



JACKSON COUNTY ADMINISTRATION

County Manager: Don Adams

401 Grindstaff Cove Road, Suite A-207, Sylva, North Carolina 28779
Phone: 828-631-2295 • FAX: 828-631-2208
Email: donadams@jacksonnc.org

To: Jackson County Board of Commissioners
From: Don Adams *DA*
Date: December 10, 2020
Subject: Proposed Mid-Year Funding Adjustments and Employee Bonuses

As everyone is aware, our community (along with the rest of the nation) has been battling the COVID-19 pandemic for the last year. There were unknown potential expense and revenue issues when the Board was considering the adoption of the current FY 20-21 budget. My recommended budget to the Board was conservative regarding the following areas:

1. Budgeted sales tax revenues were reduced by 2% from previous year's budgeted amounts.
2. The proposed Cost of Living Adjustment (COLA) to all County employees was not implemented.
3. Current expense funding to the Jackson County Public Schools was held level.
4. Funding to the Jackson County Libraries (Fontana) was held level.
5. Funding to Southwestern Community College was held level.

My budget message to the Board on May 26, 2020 recommended that these issues be revisited in January 2021 once a better understanding of sales tax impacts were known. There is enough information available at this time for the Board to revisit these issues.

It is proposed that the Board of Commissioners fund the following proposals:

1. Provide a COLA to all County employees.
2. Provide a one-time bonus to all public school certified teachers and other staff. In addition to this one-time bonus, it is recommended that the Board of Education develop a new teacher supplement program to be presented to the Board of Commissioners during the FY 21-22 budget process.
3. Provide an additional 2% funding increase to the Jackson County Libraries.
4. Provide an additional 2% funding increase to Southwestern Community College.

Since the above proposals will be for ongoing expenses beyond the current fiscal year, it is recommended that they be funded through increased sales tax revenues. See Attachment 2a for details.

It is also proposed that the Board consider providing a one-time bonus to all full-time and permanent part-time County employees. See Attachment 2b for details.

The intent of these proposals is to follow through with previous commitments and to attempt to recognize and reward employees for their work during these extraordinary times. The pandemic has caused County operations to transform and adapt in order to continue safe and effective services to our citizens. This includes direct and indirect operations. The continuous delivery of high quality service to our citizens is directly related to the excellence of our employees. I am sure that they will continue with their commitment to serve throughout the remainder of this pandemic and thereafter. I am truly appreciative of their service to our community.

FY 2020-2021 MID-YEAR FUNDING SUMMARY

	6 months	Annual
Cost of Living Adjustment		
2% Cost of Living Adjustment to begin on December 21, 2020 (Pay date 1/08/2021)	\$ 202,464.00	\$ 404,928.00
Public Schools		
One time Bonus Certified and Non-certified \$500 each	\$ 359,000.00	\$ 359,000.00
<p>This allocation is in lieu of a 2% general increase. The Board of Education will develop a new teacher supplement program that includes these additional funds to be presented the Board of Commissioners in the FY 21-22 budget process.</p>		
2% of Prior Year Budget		
Fontana Regional Library		
2% adjustment to FY 2020 Budget	\$ 23,098.16	\$ 23,098.16
Southwestern Community College		
2% adjustment to FY 2020 Budget	\$ 41,019.80	\$ 41,019.80
Total Mid-Year Adjustments	\$ 625,581.96	\$ 828,045.96

COUNTY SHARE OF SALES TAX REVENUE

FY 2019-2020	Budget
Article 39	6,126,739.00
Article 40	2,168,591.00
Article 42	<u>1,145,732.00</u>
	\$ 9,441,062.00

FY 2019-2020	Actual
Article 39	\$ 6,614,083.70
Article 40	\$ 2,080,344.76
Article 42	<u>\$ 1,353,611.39</u>
	\$ 10,048,039.85

FY 2020-2021	Budget	7%	9%
Article 39	\$ 6,004,204.00	\$ 420,294.28	\$ 540,378.36
Article 40	\$ 2,125,219.00	\$ 148,765.33	\$ 191,269.71
Article 42	<u>\$ 1,122,817.00</u>	<u>\$ 78,597.19</u>	<u>\$ 101,053.53</u>
	\$ 9,252,240.00	\$ 647,656.80	\$ 832,701.60

In FY 19-20 Jackson County budgeted \$9,441,062. We actually received \$10,048,039. This is a 6% above budgeted amounts.

Jackson County budgeted \$9,252,240 for FY 20-21. This is 2% less than FY 19-20 budgeted amount of \$9,441,062.

The FY 20-21 budgeted amount of \$9,252,240 is 8% less than what was actually received in FY 19-20 of \$10,048,039.

Current FY 20-21 1st quarter overall sales taxes (July, August, September) has averaged 16.78% above FY 19-20 actual receipts.

Jackson County is currently trending 24.78% above FY 20-21 budgeted amounts in the 1st quarter.

Increasing current budgeted amounts by 7% will cover the additional 6 month estimated costs of \$624,203.

Total annual costs for these increases will be approximately \$825,287, which will assume approximately 9% of sales tax growth next FY 21-22.

Even if we do not continue to trend 24.78% above budgeted amounts, it is reasonable to believe that a 7-9% increase is sustainable.

FY 2020-2021 MID-YEAR CAPACITY AND FUNDING
Proposed Employee Bonuses

CAPACITY

Covid Reimbursement Public Safety Salaries	\$ 909,255.00
Contingency	\$ 909,255.00

FUNDING

\$100 per month to full-time employees, prorated for part-time employees to be paid on December 18, 2020 (10 month-\$1,000 max)	<u>\$ 413,483.65</u>
387 full-time	\$ 413,483.65
16 part-time	

Balance - Contingency: \$ 495,771.35