

**MINUTES OF A
WORK SESSION – BUDGET WORK SHOP
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
JANUARY 10, 2017**

The Jackson County Board of Commissioners met in a Work Session – Budget Workshop on January 10, 2017, 1:00 p.m., Justice and Administration Building, Room A227, 401 Grindstaff Cove Road, Sylva, 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.

Mr. Adams stated that the overall goal of the initial meeting was to discuss, in broad terms, the upcoming FY17-18 budget cycle. The discussions would be broken down into three major categories:

- Personnel
- Capital
- Operational

A more specific intent of the meeting was to ensure that the Board and staff had the same understanding of some basic budgetary concepts. Finally, it was intended that the Board provide feedback in regards to direction and additional information desired for future budget meetings.

(1) REVIEW OF BUDGET CALENDAR: Mr. Adams presented the proposed budget calendar:

January 10 th 1:00 pm	Board of Commissioners Preliminary Goal Setting/Budget Planning Session
January 17 th 1:00 pm	Board of Commissioners Work Session
February 14 th	Board of Commissioners Final Goal Setting/Budget Planning Session
February 22 nd	Manager’s Preliminary Meeting with Department Heads
March 1 st	Non-Profit Grant Applications Disseminated
March 20 th	Departmental Operations/Capital Budget Requests Submitted to Finance
April 3 rd – April 28 th	Manager/Finance Budget Meeting with Departments and Agencies
April 11 th 10:00 am – 4:00 pm?	Budget Workshop 1 – Jackson County Commissioners (JCPS, SCC, Library, Non-Profits, Debt Service)
May 9 th	Budget Workshop 2 – Jackson County Commissioners

10:00 am – 4:00 pm?	(County Departments, Revenues, Capital Outlay, Other Funds)
May 15 th	Manager’s Recommended Budget Presented to Board
May 16 th – June 6 th	Budget Review by Board of Commissioners
June 5 th 5:50 pm	Public Hearing on Proposed Budget
June 13 th 1:00 – 5:00 pm?	Budget Workshop 3 – Jackson County Commissioners (Final Adjustments and Discussion)
June 19 th	Adoption of Budget

Informational item.

(2) PERSONNEL OVERVIEW: Danielle Wittekind, Human Resource Director and Darlene Fox, Finance Director, were present for discussions during this item.

(a) Personnel Policy: Mr. Adams stated that regarding the personnel policy, the last official adoption of the entire policy was in 2003. There had been policies implemented from 2003 until now that had changed aspects of the policy. A previous Board went through multiple meetings working to revise the policy, but it was decided not to implement the revisions in order to give the next Board the opportunity for review. He proposed to establish a review date of August with the goal of having the updated Personnel Policy adopted prior to the end of the year. He also proposed a review of the policy by section, but outlining the portions the Board would need to make a decision on.

(b) Employee Benefits: Mr. Adams provided the Board with an Employee Benefits Summary information handout for their review. He would meet with Crescent that week and would have information to present to the Board at the March meeting regarding health insurance.

The Board requested the health insurance presentation be a concise summary with the numbers from Crescent.

(c) Pay Plan Overview: Mr. Adams presented the county’s Grade and Step Plan to the Board. If they wanted to anticipate raises every year, there were three ways to look at this:

- Were the positions ranked and classified correctly. Human Resources looked at 40-50 positions annually to make sure positions were classified correctly. Also, there would be requests from departments to look at certain positions that had changed or added duties.
- Cost of living raise, which was potentially 2%.
- Step plan. The difference between the steps were 2%. It was not uncommon for compression issues to happen in counties and had happened in Jackson County. Over a period of time, if someone missed going up a step, compression takes place. This had the most impact when there was a large number of similar positions in the same departments, which could cause morale problems. Hiring at step one and not giving credit for experience could create recruiting and retention problems. In order to correct the compression issue, 4-6% would need to be set aside per year.

Commissioner Luker stated he felt the county was not in a position to retain good folks as they go to other areas for higher pay. They may not be able to get folks all the way caught up at one time, but maybe they could do so in steps. Also, he thought they should look at the bottom end to see if it was really where it should be. Not being able to give folks credit for their experience was an issue in hiring.

Chairman McMahan stated he thought staff would like to have a policy that would allow for employees to transfer to another position to give credit for longevity, although they could not be placed on the same step or on a career path.

Mr. Adams stated that the Personnel Policy allowed for flexibility to handle promotions or demotions on a case by case basis. There were two issues:

- Did they want to investigate a career path conversation? That would solve one of the issues with regards to promotions in some of the larger departments such as the Health Department, Sheriff Deputies, etc. That would be a policy decision that would have financial implications, but would also help promotions and retention.
- The other issue was the compression, which would be a larger financial issue. They had lost three years total. Did they wish to deal with the compression issue, which was countywide, with trying to get people on the appropriate steps?

Ms. Fox stated she could give rough estimates of the numbers. If they moved everyone up one step (2%), it would cost \$350,000. If they choose to bring the career path up-to-date, it would cost \$1.4 mil., which would be current as of July 1st. They could choose to break it down into a two year period, which would be \$782,000 per year. In the last two years, they gave the one step increase, which was the \$350,000.

Commissioner Luker stated he was in favor of the career path divided into a two year period.

Ms. Fox stated that if they factored it in over two steps and three steps, they would have over 50% of the employees that would be current in the first year. The second year would make up the remaining employees.

Mr. Adams stated if there was an interest from the Board, they would start researching alternatives on how to achieve this over a two year period or a multiply year period.

Commissioner Mau inquired about the turnover rate in the county.

Ms. Wittekind stated they were at 10-12%, at the end of last year. She would provide a report giving a total comp and benefits perspective of what the county invested in each individual's medical and dental, plus salary. She would break-down retention with that report, which was trending upward and was par for the course at a state and federal level for overall general retention. She would pull the Sheriff's Department report separately, since that was the significance of where the turnover had been last year with both deputies and the detention center.

Mr. Adams stated if they were able to set up a career path policy for the Sheriff to implement, it would take care of the turnover rate and recruitment.

Consensus: *Staff to finalize the numbers and research alternatives to achieve bringing the career path up-to-date over a two year or multi-year period. Also, provide a retention report and brief summaries of exit surveys regarding turnover, with a separate report for the Sheriff's Department. The Board would use the information to allow them to make a decision on moving forward.*

(3) CAPITAL OVERVIEW: Mr. Adams presented: Capital Planning:

(a) What is capital? Definitions and Categories:

- A capital expenditure is an outlay of significant value that results in the acquisition or improvement of property or assets that have useful lives extending beyond a single year.
- Capital assets that counties and cities own and use are commonly classified into the following categories:
 - Land
 - Buildings and Improvements to Buildings
 - Infrastructure
 - Equipment, machinery and other permanent personal property.
 - Construction in progress

- In order to be considered capital, expenditures for those items must be significant value. Accountants refer to this as the capitalization threshold. Capitalization thresholds are not the only criteria used when deciding whether or not an item should be placed in some type of planning process. It was the very expensive, long lived and irregularly recurring capital projects and acquisitions that deserve the special treatment called capital budgeting.

(b) Capital Improvement Program (CIP):

- A CIP is a multi-year forecast of the following:
 - Major capital needs
 - The expenditures necessary for these capital needs
 - The sources of financing for these expenditures
 - The impact of the projects onto future operating budgets
- CIP's normally extend out approximately 5-6 years. Some fast growing entities extend their CIPs out 10 years.
- CIPs can be divided amongst major categories. The categories above could be split into the following divisions:
 - New land and buildings. These types of items tend to have a higher cost and can have major impacts to services and budget. Each of these major items also tends to impact budgets for greater periods of time. These types of projects sometimes may have some criteria in ranking. Examples of this criteria may include:
 - Consistency with governing body goals (i.e. Comprehensive Plan)
 - Reduces or eliminates threats to public health and safety
 - Remedies facility or service deficiency
 - Results in more efficient operations
 - Legally mandated
 - Takes advantage of grant or other outside funding
 - Partners with other programs and projects
 - Supported by the community

(c) The importance of each of these issues should be determined by the governing body. This tends to still be a subjective process, but gives some generalized direction from the Board on where it plans to extend funds for major projects.

- Building and infrastructure improvements. These types of items tend to be directly related to ongoing maintenance issues. (Note: These types of maintenance issues may impact the 1st item under “remedies facility or service deficiencies”). These types of ongoing expenditures are usually part of the annual budget process under maintenance. Individual costs associated with these items can range greatly from small to large. Some jurisdictions attempt to plan these types of expenditures in a CIP. In order to accomplish these tasks, some type of capital asset management system would need to be implemented. These types of systems rely on engineering based analysis to evaluate the condition of facilities and infrastructure.
- Equipment, machinery and other permanent personal property. The types of items tend to be directly related to ongoing replacement issues. (Note: These types of items may also be part of the 1st item and/or new programming). These types of ongoing expenditures are usually part of the annual budget process. Individual costs associated with these items tend to be smaller with the exception of a few standard items (i.e. vehicles, software). Some jurisdictions attempt to plan these types of expenditures in a CIP. These types of CIPS should be reserved for higher cost items. Some type of capital asset management system would also be needed to implement this type of CIP.

(d) The following was a list of large capital requests presented to the Board of Commissioners on February 4, 2016:

- Renovations to the Cashiers Inspection Office:
 - Estimated cost \$175,000, funds available in FY15-16 budget.
 - Current FY16-17 budget \$212,000, project completed.
- Renovations to Skyland Services Center for Cooperative Extension and Soil and Water:
 - Estimated cost \$2,032,946, funds available in FY15-16 budget.
 - Current FY16-17 budget, \$2,075,000, project being designed.
- Renovations to Old Rescue Squad Building:
 - Estimated cost \$400,000.
 - Project not prioritized.
- Green Energy Park Arts Building, Phase 1:
 - Estimated cost \$443,000.
 - Project not prioritized.
- Improvements to parking lot at Department on Aging and additional parking at DSS:
 - Estimated cost \$275,000.
 - Project not prioritized.
- Animal Shelter:
 - Estimated cost \$2,500,000.
 - Prioritized in Five Year Capital Improvement Plan for FY18-19.
- Health Department:
 - Estimated cost \$9,500,000
 - Prioritized in Five Year Capital Improvement Plan for FY17-18. Additional study authorized to examine any potential costs savings in renovating existing space.
- Community Parks and Greenway Expansions:
 - Estimated costs \$250,000
 - Both projects prioritized in Five Year Capital Improvement Plan for FY18-19 and FY19-20. PARTF Grant application was submitted and denied for Savannah Community Park. Awaiting status of LWCF Grant application. If awarded, will require 50% of project cost to be funded. Otherwise, projects will need to be reprioritized in CIP to be accomplished sooner.
- Indoor Swimming Pool:
 - Estimated cost \$2,500,000 (may be underestimated).
 - Project not prioritized.
- Renovations to Courtroom Space and Technology:
 - Estimated cost \$1,000,000.
 - Prioritized in Five Year Capital Improvement Plan for FY20-21. Estimated cost in plan was \$750,000.
- Jackson County Schools – Five Year Capital Plan: In January, 2015, Cort Architectural Group evaluated all existing structures of the Jackson County Public School system and identified the critical facility needs of the entire system as well as the athletic improvements at Smoky Mountain High School, to complete the master plan of that campus. The projects totaled \$14,618,094. \$1,686,528 was provided in the FY15-16 budget, leaving an unmet need of \$12,931,566. Of this amount, approximately \$3.2 mil was allocated for athletic improvements at Smoky Mountain High School.
 - Roofing/Renovations/HVAC: \$7,503,252.
 - Athletic Facilities: \$3,205,000.
 - Testing, Fees and Contingency: \$1,607,217.
 - Emergency Reserve: \$616,097.

- \$9,000,000 approved for Roofing, Renovations, HVAC, Testing, Contingency and Emergency Reserve.
- Southwestern Community College Master Plan:
 - New Health Sciences Buildings and Balsam Renovations \$21,314,000.
 - New Library, existing Library renovations, Oaks Hall renovations and additions and new Maintenance Building \$9,200,270.
 - Firing Range improvements and Summit renovations \$622,000.
 - Campus Signage \$250,000.
 - Approved Projects:
 - Health Sciences Building \$16,975,000: county \$11,529,403 (\$5,658,333 county match, \$5,871,070 from 1/4 cent sales tax), Bond \$5,445,597.
 - New Maintenance Building \$700,000.
 - Summit Renovations \$482,000.

(e) Capital Improvement FY 2016-17 – 2020-2021, presented on June 14, 2016:

Expenditures						
Project Description	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Total
Health Department						
Advance Planning to include determination of building new building vs renovating existing facility (70% projected design fee - \$665,000)	\$465,000.00	\$200,000.00				\$665,000.00
Construction Drawings and solicitation of bids						
Property Acquisition	425,000.00					\$425,000.00
New Construction (38,000 sq ft *\$250 sq ft)		\$9,500,000.00				\$9,500,000.00
Animal Shelter						
Advance Planning to the stage of construction drawings and solicitation of bids. (70% of projected design fee - \$175,000)		\$122,500.00	\$52,500.00			\$175,000.00
Property Acquisition		\$100,000.00				\$100,000.00
Animal Shelter - New Construction			2,500,000.00			\$2,500,000.00
Community Parks (Savannah and Qualla)			\$250,000.00	\$250,000.00		\$500,000.00
Renovations to court rooms in Justice Center (Advance Planning and design)				\$90,000.00		\$90,000.00
Renovation and Equipment Purchases (Est.) JC					\$750,000.00	\$750,000.00
Total Expenditures	\$890,000.00	\$9,922,500.00	\$2,802,500.00	\$340,000.00	\$750,000.00	\$14,705,000.00
Revenues	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Total
Capital Reserve - Designated Fund Balance		\$403,407.00				\$403,407.00
General Fund - Fund Balance		8,321,296.00				\$8,321,296.00
Contribution to Capital Reserve	\$890,000.00	\$1,110,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$5,000,000.00
General Fund Appropriation		\$87,797.00	\$1,677,500.00	\$(785,000.00)	\$(250,000.00)	\$730,297.00
PARTF Grant			\$125,000.00	\$125,000.00		\$250,000.00
Total Revenue	\$890,000.00	\$9,922,500.00	\$2,802,500.00	\$340,000.00	\$750,000.00	\$14,705,000.00

(f) Public Schools Capital Plan FY 2016-17 – FY 2020-21:

Expenditures						
Project Description	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
SMHS Severe Leak	\$215,000					\$215,000
SCS Breaker (Failed 3/9)	\$10,366					\$10,366
Bus Garage Lift (Failed 3/16)	\$9,000					\$9,000
SMHS HVAC Cafeteria (Failed 3/18)	\$30,000					\$30,000
FV Commons Roof	\$215,680					\$215,680
FY Gym Reroof	\$190,000					\$190,000
SME HVAC Engineering Fees	\$4,450					\$4,450
FV Reroof Administration	\$140,440					\$140,440
BR Reroof Cafeteria	\$83,400					\$83,400
SCS Breaker (Failed 3/9)	\$8,725					\$8,725
SMHS Reroof Shop, ofc, principal areas	\$105,707					\$105,707
SME partial HVAC	\$479,050					\$479,050
Connection to Tribal Water	\$134,000					\$134,000
SMHS Reroof Buildings B, C, & D	\$555,600					\$555,600
BR Replace Water Tower	\$260,000					\$260,000
SMHS HVAC Building C	\$227,040					\$227,040
Blue Ridge HVAC	\$385,200					\$385,200
Blue Ridge Gym	\$202,000					\$202,000
SME remaining HVAC	\$509,550					\$509,550
BREC Metal Roof Repair	\$50,000					\$50,000
SMHS Reroof Cafeteria		\$212,000				\$212,000
SMHS HVAC B, A East, A North, A		\$529,760				\$529,760
FV A Building Roof		\$125,440				\$125,440
FV C Building Roof		\$125,440				\$125,440
FV D Building Roof		\$125,440				\$125,440
FV Repair 2 leaks Kindergrten Wing Roof		\$54,000				\$54,000
SMHS Building A North Roof		\$186,240				\$186,240
SME Special Projects Building Roof		\$80,000				\$80,000
BR Reroof Buildings A, B, C		\$430,860				\$430,860
SMHS Boiler/Chiller Plant for D, E, & Science		\$600,000				\$600,000
SMHS Locker Rm Heat/Air (Aux Gym)		\$520,000				\$520,000
CVS HVAC		\$1,200,000				\$1,200,000
BG Complete Grading and Paving		\$279,000				\$279,000
Emergency Reserve		\$375,307				\$375,307
Testing, Fees, Contingency	\$341,505					\$341,505
Available for Appropriation	\$874,571	\$682,462	\$449,840	\$621,754	\$801,332	\$3,429,959
Repay Jackson County Fund Balance	\$4,156,513	\$4,843,487				\$9,000,000
Debt Service		\$349,768	\$749,502	\$749,502	\$749,502	\$2,598,274
Total Expenditures	\$9,187,797	\$10,719,204	\$1,199,342	\$1,371,256	\$1,550,834	\$24,028,433
Revenues	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	
Article 40 & 42 Sales Tax	\$874,571	\$1,032,230	\$1,199,342	\$1,371,256	\$1,550,834	\$6,028,233
Jackson County Fund Balance	\$4,156,513	\$4,843,487				\$9,000,000
Loan Proceeds	\$4,156,513	\$4,843,487				\$9,000,000
Total Revenue	\$ 9,187,597	\$10,719,204	\$1,199,342	\$1,371,256	\$1,550,834	\$24,028,233

(g) Public Schools Capital Outlay Article 40 and 42 Sales Tax:

Sales Tax Revenues:	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	TOTALS
Article 40 40%	1,120,446.92	1,176,469.27	1,235,292.73	1,297,057.37	1,361,910.23	1,430,005.75	\$7,621,182.26
Article 42 60%	<u>1,524,295.71</u>	<u>1,600,510.50</u>	<u>1,680,536.02</u>	<u>1,764,562.82</u>	<u>1,852,790.96</u>	<u>1,945,430.51</u>	<u>\$10,368,126.52</u>
	<u>\$2,644,742.63</u>	<u>\$2,776,979.76</u>	<u>\$2,915,828.75</u>	<u>\$3,061,620.19</u>	<u>\$3,214,701.20</u>	<u>\$3,375,436.26</u>	<u>\$17,989,308.78</u>
School Capital Expendtrs:							
Capital Outlay	235,000.00	235,000.00	235,000.00	235,000.00	235,000.00	235,000.00	\$1,410,000.00
Capital Outlay-Technology	400,000.00	400,000.00	400,000.00	397,500.00	397,500.00	397,500.00	\$2,392,500.00
Capital Outlay-One to One	320,700.00	320,700.00	320,700.00	320,700.00	320,700.00	320,700.00	\$1,924,200.00
Capital Outlay-Maintenance	-	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	\$375,000.00
SMH Gym, Fine Arts, BR Principal	666,667.00	666,667.00	666,667.00	666,667.00	666,667.00	666,667.00	\$4,000,002.00
SMH Gym, Fine Arts, BR Interest	227,850.00	209,250.00	190,650.00	172,050.00	153,450.00	134,850.00	\$1,088,100.00
Transfers to SCR	<u>794,525.63</u>	<u>870,362.76</u>	<u>155,052.09</u>	<u>321,943.53</u>	<u>493,624.54</u>	<u>672,959.60</u>	<u>\$3,308,468.14</u>
	<u>\$2,644,742.63</u>	<u>\$2,776,979.76</u>	<u>\$2,915,828.75</u>	<u>\$3,061,620.19</u>	<u>\$3,214,701.20</u>	<u>\$3,375,436.26</u>	<u>\$17,989,308.78</u>
Capital Reserve Projected amounts available after commitments:							
School Capital Reserve 9/01/16 \$794,525.63 transferred in FY16	<u>872,756.59</u>	<u>870,362.76</u>	<u>155,052.09</u>	<u>321,943.53</u>	<u>493,624.54</u>	<u>672,959.60</u>	<u>\$3,386,699.10</u>
Balance Available	<u>\$872,756.59</u>	<u>\$870,362.76</u>	<u>\$155,052.09</u>	<u>\$321,943.53</u>	<u>\$493,624.54</u>	<u>\$672,959.60</u>	<u>\$3,386,699.10</u>

(h) Article 46 Sales Tax:

	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	TOTAL
	Oct 1, 2016- June 30, 2017					
Sales Tax Revenue	<u>\$943,720.50</u>	<u>\$1,321,208.70</u>	<u>\$1,387,269.14</u>	<u>\$1,456,632.59</u>	<u>\$1,529,464.22</u>	<u>\$6,638,295.15</u>
	<u>\$943,720.50</u>	<u>\$1,321,208.70</u>	<u>\$1,387,269.14</u>	<u>\$1,456,632.59</u>	<u>\$1,529,464.22</u>	<u>\$6,638,295.15</u>
School Capital Expenditures	<u>\$943,720.50</u>	<u>\$1,321,208.70</u>	<u>\$1,387,269.14</u>	<u>\$1,456,632.59</u>	<u>\$1,529,464.22</u>	<u>\$6,638,295.15</u>
	<u>\$943,720.50</u>	<u>\$1,321,208.70</u>	<u>\$1,387,269.14</u>	<u>\$1,456,632.59</u>	<u>\$1,529,464.22</u>	<u>\$6,638,295.15</u>

Commissioners requested reports from the public schools and SCC on the current status of projects.

(i) Analysis of current debt service and capacity for FY16-17:

Current Annual Debt Service as Net Debt %

Current Annual Debt Service as % of Annual Operating Budget

Date	Total Principal Debt	Assessed Value	Net Debt %	Per Capita Debt	Total Payments P&I	Actual FY15-16 Expenses w/ no estimated annual increase	Annual Debt Service as %A of Annual Operating Budget
16/17	\$31,730,635.28	9,274,970,668	0.34%	773	\$3,769,832.72	\$55,719,588	6.77%
17/18	\$28,505,379.84	9,274,970,668	0.31%	695	\$3,999,678.22	\$55,719,588	7.18%
18/19	\$24,980,124.40	9,274,970,668	0.27%	609	\$3,929,523.74	\$55,719,588	7.05%
19/20	\$21,454,868.96	9,274,970,668	0.23%	523	\$3,859,369.26	\$55,719,588	6.93%
20/21	\$17,929,613.52	9,274,970,668	0.19%	437	\$3,472,304.98	\$55,719,588	6.23%
21/22	\$14,721,270.86	9,274,970,668	0.16%	359	\$3,095,502.52	\$55,719,588	5.56%
22/23	\$11,829,841.14	9,274,970,668	0.13%	288	\$2,708,653.18	\$55,719,588	4.86%
23/24	\$9,268,578.19	9,274,970,668	0.10%	226	\$2,194,054.23	\$55,719,588	3.94%
24/25	\$7,176,515.04	9,274,970,668	0.08%	175	\$1,674,570.93	\$55,719,588	3.01%
25/26	\$5,566,666.75	9,274,970,668	0.06%	136	\$1,308,516.66	\$55,719,588	2.35%
26/27	\$4,300,000.09	9,274,970,668	0.05%	105	\$1,289,916.66	\$55,719,588	2.32%
27/28	\$3,033,333.43	9,274,970,668	0.03%	74	\$937,983.43	\$55,719,588	1.68%
28/29	\$2,100,000.00	9,274,970,668	0.02%	51	\$600,000.00	\$55,719,588	1.08%
29/30	\$1,500,000.00	9,274,970,668	0.02%	37	\$600,000.00	\$55,719,588	1.08%
30/31	\$900,000.00	9,274,970,668	0.01%	22	\$600,000.00	\$55,719,588	1.08%
31/32	\$300,000.00	9,274,970,668	0.00%	7	\$300,000.00	\$55,719,588	0.54%

Mr. Adams stated that the Local Government Commission (LGC) allowed up to 15% debt capacity. Counties had been allowed a higher percent with LGC special permission. Additional debt capacity without special permission from LGC was approximately \$53,000,000 for a total capacity of \$84,730,636. Assuming the debt would increase the Net Debt % to an above average 0.91% in the population group and to a below average percentage statewide. Assuming the debt would also increase the per capita debt to an above average amount of \$2.05 per person.

Commissioner Luker stated this gave great insight going into the budget process and looking at fund balance when looking at the animal shelter, health department or one-stop shop, etc.

Mr. Adams stated there were a few options when speaking about paying for large projects:

- Pay as you go
- Debt and debt capacity
- Recycling debt as capacity becomes available
- Additional revenue

Mr. Adams stated they had multiple options for the larger CIP projects. Did the Board want to go back through a process to reprioritize the larger CIP projects? Also, did the Board want to include items they had not included in the past, such as parking lot improvements, computers, etc., for long term planning for building infrastructure and/or equipment?

Consensus: *The Board wanted to reprioritize large CIP projects. Also, they would like to add building infrastructure and/or equipment into the whole asset management plan.*

(4) OPERATIONAL DISCUSSIONS: Mr. Adams stated this would be a general discussion among the Board regarding general operations of the county as a whole on several topics:

(a) Drug Testing: the County currently had a drug testing policy, which included pre-employment, specialized testing for transportation and reasonable suspicion. They did not have random or post-accident testing on safety sensitive employees.

Consensus: *Staff to research and bring back a cost estimate for drug testing to include random and post-accident on safety sensitive employees.*

(b) Commissioner Luker stated he would like to see them move forward with completing the Benchmark report that was done regarding “one stop” and what they would need to do to move forward and implement that plan.

Mr. Adams stated he would touch base with Planning, Inspections/Code Enforcement, Environmental and ROK to see give the Board an assessment of where they were, with the idea being to proceed with a centralized permitting, “one stop” center.

Consensus: *Mr. Adams to review the recommendations from Benchmark and bring the Board up-to-date on what had been completed.*

(c) Commissioner Mau stated wanted to see research regarding bringing the Health Department and Social Services into consolidation and fall underneath the county manager, still keeping within the state personnel plan and keep the Health Board. Feedback and preliminary research showed it would create better service for the local people in the county.

Consensus: *Mr. Adams to research potential costs, best practices, etc. to be reported back to the Board.*

(d) Commissioner Luker stated he had heard from the general public regarding school resource officers. There were some grants to help with the cost of the officers. There were three schools in the county that did not have resource officers at that time.

Consensus: *Mr. Adams to explore the costs of adding three school resource officers.*

(e) Commissioner Luker stated that in a short term, he would like to see the Board look at a resolution stating anytime they were looking at doing special taxes, it would be done on even years in November.

Consensus: *Mr. Adams to pull examples of resolutions that would bind the Board in a way that they would only ask the public to vote on issues in even numbered years and in November elections, for the Board to debate at a future work session.*

(f) Commissioner Luker asked that the Board consider having a regular meeting in a different precinct on a quarterly basis.

Chairman McMahan stated they had done this in the past and he thought it was a good idea. It would be complicated to have some meetings in different locations because of technology, but perhaps they could look at doing this four times per year.

(g) Commissioner Luker stated as they were discussing new buildings in the future, he would like to see the new animal shelter named the “Veronica Nichols Animal Shelter”.

Chairman McMahan stated there was no policy regarding naming facilities for individuals, but that it was needed.

(h) Commissioner Mau stated he would like to pursue a relationship with Congressman Meadows’ office. He felt he could help when looking at needs with infrastructure, etc. and would be a benefit for the county.

Mr. Adams stated that he would like to have a relationship with all of their legislators and that could be accomplished in two ways. They could have a public meeting session or catch them when they were coming through the county.

Chairman McMahan stated he was in favor of strengthening relationships with any representative, federal, state and municipal and he felt partnerships were important. He thought it was very helpful when Congressman Taylor opened an office in Sylva and the county provided free space, which continued with Congressman Shuler. If Congressman Meadows was interested in locating an office in Sylva, he would be willing to be a part of that conversation. Any representative had an open invitation to speak to the Board. They could reach out to Congressman Meadows’ office and invite him to sit down with the Board.

(i) Commissioner Luker stated that a lot of the schools were aging and he thought they needed to work with the school system to think about a five year plan for replacement or expansion.

Chairman McMahan stated they were statutorily required to have at least one joint meeting with the school board every year, which was generally during budget time. He thought it would be a good idea to sit down with the school board and discuss long-range and short-term planning and have an update at a work session.

(j) Commissioner Luker stated that regarding an indoor pool, he thought that would be expensive and involve extensive maintenance. However, they did continue to hear a lot of interest in it.

Chairman McMahan stated an indoor pool was the number one recommendation on the Recreation Advisory Committee Master Plan. They could gather more data with realistic costs and hold public meetings in various communities to gain feedback from the public.

(k) Commissioner Luker stated recently there were major forest fires in the area. There were three positions at the NC Forest Service that were not full-time. The county paid 40% of the operations for these positions. The amount it would take, in county dollars to make all three full-time positions would be approximately \$27,000 and also the month of June was not covered. Advantages to having the positions become full-time, would be more time spent on forest plan managements, etc.

Chairman McMahan stated Mr. Adams could invite them to a budget meeting to present more information. He stated that the biggest thing they could do to prevent forest fires would be to educate the public about buffer zones around their houses.

(l) Commissioner Mau stated he would like to study the issue of voting for Commissioners by District.

Mr. Adams stated this would be more of a policy issue. He would bring back information regarding procedure.

Chairman McMahan stated that personally, he thought the county had the best arrangement possible. They could go by district, but then they would get into issues of gerrymandering, creating districts and it was a very divisive topic and at the end of the day, it created a lot of problems. In Jackson County, they had a system where they had four county commissioners that represented four districts. It ensured that every part of the county had equal representation.

Commissioner Luker stated he thought it would be worth looking into just to hear the information and cost associated.

Mr. Adams stated the School of Government could give a presentation and if they wanted to move forward, he could provide an analysis of costs.

(m) Commissioner Luker stated he received pictures every time it rained of Frank Allen Road in Cashiers. At some point in time, he requested this item be placed on the agenda for discussion.

Chairman McMahan stated the owner of the lake had agreed to dredge the lake and pay the costs. The solution would require a private and public partnership. He suggested the Board could receive an update on this item when they had the Commissioners Meeting in Cashiers.

There being no further business, Commissioner Elders moved to adjourn the meeting. Commissioner Mau seconded the Motion. Motion carried and the meeting adjourned at 4:08 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman