

**MINUTES OF A
BOARD RETREAT
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 20, 2018**

The Jackson County Board of Commissioners met in a Board Retreat on February 20, 2018, 1:00 p.m., North Carolina Center for Advancement of Teaching, 276 NCCAT Drive, Room 113, Cullowhee, North Carolina.

Present: Brian McMahan, Chairman
Charles Elders, Vice Chair
Boyce Deitz, Commissioner
Mickey Luker, Commissioner
Ron Mau, Commissioner

Don Adams, County Manager
Heather C. Baker, County Attorney
Angela M. Winchester, Clerk to Board

Chairman McMahan called the meeting to order.

(1) INTRODUCTIONS AND PURPOSE OF THE MEETING: Mr. Adams stated that the meeting was meant to be informal and centered around the issues. The purpose was for staff to get input and direction from the Board.

David Nicholson, NCACC Outreach Associate, facilitated introductions. He stated that this was a pre-budget meeting to start the process.

(2) ROLE OF BOARD OF COMMISSIONERS: Mr. Nicholson presented:

- (a)** Why did they have counties? Counties were “the state” in action.
- The NC Constitution delegates to the General Assembly the power to establish and organize counties, including their powers and duties.
 - Counties allow citizens access to government services relatively close to where they live.
 - Counties provide citizens greater opportunity to influence and participate in government decision making.
- (b)** What do counties do?
- Counties provide basic services to citizens. Some were mandated and some were optional.
 - Mandated programs primarily relate to education, human services and public safety.
- (c)** Counties must: Examples of services counties must do:
- Provide school buildings.
 - Provide jails and courthouses.
 - Administer and finance human services programs, such as Child and Adult Protective Services, rest home care, restaurant inspections, body storage.
- (d)** Counties may: Examples of options counties can consider:
- Public libraries.
 - School operations funding (teacher supplements).
 - Solid waste removal and disposal.
 - Fire protection, ambulance.
 - Regulation of golf carts.

- (e) Expressly prohibited:
 - Require minimum wage in order to bid on a contract.
 - Promote or oppose any referendum.
 - Enact standards of care for farm animals.
 - Regulate the size of soft drinks.
- (f) Board of Commissioner roles and responsibilities:
 - General administration: Set policy for county government affairs, acting through the county manager.
 - Regulate private conduct: Through ordinance making powers.
 - Fiscal oversight: Establish an overall fiscal policy through taxing and spending authority:
 - Adopt annual budget.
 - Organization policies and ordinances.
- (g) Commissioners exercise power through three forms of action:
 - Order – directs an administrative officer to take action (County Manager to issue RFP for a project or service);
 - Resolutions – expresses the will of the Board, usually of a transitory or intermediate nature (request DOT to pave a road);
 - Ordinances – enacts a local policy decision in the Board’s capacity as the local “legislative” body, intended to be permanent (budget ordinance, personnel ordinance, zoning ordinance).
- (h) Board of Commission Roles and Responsibilities: Fiscal oversight
- (i) Roles and Responsibilities with the budget process:
 - §159-9 Budget officer.
 - §159-10 Budget requests.
 - §159-11 Preparation and submission of budget and budget message.
 - §159-12 Filing and publication of the budget; budget hearings.
 - §159-13 The budget ordinance. Form, adoption, limitations, tax levy, filing.
- (j) What was included in a county’s budget?
 - Revenues:
 - Property tax
 - Sales tax
 - Permits and fees
 - Debt proceeds
 - Intergovernmental transfers
 - Other taxes
 - Expenditures:
 - Debt
 - Deficits
 - Education
 - Human Services
 - Public Safety
 - Other programs

(3) JACKSON COUNTY COMMUNITY SNAPSHOT: Mr. Nicholson presented:

- Median Age in 2015: 37
- Average Income Per Capita in 2015: \$32,202
- Average Weekly Wage for 2016: \$679
- Percent of Unemployment Population for May 2017: 4.5%
- Existing building and site locations available for economic development for June 2017: 0
- Average property values 2015: \$171,900

- High school graduation rates 2016: 86.7%
- Educational attainment per county; bachelor's degree: 18%
- Five year public school facility needs (2015-16): \$5,201,596
- Average teacher salary supplement (2016-17): \$863
- Percent of K-12 students enrolled in a charter school (2016-17): 6.7%
- Percent of students eligible for free or reduced price lunch (2017): 57%
- Property tax rates (2017-18): 0.3700
- Ratio of county population to number of mental health providers (2017): 206:1
- Percent of county population without health insurance (2017): 20%
- Percent of county population ages 65 and older living in poverty (2015): 9%
- Percent of children living in poverty (2017): 27%

(4) FINANCIAL UPDATE: Mr. Adams and Darlene Fox, Finance Director presented:

(a) Revenues:

- Property tax
- Other tax
- Sales tax
- Sales and services
- Intergovernmental
- Debt proceeds
- Other miscellaneous

(b) Expenditures:

- Education
- Debt Service
- Human Services
- General Government
- Public Safety
- Other

(c) Expenditures for Fiscal Year 2017:

- Education 19.84%
- Human Services 23.45%
- Public Safety 23.18%
- Debt Service 5.90%
- General Government 14.10%
- Other 13.53%

(d) Fund Balance:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Jackson County	35.39	41.15	44.86	43.32	45.87
Group	27.84	30.49	31.19	32.77	34.18
State	26.74	27.46	27.49	28.26	28.83

(e) Analysis of property tax:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Jackson County	95.89	96.33	96.76	97.47	97.73
Group	95.46	96.71	97.47	97.73	98.06
State	97.3	97.97	98.59	98.79	99.04

(f) Outstanding debt as of July 1, 2018:

<u>Date Incurred</u>	<u>DOLP</u>	<u>Interest Rate</u>	<u>Purpose</u>	<u>Amount</u>
12/30/2005	12/29/2020	2.16%	SMH III, Cashiers Library	\$1,584,564.38
12/20/2007	12/20/2022	2.19%	FV Kindergarten, Cashiers Webster Site Work	\$2,971,499.93
12/11/2008	12/11/2023	2.27%	Aging Facility	\$1,529,366.73
7/15/2008	7/16/2024	2.49%	Jackson County, SCC	\$4,461,359.99
10/25/2012	10/25/2027	2.79%	SMH Gym, Fine Arts, BR Locker Room	\$6,333,333.37
3/30/2017	3/30/1932	0%	School Improvements-QZAB	\$8,400,000.00

(5) POTENTIAL MAJOR BUDGET DRIVERS: Mr. Adams and Ms. Fox presented:

(a) Payroll History

(b) Salary Projections for Fiscal 2018-2019:

- One step increase for career path: \$322,453
- Complete second year career path: \$546,591
- Total: \$869,044

(c) Public Safety Cost Projections: Total additional funding \$603,562.04

(d) Election Voting Machines:

- Update from NCACC office:
- The staff of the state Board of Elections and Ethics Enforcement had requested legislation to change the deadlines for decertification of voting machines from January 1, 2018 and September 1, 2019 to a later date. They supported the change and anticipated it would pass during one of these sessions held during the past month and a half. The House was willing to make the change, but the Senate was not.
- The county was subject to the September 1, 2019 deadline, so it was not immediately affected. The hope was by the next deadline as SBEEE board would be in place and new machines would be certified for counties to purchase.
- Anticipated cost of voting machines: \$700,000.

(e) Major CIP Projects – County

- Skyland Services Center \$2,075,000. 94% complete. Appliances and furniture had been ordered. Estimate 60 day completion.
- Projects to begin FY 2018-19
 - Health Department \$7,000,000
 - Animal Shelter \$3,500,000
 - Justice Center Renovations \$1,500,000
 - Total \$12,000,000

(f) CIP – Public Schools

- Update on QZAB projects
- Blue Ridge and Fairview Elementary under contract. Additional funding added \$627,237 from School Capital Reserve. CDBG applied for the Blue Ridge Water System in the amount of \$284,270.
- Smokey Mountain Elementary – ECBI contribution of \$118,560 for connection to the Tribal Water System.
- Currently, all QZAB projects should be completed on time and within budget.
- School Capital Reserve: current balance \$1,152,301.35
- Top three priorities for each facility.

- Public Schools SMH Athletic Fields:
 - Softball field: The softball field would fit in the newly proposed location beside Fairview Road. The design would require excavation to be completed and an engineered retaining wall to be constructed behind the home-plate back stop in order to have ADA compliances and access to the first base line side bleachers.
 - Track: An eight lane 400 meter track would fit in the undeveloped space located at the end of the Gym and Performing Arts Building.

(6) FISCAL YEAR 2018-2019 FINANCIAL OUTLOOK: Mr. Adams and Ms. Fox presented:

(a) New year funding capacity for 2019:

<u>Source of Revenue</u>	<u>Projected Increase</u>	<u>Amount</u>
Ad Valorem Taxes	\$128,400,713 new construction value	\$464,298
Motor Vehicle tax	\$10,951,667 increase in value	\$40,521
Sales Tax	5% increase (does not include Article 46)	\$570,165
	<u>Total New Capacity Projected</u>	\$1,074,984

(b) Ad valorem tax:

<u>Source</u>	<u>Value</u>
Ad Valorem Tax Value TR-1	\$8,907,306,821
New Construction	\$128,400,713
Motor Vehicle	\$346,166,007
<u>Total Value</u>	<u>\$9,381,873,541</u>

- Total ad valorem tax @ \$0.37 per \$100 = \$34,712,932
- Collection rate @ 97.73% = \$33,924,949
- 1 cent on tax rate = \$916,890.50

(7) ADDITIONAL COMMISSIONER BUDGET PRIORITIES:

(a) Commissioner Mau stated that he would like to see the public school request include the charter school amount, since by law a percentage had to go to charter schools, so that they could see those amounts separately.

(b) Commissioner Elders inquired if they anticipated a request for funding for an increase in security at the schools?

Ms. Fox stated that the schools had moved some of the priorities for safety up on the list that they wanted to go ahead and address. A study was done in 2014, which involved the Sheriff's Office, Emergency Management and the Department of Public Safety and changes were made after that. Now they were looking at all of the schools again.

Chairman McMahan stated that he thought this should be a topic at an upcoming work session and invite school administration and the Sheriff's Office. He wanted to make this a priority and if there were items on the list that needed to be done, they could pay for it now.

Consensus: *Schedule a work session/meeting regarding school safety in the near future.*

Mr. Adams stated he would meet with school management to let them know that the Board was interested in working with the schools to provide the resources to make the facilities safer.

(c) Chairman McMahan inquired about the status of the Health Department.

Mr. Adams stated that they were looking at getting the cost estimates in April and if the Board was in agreement with the schematics, then he would move forward with working out an agreement the architect. They would then be looking at three to six months for design, then go out to bid and possibly receive bids the first part of 2019.

(d) Commissioner Mau inquired about the Savannah Park project.

Mr. Adams stated that Rusty Ellis, Recreation and Parks Director, was working with an engineer group and would be going out with multiple contractors to the site and then proceed forward.

(e) Chairman McMahan inquired about the status of the Cashiers pool and the Sylva pool.

Mr. Adams stated he would request that Mr. Ellis provide a report on the next steps of the Cashiers pool. The Town of Sylva was overseeing the Sylva pool project, which was in progress.

(f) Chairman McMahan inquired about wastewater treatment for Cashiers and Whittier.

Mr. Adams stated that the county budgeted \$35,000 to help offset the costs for Whittier. They were continuing to meet with them and the goal was to get the project to become self-sufficient, which would be approximately \$70,000. There would be conversations as to whether the Board wished to supplement the entire amount. The second part of the conversation would be regarding TWSA implementing rules in that area to encourage hookups so that the customer base would increase.

Regarding Cashiers wastewater treatment, there were previous discussions about transferring this over to TWSA. At some point, there would be a preliminary engineering report that would discuss the cost of TWSA taking the water system over. TWSA would have to plan on building the system out and taking on new customers. The key would be if they could look at Cashiers as a service district.

(g) Chairman McMahan inquired about the health-sciences building at SCC.

Mr. Adams stated that currently, Ms. Fox and Ms. Baker were working on potential, significant brick and mortar grants to go towards this facility.

Ms. Fox stated that the timeline for construction would depend on the grants, which would probably be the beginning of the next fiscal year.

(h) Mr. Adams stated that as far as he understood, the second year implementation of the career path was the priority, as far as salaries were concerned. He inquired if anyone had an objection.

Consensus: *Move forward with the second year implementation of the career path.*

There being no further business, Commissioner Elders moved to adjourn the meeting. Commissioner Deitz seconded the Motion. Motion carried and the meeting adjourned at 3:53 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman