

**MINUTES OF A
REGULAR MEETING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MARCH 15, 2022**

The Jackson County Board of Commissioners met in a Regular Session on March 15, 2022, 1:00 p.m., Justice and Administration Building, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian McMahan, Chairman
Boyce Deitz, Vice Chair
Mark Jones, Commissioner
Tom Stribling, Commissioner
Gayle Woody, Commissioner

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

Chairman McMahan called the meeting to order.

(1) PROCLAMATION FOR CHILD ABUSE PREVENTION: Commissioner Jones read a Proclamation to proclaim April as Child Abuse Prevention Month. Commissioner Jones moved to approve the Proclamation. Commissioner Woody seconded the Motion. Motion carried.

Renee Coward, AWAKE Executive Director accepted the Proclamation and stated that there were many sister agencies in attendance as well. They all worked together, but they could not do it without the support of the county and the citizens that helped them all do this very important work. They were very appreciative of the recognition.

(2) PROCLAMATION FOR THE 50TH ANNIVERSARY OF MEALS ON WHEELS: Commissioner Stribling read a Proclamation to proclaim March as a month celebrating the 50th Anniversary of the Older Americans Act Nutrition Program. Commissioner Stribling moved to approve the Proclamation. Commissioner Deitz seconded the Motion. Motion carried.

Eddie Wells, Department on Aging Director accepted the Proclamation and stated they had the Meals on Wheels Program and two congregate sites. Three things that made Meals on Wheels such a successful program was the volunteers delivering, staff at the Department on Aging and the support from the county. They could not do this without all of those.

Chairman McMahan thanked the volunteers that carried the meals to residents every day. Folks looked forward to a nutritious meal and communicating with someone and that meant a lot. He also appreciated the Animeals provided, because people wanted to take care of their pets as well. It was a great service.

Commissioner Woody stated that Karen Davis, Program Coordinator was retiring. Ms. Davis had provided dedicated service to the county and kept this program going. They all did an amazing job.

Commissioner Jones asked how many meals they delivered per year?

Mr. Wells stated that they delivered approximately 35,000 meals per year for Meals on Wheels. They were doing another 25,000 to 30,000 meals per year in dining room service.

Commissioner Stribling gave a special thanks to all the delivery people for the Meals on Wheels. Volunteering to deliver meals out of the goodness of their heart with the high gas prices, they were great people.

(3) **AGENDA**: Commissioner Woody moved to approve the agenda. Commissioner Stribling seconded the Motion. Motion carried.

(4) **MINUTES**: Commissioner Woody moved to approve the minutes of a Budget Retreat of February 22, 2022; a Public Hearing (UDO Amendments) of March 01, 2022; and a Regular Meeting of March 01, 2022, as presented. Commissioner Jones seconded the Motion. Motion carried.

(5) **CHAIRMAN'S REPORT**: None.

(6) **COMMISSIONER REPORTS**: Commissioner Woody stated that her heart went out to the people of Ukraine. They were in her prayers. She voiced support for their fight for democracy.

(7) **COUNTY MANAGER REPORT**: None.

(8) **INFORMAL COMMENTS BY THE PUBLIC**: Cris Weatherford, Department of Social Services Director, stated that he started the position in June. They had an incredibly dedicated staff at DSS that did good work. He was glad to be there and working in his home county. He loved his job and the people he worked with. It was not an easy job for anyone, but they did a good work and he was proud of them.

(9) **CONSENT AGENDA**:

(a) Darlene Fox, Finance Director, presented the Finance Report for February, 2022 and two Budget Ordinance Amendments for fiscal year ending June 30, 2022, for approval.

(b) Brandi Henson, Tax Collector, presented the Tax Collector and Refund Reports for February, 2022, for approval.

Motion: *Commissioner Deitz moved to approve the Consent Agenda. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(10) **PARTF GRANT PRE-APPLICATION FOR QUALLA PARK**: Rusty Ellis, Parks and Recreation Director, stated that this was an item from the work session. He presented a narrative and cost for the park showing the matching funds, as well as the site map. The pre-application had to be turned in that day by 5:00 p.m. The grant application was due on May 2nd.

Mr. Adams noted that on the site map, it did not include the upper portion of the property being purchased. For the PARTF Grant, they only included the lower portion of the property and it would subject to the PARTF restrictions, if they were fortunate to receive the \$500,000 grant. They planned to build the walking trail out to the upper portion, but would use county dollars to do so. This would allow the upper portion to have joint programming with Smoky Mountain Elementary School without interfering with the PARTF Grant Rules.

Motion: *Commissioner Woody moved to approve the PARTF Grant Pre-Application for Qualla Park, as presented. Commissioner Stribling seconded the Motion. Motion carried by unanimous vote.*

(11) **BROADBAND GREAT GRANTS**: Mr. Adams stated that at the end of this presentation, there would be a request to the Board to partner with ARPA funds for up to \$8 million worth of investment in the community.

He presented a PowerPoint created by Tiffany Henry, Economic Development Director: Broadband Update:

- (a) Impact the lack of broadband had on the community:
 - Over 71% of households were without broadband in their homes.
 - From remote learning and meetings, it forced them to use the internet, highlighting how truly far behind they were.
- (b) Top reasons broadband was so important:
 - Safety and security
 - Education
 - Healthcare Access
 - Higher property values
 - Lower unemployment rates
 - Higher rates of new business
 - Increased job and population growth
- (c) Overview of GREAT Grant Program: Purpose of GREAT: Facilitate economic development through the deployment of broadband to unserved areas across North Carolina.
 - Highly competitive
 - Internet Service Provider's (ISP's) were applicants
 - Applications due April 4th
 - Target less than 25:3
 - Awardees were required to participate in the Affordable Connectivity Program (ACP) or provide a broad-based affordability program to low-income consumers similar to ACP
 - Currently no cap on award amounts
- (d) Program Guidelines:
 - Single grant award cannot exceed \$4 million
 - Awards for projects in any one county cannot exceed \$8 million
 - Minimum speeds of 100:20
 - Defined scoring criteria
 - Five-year service agreement
 - Deployment Project Period: Two years from effective date of grant agreement
 - Maintenance Period: Following deployment phase, service must continue for the remainder of the five-year period
 - Eligibility for Economically Distressed County
 - Unserved census block without 25:3 speed
- (e) Eligible Projects:
 - Discrete and specific project located in unserved area of economically distressed county
 - Projects did not include middle mile or backhaul
 - Projects must be directed to end users (fiber to the home)
 - Areas without internet service of 25:3
- (f) Ineligible Areas:
 - Areas where a private provider had been designated to receive funds through other state or federally funded programs specifically for broadband deployment
 - RDOF census blocks were ineligible for funding
 - No overlap of coverage allowed
- (g) NC GREAT 2022 Eligible Areas Map
- (h) What was required of ISP:
 - Proposed # of households
 - Proposed # of businesses
 - Map and description of project area
 - Base speed to all locations

- Total project cost
 - Cost per Passing
 - Proof of financial solvency
 - Proposed partnership (municipality)
 - Support from community
 - Qualifications of ISP
 - Assessment of current broadband access in proposed area
 - Description of proposed services (speed, pricing, timeline, etc.)
 - Technical and engineering report
- (i) Partnering for GREAT:
- County may enter into proposed agreement with more than one ISP
 - Proposed partnership must be in writing to qualify for points:
 - Provide specific terms and conditions
 - Be signed and attested by all parties
 - One Point shall be received if the county provides financial match
 - Additional two points shall be received where county's financial match was comprised entirely of ARPA funds intended for broadband infrastructure
- (j) Matching Funds:
- Determined by application score
 - Up to 50% of match may be third-party funding or other grants
 - Highest score receives priority for funding
 - Match could be used only toward eligible project costs for GREAT Grant
 - County ARPA Funds and Unrestricted General Fund Revenue Eligible
 - 50%: 12.0 points or less
 - 45%: Greater than 12.0, but less than 17.5
 - 40%: 17.5 up to 22.0
 - 30%: Greater than 22.0
 - Potential match reduction, regardless of score:
 - County financial contribution partially ARPA: 25%
 - County financial contribution entirely ARAP: 15%

Mr. Adams noted that if the county only used ARPA funds, the county share would be 7.5% with the company share being 7.5%. If the county moved forward, the maximum amount of match that could be requested was \$600,000, which would be 7.5% of the \$8 million total that could be awarded to the county. The county had an opportunity to partner with these providers at a \$600,000 match level that could get \$8 million worth of direct service to the citizens of the county for broadband.

(k) Next Steps: The applications from the private providers were due to the state on April 4th.

He requested that the Board consider a vote to authorize the Chairman and/or County Manager to execute the documentation required for the GREAT Grant process, stating the county would match up to \$600,000 to these grant applications. This would be with the understanding that what he presented would follow through.

They believed there would be \$8 million worth of interest and applications. If the Board was willing to do this, it would get the providers to apply for the money and allow the state professionals to review the applications, abide by the rules and award the grants. A contract would then come back to the Board to approve to commit the funds. The county would then have additional specific information areas to be served.

General discussions were held.

Motion: Commissioner Jones moved to authorize the Chairman and/or County Manager to execute the documentation required for the GREAT Grant process and the county would match up to \$600,000 to the grant applications, as presented. Commissioner Woody seconded the motion. Motion carried by unanimous vote.

(12) COMPENSATION AND CLASSIFICATION STUDY RECOMMENDATIONS:

Mr. Adams provided a copy of the proposal to the Board. He stated that the county was fortunate to have dedicated employees, who provided excellent service to the citizens. Unfortunately, they had faced many challenges that had drastically increased the turnover rate. In FY 21-22, the turnover rate was at 15.2%. Although retirement and involuntary turnover were part of these trends, the majority of the turnover was voluntary. The voluntary turnover had occurred for many reasons.

(a) Turnover by Fiscal Year:

- FY19 7/1/18-6/30/19: 12.4%
- FY20 7/1/19-6/30/20: 11.4%
- FY21 7/1/20-6/30/21: 19.8%
- FY22 7/1/21-3/31/22: 15.2%
- He highlighted specific department totals.

The pandemic caused the whole labor market to evaluate their jobs in regards to pay and function. This caused a labor shortage throughout most industries. The labor shortage created a market that demanded higher wages for all functions. Increased wages in the retail, service and construction industries negatively impacted their ability to retain and/or recruit positions, such as housekeeping, landscaping, maintenance and other administrative positions. Housekeeping and administrative positions were finding entry level positions in the retail and service industry at higher pay. Maintenance and landscaping workers were finding higher paying jobs in the construction market.

The lack of available trained personnel in specific functions, that were normally governmental in nature, caused competition for those employees to increase among the governmental units. Examples of operations directly impacted by this competition included, but were not limited to: law enforcement, E911 dispatching, health care, environmental health, social work and code enforcement. These positions required a significant amount of education and training in order to perform duties.

Losing these personnel to other governmental units could be costly to the county. It could cost the county up to \$7,000 in the first six months to train an E911 Telecommunicator. It could cost up to \$13,000 in the first ten weeks to equip and train a detention officer. It could cost up to \$13,000 in the first 12 weeks to equip and train a BLE certified applicant to become a law enforcement officer (\$26,000 in the first nine months if they were not BLE certified). It could cost up to \$18,000 in the first three months to train certain social work positions. Note, these costs do not include salary costs for loss of supervisor productivity. Although loss of training expenses could be financially costly to the county, the loss of experience could be extremely detrimental to the operations.

Many county positions required hands on years of experience to advance their qualifications. Code Enforcement employees were not only required to take and pass building inspection courses, they must also have direct experience in inspections over a period of years to advance their certifications. Social workers must have direct years of experience before advancing in position title and responsibility. Experienced law enforcement officers were needed when dealing with high level investigations and case management. Positions that required both education and experience in order to operate could only be replaced with another employee that also met the educational and experience requirements.

(b) Pay plan structure: The county's current pay plan structure was not adequate. It was becoming extremely difficult to retain both inexperienced and experienced personnel. It was difficult to recruit experienced personnel. The county needed to update its current pay plan to accomplish the following:

- Provide that current job functions were appropriately recognized/named.
- Update the grade table to correctly place these titles/functions.
- Ensure that the pay ranges for these job titles were competitive in the market place.
- Implement a pay range/step system that allowed for the retention of existing personnel and recruitment of both inexperienced and experienced personnel.
- Continue with the career path system to maintain the ability to retain and recruit.

Recognizing the need to update its current pay plan, the county hired Evergreen Solutions in July 2021, to conduct a compensation and classification study. Evergreen Solutions conducted job assessments for each position, performed a salary market study and made recommendations regarding the county's pay plan.

(c) Market study: The report a listed of 21 peer organizations from which data was collected for 75 classifications from which salary range data were collected. *Indicates data obtained from peer:

- Buncombe County
- Alexander County *
- Burke County *
- Cherokee County*
- Cleveland County*
- Haywood County*
- Henderson County
- Macon County*
- McDowell County
- Polk County*
- Rutherford County*
- Swain County*
- Transylvania County*
- Watauga County
- Wilkes County
- Yancey County
- Town of Sylva*
- North Carolina Department of Transportation*
- Southwestern Community College
- Western Carolina University
- Harris Regional Hospital – Sylva, NC
- Eastern Band of Cherokee Indians

(d) Salary Survey Summary: A starting point of the analysis was to compare the peer's market minimum for each classification to the county's range minimums. Market minimums were generally considered an entry level salary for employees who met the minimum qualifications of a classification. Employees with salaries at or near the range minimums typically had not mastered the job and probably had not acquired the skills and experience necessary to be fully proficient in their classification.

He presented an exhibit that illustrated for benchmark classifications, the county was, on average, approximately 12.3% below the average market position at the minimum of the respective salary ranges. Market midpoints were important to consider because they were commonly recognized as the salary point at which employees were fully proficient in satisfactorily performing their work. As such, midpoint was often considered as the salary point at which a fully proficient employee could expect their salary to be placed. On average, the county was approximately 4.4% ahead of the competitive market position at the midpoint of the respective salary ranges. The market maximum was significant as it represented the upper limit salary that an organization might provide to retain and/or reward experienced and high performing employees. On average, the county was approximately 4.3% ahead of the competitive market position at the maximum of the respective salary ranges.

It should be noted that the standing of a classification's pay range compared to the market was not a definitive assessment of an individual employee's salary being equally above or below market.

(e) Recommendations:

- In the analysis of the county's classification system, Evergreen collected classification data through the Job Assessment Tool (JAT) and Management Issues Tool (MIT) processes. The JATs, which were completed by employees and reviewed by their supervisors, provided information about the type and level of work being performed for each of the county's classifications. The MIT process provided supervisors an opportunity to provide specific recommendations regarding the pay or classification of positions in their areas. Evergreen reviewed and utilized the data provided in the JATs and MITs as a basis for the classification recommendations.
- The compensation system consisted of two parts: an external market assessment and an internal equity assessment. During the internal equity assessment, consideration of the relationships between positions and type of work being performed by the county employees were reviewed and analyzed. A composite score was assigned to each of the classifications.
- The county's salary ranges were found to be behind its desired market position for more than 22 of the surveyed classifications. Implementing a new, more competitive pay structure would provide the county with an improved ability to attract, hire and retain employees.
- Revise the county's current step plan to reflect the county's desired market position and best practices; slot all classifications into the plan based on external and internal equity; and implement by transitioning employees' salaries.
- The proposed revised step plan, which contained 26 pay grades, numbered 15 through 40. The pay plan was condensed from 31 pay grades to 26 pay grades. The proposed plan reduced the number of steps to range maximum from 35 steps to 30 steps. A new step progression was used to move employees towards range midpoint more quickly.
- He presented the proposed pay plan step and grades.
- After revising the pay plan, Evergreen slotted each proposed classification into the appropriate pay range in the revised plan. Both internal and external equity were analyzed when slotting the classifications. Assigning pay grades to classifications required a balance of internal equity, desired market position and recruitment and retention concerns.
- He presented the Classification and Pay Grades table.

(f) Modified Class-Date Placement:

- After employees' salaries were moved to the proposed pay grade minimum, employees' salaries were placed on the appropriate step-in grade based on classification date. The county then evaluated each employee's proposed grade and step placement and proposed changes to ensure employees maintained their career path progression.
- Utilizing this approach and years in classification, adjustments were then recommended for 405 employees with an approximate total annualized cost of \$2,869,388.99.
- Conduct small-scale salary surveys as needed to assess the market competitiveness of hard-to-fill classifications and/or classifications with retention issues and make changes to pay grade assignments if necessary. While it was unlikely that the pay plan in total would need to be adjusted for several years, a small number of classifications' pay grades may need to be reassigned more frequently.
- Conduct a comprehensive classification and compensation study every three to five years.

(g) Summary: By implementing the new pay plan, it would have a responsive compensation system for several years to come.

It was believed that implementing these recommendations would reduce the county's turnover rate by retaining the talented employee pool. Implementation would also empower the county to attract inexperienced and experienced applicants to back fill vacancies created by limited voluntary turnover, involuntary turnover and retirements.

It was requested that the Board of Commissioners vote to implement the recommendations as presented. It was also requested that adoption of the new pay grade, new step plan and the current career path systems be effective January 1, 2022.

(h) Evergreen Salary Study Implementation:

Annual cost to implement	\$2,869,389.00
FICA	\$177,902.12
Retirement LOC	\$272,821.25
Retirement LEO	\$81,862.09
Medicare	<u>\$41,606.14</u>
Total Cost	\$3,443,580.60
Percentage increase in salaries	16.36%
Implementation 01/01/2022	\$1,721,790.30
Reserved funds	<u>\$725,000.00</u>
Balance required FY2022	\$996,790.30
New capacity needed in FY2023	\$2,718,580.60
New capacity for step increase	\$470,060.00
FICA	\$29,143.72
Retirement LOC	\$47,753.42
Retirement LEO	\$13,648.05
Medicare	<u>\$6,815.87</u>
Total Cost	\$567,421.06

He thanked all employees, department heads and elected officials for their participation in this process. He especially thanked Kathleen Breedlove, Human Resources Director for keeping the process organized and Darlene Fox, Finance Director for the attention to detail over the entire process.

Motion: *Chairman McMahan moved to adopt the new pay grade system, the new step plan system and the current career path system, as presented and be effective as of January 1, 2022 for all current active employees who were not within a resignation notice period. Commissioner Woody seconded the motion.*

Discussions:

Commissioner Jones asked if the total increases were similar in bordering counties with similar population?

Mr. Adams stated that it was similar to Haywood. He thought Macon’s was higher.

Chairman McMahan stated that it was never an “apples to apples” comparison because some counties did not have a career path as Jackson did.

Mr. Adams stated that the career path was going to enable them to show what employees could look forward to in the future.

Commissioner Woody stated that they often talked about the beauty of the county and the amazing natural resources they had, but she thought their greatest asset was their people and their employees. She felt that reflected the value they placed on them.

Chairman McMahan stated that he had been involved in Jackson County government for over 22 years. He started out as an employee and was finishing his fourth term as a County Commissioner. He had been a part of three of these types of studies. By far, this was the fairest and most equitable salary survey study that he had been a part of or had seen in other jurisdictions.

He thought it did a lot toward focusing on the middle part of the payroll trying to address their retention needs. It focused on the bottom side of the payroll and tried to help them recruit people. It still rewarded and fairly compensated those on the upper end for all the years of service they had provided. It had been well thought out. Staff, especially Mr. Adams and Ms. Fox, had spent numerous hours going over all the numbers. He appreciated the hard work that had gone into this.

He thought it was a great plan and he was very proud of it. He thought it would be great for the current employees and would leave a mark on the county for future conversations about protecting the leadership and those positions that would become tomorrow's leaders currently working for the county. That was a very critical step they needed to take that day.

Commissioner Jones stated that he was also involved in his fourth term and he recalled being involved with three of these studies. He agreed, this study seemed to be the most equitable version. This would also help with the recruitment issue. They wanted the best employees to serve the citizens and keep the quality of life they were accustomed to in the county, as well as enhance the employees.

He asked Ms. Fox how much of a raise the County Commissioners would receive?

Ms. Fox stated zero.

Motion carried by unanimous vote.

Mr. Adams stated that on behalf of the county employees and other elected officials, they greatly appreciated what they had just done as a Board. He did believe this would ensure leadership within the community and operations for years.

(13) BUDGET ORDINANCE AMENDMENT: Ms. Fox thanked the Board for adopting the plan. It would be effective January 1st and would be on the payroll checks on March 18th. The next week, they would do a retro check from January 1st to March.

Mr. Adams stated that he would provide information to the departments and offices over the next three to four days to go over the details. There would also be information in the payroll stubs that would provide direct information for the adjustments made.

Ms. Fox presented a Budget Ordinance Amendment that would cover the first six months of the increases to implement the salary study effective January 1, 2022 in the amount of \$1,679,503. They would reduce contingency by the amount that had been set aside of \$725,000 and requested that the Board appropriate \$954,503 from the General Fund balance.

Motion: *Commissioner Woody moved to approve the Budget Ordinance Amendment to implement the salary study, as presented. Commissioner Stribling seconded the motion. Motion carried by unanimous vote.*

(14) DILLSBORO RIVER PROPERTY EASEMENT AGREEMENT: Ms. Baker stated that this item was discussed at the work session. The Stillwell's had an easement from their property over the county's property for a sewer easement. The Stillwell's requested that the easement be moved to a location that worked well for both parties. It would be located behind the bathrooms instead of through the middle of the county's property. This was in the area of the CJ Harris put-in.

She presented the easement agreement for consideration. It was a pre-agreement that would allow the easement to be moved and then be surveyed for its exact location. They would then record an amendment. This would abandon the old easement and replace it with a new easement. The Stillwell's reviewed the document and had approved it. The sewer easement work would be done, a survey prepared and then the final easement would be recorded. She requested consideration of approval of the easement agreement.

Motion: *Commissioner Deitz moved to approve the Dillsboro River Property Easement Agreement, as presented. Commissioner Jones seconded the motion. Motion carried by unanimous vote.*

(15) OFFER TO PURCHASE AND CONTRACT FROM HEATON AND RESOLUTION R22-02: Ms. Baker presented an offer she received from Timothy and Belinda Heaton for 2.5 acres in Scotts Creek Township (PIN#7662-48-8003) for \$600.00. The county acquired this property through tax foreclosure in 2015. The Heaton's originally offered \$100.00, which she let them know was not a reasonable offer because of the amount the county would have in advertising, etc. Ms. Heaton indicated that there was only 0.21 of an acre of the property that was buildable with the remainder of the property being steep.

If approved, they would send letters to all of the adjoining property owners. This would also be published in the newspaper for the upset bid process.

General discussions were held.

Motion: *Chairman McMahan moved to approve Resolution R22-02, as presented. Commissioner Deitz seconded the Motion. Motion carried by unanimous vote.*

(16) FINAL OFFER FOR LOTS 11 AND 18B RIVER ROCK: Ms. Baker stated that on December 7, 2021, the Board approved the initial bid from Divine Consulting, LLC of \$1,000.00 for Lots 11 and 18B, River Rock (PIN #7556-83-1939 and PIN#7566-22-4773). The offer was upset and the final bid was for \$3,146.00 from Divine Consulting, LLC. This had been advertised for ten days with no further upset bids. She requested approval of the final bid, which was \$3,146.00.

Motion: *Commissioner Jones moved to approve the offer for the final bid of \$3,146.00 for Lots 11 and 18B, River Rock from Divine Consulting, LLC, as presented. Commissioner Woody seconded the Motion. Motion carried by unanimous vote.*

(17) FINAL OFFER FOR LOT 44 GARNET RIDGE: Ms. Baker stated that on December 14, 2021, the Board approved the initial bid from Cub Lands, LLC of \$5,000.00 for Lot 44 Garnet Ridge (PIN #7527-87-7364). The offer was upset and the final bid was for \$13,550.00 from Garnet Ridge Preserve POA, Inc. This had been advertised for ten days with no further upset bids. She requested approval of the final bid, which was \$13,550.00.

Motion: *Commissioner Woody moved to approve the offer for the final bid of \$13,550.00 for Lot 44, Garnet Ridge from Garnet Ridge Preserve POA, Inc., as presented. Chairman McMahan seconded the Motion. Motion carried by unanimous vote.*

(18) PRESS CONFERENCE: None.

There being no further business, Commissioner Woody moved to adjourn the meeting. Commissioner Jones seconded the Motion. Motion carried and the meeting adjourned at 3:08 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman