

**MINUTES OF A
WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MARCH 15, 2016**

The Jackson County Board of Commissioners met in a Work Session on March 15, 2016, 10:00 a.m., 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
Heather C. Baker, County Attorney

Chairman McMahan called the meeting to order.

(1) **WEBSTER ENTERPRISES UPDATE**: Gene Robinson, Executive Director, formally announced his retirement as of June 30th and introduced Joe Rigdon, who would be taking over the CEO responsibilities on July 1st.

Mr. Rigdon shared the results of the county's support for Webster Enterprises. The Webster Enterprises' mission was to provide jobs and training opportunities for adults with a barrier to employment, which would be a disability or disadvantage. This was a very successful model and they hoped to continue for years to come. Overall, their vision was to be a good community partner in Jackson, Macon and Swain Counties. Their business and manufacturing was growing and just in the past couple of months they added eight new employees. Their orders and demands were increasing, which would help them provide services to those individuals that needed training.

In November, 2014, they had approached Commissioners for their yearly grant funding and asked for five years because they had an opportunity to grow their business by expanding the sewing operations. Within one and a half years they have gone from 9 to 18 employees at the new sewing location. They were working on a future opportunity that could add another 20-25 employees.

Their main focus had been with medical devices/surgical drapes, which had grown in the last year, so that they added three new operators in that division. Comparing where they were last year to this year, they had seen a 28% increase in their sales. They wanted to continue that trend so that they could create more jobs and more training opportunities. They were working with the Project Search Group at Duke LifePoint Hospital, the school system and DSS.

When Commissioners advanced five years to them, they used that to build their sewing business by investing in machinery and operational costs. They want to continue to grow and they were working with their board on a grant from State Employees Credit Union. Obtaining this grant would allow them to expand on their site in Webster to house everyone in the same location. Also, they were celebrating their fortieth year and would be having a big event on campus later in the year. He invited the Commissioners to attend.

Informational item only.

(2) CHARTERS OF FREEDOM UPDATE: Pamela Unruh, Director of Educational Resources, presented Forward Foundation, Inc. Talking Points:

(a) Fundraising progress updates

- Funds raised to date is \$11,000 (\$7,000 direct donations, \$4,000 construction donated).
- Mailers: They recently sent out 121 mailers to affluent families in the community.
- Cooperative efforts going forward. A need to identify someone who would be a champion of the cause.
- They have worked with quarries to reduce cost of materials or use different materials. One suggestion would be to use brick for the casing instead of granite, since the courthouse is brick, which would reduce the price substantially to approximately \$25,000.

Commissioner Deitz asked if field stone could be an option.

Ms. Unruh stated she would gather additional information for them.

Chairman McMahan stated he preferred the Indiana Limestone, which would give more of a federal appeal. But he also thought the idea of using bricks that were “antiqued” to match the original building could be considered as well.

(b) Public Schools Initiatives

- Contests in progress: Cooperative effort with the public school system, the public library and Veterans Affairs. They have launched a series of student contests for which they will have an awards ceremony, hosted by the Library, on May 13th.
- Loose change drives at schools.
- Creating educational materials for educators.

Informational item only.

(3) PLANNING DEPARTMENT UPDATE: Michael Poston, Director, stated:

(a) Ordinance Review: The Planning Department has been reviewing the 22 development ordinances (includes the 2 ordinances that establish the Planning Board and Board of Adjustment) in order to provide a recommendation to the Board as to the most effective manner of managing the development ordinance. To this end, they had been researching the cost and the processes associated with developing a UDO and expect to request the Board’s consideration during the budgeting process.

(b) As a part of this review, they looked at the county sign ordinance (applies to all areas of the county, outside the municipal limits and zoned areas) and discovered that, much like the zoned areas of the county, off premise signs located with the rights-of-way (other than governmental signs) are prohibited. They currently collect these signs in the zoned jurisdictions and will begin to actively enforce this provision throughout the county.

(c) Industrial Development Ordinance update: Staff worked with the Planning Board on the amending the ordinance. It was still in the draft phase and no recommendation had been made at that point, but he thought it was beneficial to update the Commissioners and gain feedback. There are a couple notable changes being discussed. One is specifically addressing hydraulic fracturing, which he believed would be covered under the current mining regulations. The proposed amendments would define and specify it as a type of mining. He noted that the state had preempted the county on this issue. Counties could only regulate typical development standards like setbacks and buffering. However, the current or proposed regulations could be appealed to the state by a potential applicant and if the state determines that the regulations have the effect of prohibiting the use, they can be overturned.

Chairman McMahan requested that an environmental review process be included that would require an environmental impact study be performed on any type of mining activity that could potentially cause a negative impact on the environment and create certain trigger levels where action would be required at certain levels. He felt this was also an issue of safety for citizens and emergency personnel. He wanted to have safety parameters built into the ordinance in the event of a spill or leak so that they would know how to accurately respond.

Commissioner Greene stated this was a major issue in the county and that she felt it was important for the county to have a process in place that would identify the environmental issues with fracking. Also, the NRDC had agreed to work with the county to develop a model ordinance to address the fracking issue.

Commissioner Jones stated he thought they should take the stance that they were protecting the environment as well as having regulatory standards in place if issues do arise.

Commissioner Elders stated there were strict regulations already in place that he felt they should be in line with.

Commissioner Deitz stated he was strongly against fracking and concerned about the environment. He thought they should be careful with all the regulations.

Mr. Poston stated that another notable change being discussed was how they address commercial junk yards and private properties storing junk. Currently, junk yards are only addressed when they are commercial businesses. The Planning Board had been looking at options to address all junk yards whether they are commercial or private (private meaning junk stored on private property not for commercial purposes). From an administrative and enforcement perspective, addressing the issue in a clear manner, i.e. should they allow private junk yards or not allow them is the best approach. Staff had worked with the Planning Board on creating a draft definition of private junk yard as any property having more than 500 square feet of trash or more than three junk vehicles on the property (he noted that this definition is a potential starting point, may be changed). Creation of an amortization period will also be included, possibly two years, to allow those with private junk yards with ample time to remove the junk from the property.

Chairman McMahan stated that he felt the Industrial Development Ordinance should focus on commercial only and not have a component dealing with private. He wanted to make sure that people that were making money selling junk were doing it in a way that was safe and that they were using the standards that were in place. He thought maybe they could help by having a designated day that the county would pick up unwanted appliances, etc. and take them to the recycle center free of charge.

Commissioner Elders stated that the junk dealers needed to be in compliance, but they were needed in the community.

Commissioner Jones agreed they needed to step away from the private and focus on commercial.

Commissioner Greene stated that she looked at it differently. Citizens had called her regarding old cars and appliances on private property that was not a junk yard. She wanted to see a maximum amount of cars that were not capable of moving and help get rid of the appliances.

Commissioner Deitz stated that it was getting into something big when someone start telling private property owners what they can or cannot do on their property. What may be unsightly to one person may not be to someone else.

The Planning Board requested staff to continue to refine these concepts into a final draft that can be reviewed at their May meeting. The Planning Board also requested that staff research any programs that are available to assist property owners in cleaning up their property, if the proposed regulations are adopted.

(d) He noted that the Cashiers Planning Council would hold their board training on Monday March 28 and Wednesday March 30 from 3:00-5:00 p.m. at the Cashiers Library. Likewise, the Planning Board will hold their training on Monday, April 11th and Thursday, April 14th from 6:00-8:00 p.m. at the Department on Aging-Heritage Room. The Commissioners were invited to attend these sessions.

Informational item only.

(4) VOLUNTEER FIRE DEPARTMENT REQUEST: Darrell Woodard, Savannah Fire Chief, stated that all county fire chiefs, except Qualla were present for the discussion. Chief Woodard stated that they had been discussing this issue for some time. There were many reasons why adding a second paid position to each fire department would be beneficial to the county, citizens and the fire departments. Nearly seven years ago, the county approved one paid position at each of the fire stations in the county. It had been very beneficial to the citizens of the county the service they had been able to provide and the things they had been able to do includes lowering the fire rating, which in most instances, had saved citizens approximately 25% on their homeowner's insurance. Some of the benefits of adding a second paid position was:

- Maintain fire ratings
- Volunteer numbers have declined
- State certification standards require more hours
- Equipment maintenance can be done by paid employee instead of volunteers
- Increase in call volume
- Recordkeeping can be done by paid employee instead of volunteers
- Two people would be able to do jobs that one person is unable to do
- More opportunities to provide education to schools, churches, etc.
- Better response to calls

They would have to look at each fire station on an individual basis to decide shift needs as to whether they would be looking to cover a larger amount of time with two shifts, have both employees at the station at the same time or have overlapping hours.

The Fire Services Coordinator positions are funded from the General Fund. These positions are established in the pay plan at a Grade 18. The following is the total cost for each additional person:

Grade 18, Step 1	
Salary	\$29,334.47
ER FICA	\$1,818.74
LOC	\$1,988.88
HOSP	\$9,203.40
ER MED	\$425.35
WC	\$88.59
UNEMPL	\$223.00
Total	\$43,082.42

Department	4340	
Salary	\$199,896.77	
# Positions	6	
<u>Benefits</u>	<u>Rates</u>	<u>Amounts</u>
FICA	6.20%	\$12,393.60
Retirement	8.00%	\$15,991.74
Hospitalization	9203.04	\$55,218.24
Medicare	1.45%	\$2,898.50
UI	223.00%	\$1,338.00
Total Benefits		\$87,840.08
Salary		\$199,896.77
Benefits		\$87,840.08
Total Salary & Benefits		\$287,736.85

Mr. Wooten stated that adding this as a county position presented challenges to the county from a liability standpoint. He thought they would be better served by providing the funding to the fire departments and they then could choose to hire the position in the way they want to structure it. This was an issue that needed to be discussed for the future. There was no doubt that the fire departments could use an additional position. From a county standpoint, he thought they could not go to additional paid positions at the fire departments without looking at the fire tax issue.

Commissioner Greene requested information showing how many and what type of calls for each of the fire departments. Also, she had an opportunity to have a conversation with the new president of the university system, Ms. Spellings, regarding providing additional funding to the Cullowhee Fire Department.

Chairman McMahan requested that the fire departments work to put together any potential capital projects so that they may identify any needs they may have and forward them to Commissioners so that they could build projections in the county's future capital project plan and start budgeting and preparing for the five year plan.

Commissioner Jones stated that from 2000 to 2010, the county grew by 25%. They were on track to grow another 15% by 2020. The county is growing and there is a need for services.

Informational item only.

(5) PUBLIC SCHOOLS CAPITAL OUTLAY PLAN: Dr. Murray stated that a revised list of roof repair/replacement needs and HVAC needs for the schools. These needs are prioritized within each school list and the top 13 for the district have ** after the cost. In discussing cost, please note that these are strictly estimates from the Cort Critical Needs Plan. They have added an emergency contingency line to hopefully mitigate cost increases.

The top 10 has risen to a top 13, with additional costs. A severe leak in a 1958 heating tunnel has been located by the new Maintenance Director, Darin Allison. The leak cost the school system, on average, an additional \$5,000 per month for water service. Secondly, the connection to tribal water has been postponed until next fiscal year, due to a major roof leak at Smoky Mountain Elementary. Thirdly, they received, for the first time, a deficiency report on the Blue Ridge Water Tower.

Jackson County Schools were extremely grateful for the annual allocation of \$235,000 to provide for preventative maintenance for the nine school buildings and replacement/repair of equipment and maintenance vehicles. They request this allocation be maintained so that minor repairs can be accomplished each year and negate the need for future, massive critical facility needs repairs that they each face at present.

As they previously shared, it is their plan to obtain one engineer for the roofing projects and one engineer for the HVAC projects through appropriate bid and quote guidelines. The engineers will bid these projects. This would assist the system in allowing the licensed purchasing agent, assistant superintendent and maintenance director to oversee the bids and project work. The maintenance staff needs to focus on the preventative maintenance of the buildings.

<u>Roofs in priority order</u>	<u>Estimated Cost</u>
<u>within school list as of 2/2/16</u>	
SMHS Reroof Bldgs B, C, D	\$555,600 **
SMHS Reroof Cafeteria	\$212,000
FV Reroof Administration	\$140,440 **
FV Commons Roof	\$215,680
FV Gym Reroof	\$190,000
FV A Building	\$125,440
FV C Building	\$125,440
FV D Building	\$125,440
FV Repair 2 leaks in Kinder Way	\$54,000
SME Reroof Commons A	\$93,120
SME Reroof Commons B	\$93,120
SME Special Projects Building Roof	\$80,000
BR Reroof Cafeteria	\$83,400 **
BREC Metal	\$50,000 **
BR Reroof Buildings A, B, C	\$430,860
Total of roof repair / replacement	\$2,574,540
<u>HVAC in priority order</u>	
<u>within school list</u>	
SMHS - HVAC	
Bldgs C, B, A East, A North, A	\$756,800 **
SMHS Boiler/Chiller plant	
Bldgs D, E and Science	\$600,000
SMHS Locker Rm Heat/Air Aux Gym	\$520,000
BR HVAC	
Bldgs A, Cafeteria, B, C	\$385,200 **
BR Gym Elec Heat Pump	\$202,000 **
SME Complete remaining HVAC	
1 wing listed in 15-16 phase	\$988,600 **
CVS HVAC	\$1,200,000
Total HVAC	\$4,652,600
Bus Garage complete grading/paving	\$279,000
TOTAL FOR ROOFS, HVAC	
bus garage paving/grading	\$7,506,140
Emergency Reserve	\$375,307
SUBTOTAL	\$7,881,447
<u>Additional critical needs as of 3/11/16</u>	
SMHS severe leak (1958 heat tunnel)	\$307,000 guestimate
BR replace water tower	\$260,000 guestimate
Connection to tribal water	
pending final engineering	\$120,000
GRAND TOTAL	\$8,568,447

Top 13 District Urgent Critical Needs are designated with **

The estimates above do not include testing fees or contingency items from the Cort Critical Needs Plan.

School Capital Outlay Sales Tax:

Sales Tax Revenues	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	TOTALS
Article 40 40%	\$1,111,433.58	\$1,167,005.26	\$1,225,355.52	\$1,286,623.30	\$1,350,954.46	\$6,141,372.11
Article 42 60%	\$1,537,316.92	\$1,614,182.76	\$1,694,891.90	\$1,779,636.50	\$1,868,618.32	\$8,494,646.40
Total	\$2,648,750.50	\$2,781,188.02	\$2,920,247.42	\$3,066,259.79	\$3,219,572.78	\$14,636,018.51
School Capital Expenditures						
Capital Outlay	\$235,000.00	\$235,000.00	\$235,000.00	\$235,000.00	\$235,000.00	\$1,175,000.00
Capital Outlay - Technology	\$400,000.00	\$400,000.00	\$400,000.00	\$397,500.00	\$397,500.00	\$1,995,000.00
Capital Outlay - One to One	\$320,700.00	\$320,700.00	-	-	-	\$641,400.00
SMH Gym, Fine Arts, BR Principal	\$666,667.00	\$666,667.00	\$666,667.00	\$666,667.00	\$666,667.00	\$3,333,335.00
SMH Gym, Fine Arts, BR Interest	\$227,850.00	\$209,250.00	\$190,650.00	\$172,050.00	\$153,450.00	\$953,250.00
Transfers to SCR	\$798,533.50	\$949,571.02	\$1,427,930.42	\$1,595,042.79	\$1,766,955.78	\$6,538,033.51
Total	\$2,648,750.50	\$2,781,188.02	\$2,920,247.42	\$3,066,259.79	\$3,219,572.78	\$14,636,018.51
School Capital Reserve	\$1,519,387.69					\$1,519,387.69
School Improvement Fund	\$230,121.80					\$230,121.80
Transfer to SCR						
\$734,371 transferred FY16	\$67,162.50	\$949,571.02	\$1,427,930.42	\$1,595,042.79	\$1,766,955.78	\$5,806,662.51
Balance Available	\$1,816,671.99	\$949,571.02	\$1,427,930.42	\$1,595,042.79	\$1,766,955.78	\$7,556,172.00

School Capital Outlay:

Description	Available Fund	Debt Service \$9 mil 12 yr amort	Remaining for other projects
FY 2016-17	\$949,571.02	\$898,632.00	\$50,939.02
FY 2017-18	\$1,427,931.42	\$898,632.00	\$529,299.42
FY 2018-19	\$1,595,042.79	\$898,632.00	\$696,410.79
FY 2019-20	\$1,766,955.78	\$898,632.00	\$868,323.78
			\$2,144,973.01

Mr. Wooten stated that looking at the designated sales tax that was currently in place for the school system, for the FY 16-17 budget year, if they continue to fund as shown on the sales tax chart, it would leave them with \$949,571.02 undesignated funds for FY 16-17. Looking out the next over the next few years that number grows. This is without the quarter cent sales tax. If you take the dollars on the chart for the next four years and they chose to issue debt in the amount of \$9 mil (estimate) debt service projected to be \$898,632.00 per year. With the dollars that are currently available, they could pay the debt service on a 12 year note for \$9 mil and still have dollars left each year that the school system could use for current expenses or capital outlay. It seemed they were in a position that they could authorize the school board to move forward on their capital plan. The county could incorporate into the FY 16-17 budget, borrowing \$9 mil and using those proceeds to pay for the expenditures and then using the sales tax to pay the debt service on the loan.

Ms. Fox has spoken with the Local Government Commission and they believe there would be no issue from a county standpoint, their credit worthiness is very good. They could get approved to issue additional debt. They would probably would have to have collateral for the loan. They would need to work with the school system for that. Also, they could choose to adopt a Reimbursement Resolution, which would authorize the school board to proceed with their capital plan, the county would fund that capital plan from its fund balance, until such time that they could issue the debt and reimburse themselves for any monies they had advanced the school board, which would allow the school board to engage an engineer/architect to move forward to execute their capital plan so that possibly the roofs could be done over the summer.

Consensus: Move forward with a Reimbursement Resolution for consideration at the next regular meeting, so that the school capital project plan could be funded from the county fund balance, to be repaid with a 12 year loan taken by the county to be paid with Articles 40 and 42 sales tax revenue.

(6) DEBT SERVICE PAYMENTS FY 16-17: Darlene Fox, Finance Director presented: Outstanding Debt not evidenced by bonds (Lease-Purchase Agreements) as of June 30, 2016:

<u>Date Incurred</u>	<u>DOLP</u>	<u>Rate</u>	<u>Purpose</u>	<u>Amount</u>
12/30/2005	12/29/2020	2.16%	SMH III, Cashiers Library Expansion	\$2,852,215.82
12/20/2007	12/20/2022	2.19%	FV Kindergarten, Cashiers/Webster Site work	\$4,292,166.61
12/11/2008	12/11/2023	2.27%	Department on Aging Facility	\$2,085,500.05
7/15/2009	7/16/2024	2.49%	Jackson County Library, SCC	\$5,834,086.11
10/25/2012	10/25/2027	2.79%	SMH Gym, Fine Arts, Blue Ridge Locker Rms	\$7,666,666.69
				\$22,730,635.28
			FY 16-17 Proposed Financing: School Projects	\$10,000,000.00
			Total Debt including Proposed Financing	\$32,730,635.28

(7) NON-PROFIT ALLOCATIONS FY 16-17: Mr. Wooten requested the Commissioners consider if they want to make any changes to last year’s funding request from non-profits and other related entities.

Commissioner Jones requested consideration for the Blue Ridge Free Dental Clinic in Cashiers.

Commissioner Deitz requested consideration for the Jackson County Hall of Fame in the amount of \$1,500.

Commissioner Greene stated that she and Commissioner Jones met with the folks from the Tuckasegee VFW, which also was being used as a community development club and they have several needs at that building, she requested consideration for that project.

Mr. Wooten stated that they had discussed the Historical Society, Genealogical Society and the Arts Council that currently lease space in the old courthouse. They have been paying an amount for utilities and custodial services. Last year, the county actually allocated funds to them so that they could pay the county for those services.

Chairman McMahan stated that these groups have requested the county revised the leases to be \$1.00 per year because they are organizations that contribute to the county.

Consensus: Move forward with modifying the lease for these entities for a minimal amount for a five year term with a renewal term.

Chairman McMahan stated that in the past, the county offered a Municipal Grant Program for the county to assist the municipalities of the county with the implementation of worthy projects that will directly benefit not only the citizens of the municipality but all the citizens of the county.

(8) JULY REGULAR MEETING: Mr. Wooten stated that historically the Board only had one regular meeting in July.

Consensus: Cancel the first regular meeting in July.

There being no further business, Commissioner Elders moved to adjourn the meeting. Commissioner Greene seconded the Motion. Motion carried and the meeting adjourned at 12:33 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman