop about 50%. It's going to take a huge blow on this county and when you start adding taxes on top of taxes, with the coming turmoil, he thinks the likelihood of the other areas of the county establishing their own fire tax, is unlikely and the 2 cent tax is probably going to be a 4 cent tax. If they are going to pay 65% of what everybody else in the county uses and they only use about 10% of the resource, he would like to see the county not eliminate the \$200,000 grant they have been giving the area, rather increase the amount of

the grant. \$18.5 mil dollar are sent to county each year from that area and the county budgets \$31 mil. He would like to see a little more money given back to the Cashiers area, not just for the fire department, but for other needs in the area, since they are paying so much of the load.

(f) Carl Hyde of Sapphire stated he was a ten year permanent resident of Sapphire and like so many people in the community supports the fire department and the fire tax. Regarding the \$200,000 that is currently being appropriated to the fire department, he asked the Commissioners if this tax should go in, what procedure would be used to determine how it can best be used. He is an advocate of Blue Ridge School and is the President of the Blue Ridge Education Foundation. North Carolina does not tax school districts. The Commissioners allocate the money through the school system. School system allocates that money based on per pupil enrollment. Blue Ridge School only has about 300 students. Compared to other schools in the county, they don't have the numbers to obtain the funding to buy school supplies and fund teacher assistants that are needed. He asked for consideration of \$200,000 to not leave the area and it should be used for Blue Ridge and other facility's needs.

(g) Conda McCall of Cashiers stated she has lived in Cashiers all her life. There are needs in the community that should to be addressed. She believes their fire department and EMS squad are the best in the county. They are looking to the Commissioners for resolution on these matters. There are a lot of sick people, elder and people without jobs in the community. An additional tax would be burdensome to a lot of those people. Please take a look and go back to the drawing board to see if they cannot help them get money for their rescue squad, fire department and school without having to tax that end of the county more.

(h) Marva Jennings of Glenville stated she was born and raised there. In 2004, she had an electrical fire at her house and the fire department did an outstanding job. As far as the tax goes what bothers her the most is that they are giving up the \$200,000 that they have been getting. She would like to see that money stay there the community. She would prefer it go to EMS because they can always use more training and more equipment and they are just as important as the fire department. She did not want to see the \$200,000 go down the mountain because too much of their tax money goes down the mountain.

(i) Stewart Foster of Cashiers stated his problem is not the money going to the fire department, they do a fabulous job, just like the rescue squad. His problem is double taxation. They are going to be set with the extra money, but then the \$200,000 goes down. That's not right. His daughter goes to Blue Ridge School and her social studies book did not have a front or back cover on it. When he graduated from Blue Ridge the text books were leftovers from the county. That's not right. He thinks the \$200,000 should stay in Cashiers Township and should be used in other places like EMS and Blue Ridge School.

(j) B.K. Jones of Glenville stated has lived her for 16-17 years and the fire department is the best he has ever seen. They are both dedicated and do a great job. He supports Chief Dillard in trying to solve the problem and he thinks it can be solved to everyone's satisfaction.

Chairman McMahan stated the Board will be taking all of the oral and written comments into consideration. He also wanted to make a clarification. The Board is currently in the middle of the budget process. A budget will be presented and there will be continued deliberations. Commissioners will adopt the budget at the end of June. They will not be making the \$200,000 appropriation to the Cashiers Fire Department, but they have not decided where they will make the \$200,000 appropriation to at this time. They know there are needs in the community for water and sewer and other needs as far as infrastructure. There are also needs in other fire departments that provide mutual aid service to the Cashiers Fire Department that allows them to be able to maintain their rating. They are looking at ways to spend the money that stills benefits this part of the county and they are taking this into consideration.

There being no further public comments, Commissioner Elders moved that the public hearing be adjourned. Commissioner Greene seconded the Motion. Motion carried.

Attest:

Approved:

Angela M. Winchester, Clerk

Brian Thomas McMahan, Chairman