

**MINUTES OF A
SPECIAL CALLED BUDGET WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
JUNE 06, 2019**

The Jackson County Board of Commissioners met in a Special Called Budget Work Session on June 06, 2019, 1:00 p.m., Justice and Administration Building, Room A227, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian McMahan, Chairman	Don Adams, County Manager
Boyce Deitz, Vice Chair	Heather C. Baker, County Attorney
Mickey Luker, Commissioner (via speakerphone)	Jan Fitzgerald, Executive Assistant to the County Manager
Ron Mau, Commissioner	
Gayle Woody, Commissioner	

Chairman McMahan called the meeting to order.

(1) CHANGES MADE TO FY2019-20 BUDGET: Mr. Adams stated there were minor changes since the last time the budget was presented:

(a) Just as a reminder, it was recommended to reclassify deputies from SH46 to SH47.

(b) Darlene Fox, Finance Director, stated that at the end of May, the state reconciled the prior year funding distribution and set the rates. It changed from \$423,446 to \$420,249. The reduction would come from within that budget.

(c) Mr. Adams stated that regarding the contingencies, they double booked a vehicle for Cashiers Recreation, which was \$30,000 more than needed. The contingency would increase by \$30,000 to \$317,601.

Commissioner Deitz stated that the Soil and Water Department was in need of a crew cab vehicle. He thought they needed to put that in for next year, if possible.

Informational item.

(2) QUESTIONS:

(a) Commissioner Mau inquired if they could get a report on the QZAB.

Ms. Fox stated she thought they needed to get the Board of Education to come back and report. There was some money left, but they were going to address all of the remaining HVAC issues they had. They were still good on the timing.

(b) Commissioner Mau inquired of Ms. Fox if she felt comfortable with projecting the sales tax revenue increase to 6%.

Ms. Fox stated that she did. That was an additional \$134,000 over the 5% that they traditionally did and they had seen it trending upward. She thought for that year they would be fine with that.

Mr. Adams stated they were being aggressive because they were trying to get the revenues available to meet the needs. If it was over projected, they would readjust next year.

(c) Commissioner Deitz inquired if they were going to give the school system an opportunity to hire a curriculum director?

Commissioner Woody stated that Dr. Elliott had worked hard to keep class size low and to keep teacher aides. She did have a concern about the curriculum coordinator, so she had several lengthy conversations with several people. Ms. Graning, Principal at Smoky Mountain High School shared a report with her showing Smoky Mountain High School had a “B” and had academic growth of 94.7%, which was very good, but incoming student readiness was 29.7%. So they were growing a huge amount while they were in high school, but they were not coming to the high school as ready as they could be.

This was what she was hoping the curriculum coordinator would address. They did have 40% economically disadvantaged students. They could not look at it as all teachers’ responsibility because some kids came ready and some that were not. They were working through this all the time in education. She also talked with Dr. Elliott about this and she assured her that they were going to target where the need was and really address the 29.7%. If the curriculum coordinator was targeted toward that need, she could feel good about it.

Commissioner Mau stated they were increasing the school budget 3.11%. They had talked about going with the formula base, which would have been a 4.7% increase.

Ms. Fox stated she remembered it being 2.7%.

Mr. Adams stated it was a combination of looking at an average of three years’ appropriation, the ADM growth and then it was increased based on what the ADM growth was going to be.

Commissioner Mau stated that he thought if they said they needed the curriculum coordinator, they were the experts, they should let them do it. He would just as soon get to the formula based and then it took out uncertainty, so that the school system would pretty much know how much they would be getting from the county six months ahead and they could start planning.

Commissioner Deitz stated anything they could do to help the school be better, but he was unsure. He thought the best place to help the schools was on the bottom end preparing people to teach kids that was motivated, not on the top end.

Mr. Adams stated that if they went straight with the formula, they had done a lot in the past few years, which may inflate the growth factor.

Commissioner Mau stated it sounded like the 4.7% was probably wrong, but he did the math on that and it was an extra \$122,225 over the proposed. Then they were getting close to covering the one-time bonus that Dr. Elliott mentioned, although she was talking about in a year. They could say here was the school district’s pot of money, they could spend it how they saw fit, since they were the experts.

Commissioner Luker stated that he was in favor of going to the percentage because they would not be micromanaging the school board. Also, going forward, they would know each year what they had to work with.

Chairman McMahan stated that it sounded like they were all in agreement to keep the budget as presented.

Mr. Adams stated that he would express to the school the interest that they wanted to start working out a formula. Generally, they would do a 3-5 year agreement and then they would make adjustments.

Informational item.

(3) NONPROFIT REQUESTS:

(a) Homeless Shelter: Mr. Adams stated he had met with HERE, Destri Leger, Marilyn Chamberlain and Bob Cochran as a group. They discussed the request and some of the issues they all recognized they had to work through, including cash management and appropriate financial oversight. They had been talking with Ms. Fox about this also and that it would be a work in progress. They were coming back to discuss with him what they could do with \$130,000, what grants they were applying for and what kind of service the county could expect. They would also present a couple of other options to him on Monday.

They understood they were trying to transition over and Mr. Cochran wanted to give a budget that was not completely reliant on county funds as they were going after other grant funds. He would come back to the Board to provide information for the \$130,000 and if there were additional monies that would make a significant difference in service, he would provide them with that information also. He thought for the \$130,000 they could provide the cold weather shelter, which was their priority. Anything above and beyond that would start moving them towards the year-round case management conversation.

Commissioner Woody inquired if they had said anything about involving the faith community?

Mr. Adams stated that it was a thought. In the initial budget meeting with Ms. Leger, she indicated that she was willing to go through that process, but as of then, he did not know if there was any real outreach or partnership developed with the faith community. They did have other statewide and regional partnerships along with WCU. He did believe they needed more local partners.

Commissioner Deitz asked what was HERE's main goal.

Mr. Adams stated that when they sent out RFQ's, he asked them to give a budget that would give them the county's priorities, which was for no one to freeze in the wintertime. But also to provide information for what they saw the future to be. HERE saw the future to hopefully evolve into a hybrid of a permanent shelter and continue to use the hotel model. Also, with that would include year-round case management to help the homeless to eventually acquire permanent residency.

Commissioner Mau stated that they had been dealing with the homeless issue for a long time and had been looking for someone to step up and do this. They sent out an RFP and got one response. Dr. Chamberlain and Mr. Cochran were willing to support them. They had a good board, a vision and said they were willing to be held accountable. They were also willing, over time, to come up with a schedule to roll back county support. He was willing to fund the entire request for \$245,000 and then get more information about rolling the support back. They had been kicking the can down the road for a long time, he thought they should get it done.

Mr. Adams stated that it was his understanding that HERE was going to present three different choices to him and that was what he would come back and discuss with the Board. They would be designating them as the lead agent and allocating funds to them so that they could have grants that would be coming in, which was the most important item.

His recommendation was to use the \$130,000 as a placeholder as Mr. Cochran, Dr. Chamberlain and Ms. Leger were still working things out among themselves. They would need to work these things out, come back to him and then he could make a recommendation to the Board. Eventually, they would evolve into that type of funding of \$245,000, but before that they had to get through this process.

Chairman McMahan stated that they knew that \$130,000 would more than likely meet the cold weather emergency needs as it did last year and gave one year of case management.

Mr. Adams stated that the key to where it may go above \$130,000 was with Mr. Cochran saying he needed help.

Chairman McMahan stated that they may be in a position on Tuesday, if they needed, to pull out of contingency an amount to supplement.

Commissioner Luker stated that if they did fund them at \$245,000, what was the long term goal of HERE? Was it that in five years they would be self-sustaining? Or would it continue to grow to be a higher amount in years to come. Was there really a rollback there and would it become self-sustaining.

Mr. Adams stated that it would not be self-sustaining. His point was for them to go through a process to get to the \$245,000. HERE had made comments that one day they may be able to roll back from the county, but they had no history, so he could not answer that question. They only way to know this was to develop a partnership with them. He thought they needed to develop the partnership for a year and see what they were able to achieve. Then after a year or two, he thought they may be in a position to give them a real plan.

Commissioner Luker stated he did not want to partner with someone and go into a plan setting them up for failure. If their request was for \$245,000 and they were only funding them for \$130,000, it was setting them up for failure.

Chairman McMahan stated that Tuesday they would know and they could have a conversation at that time, they did not have to decide that day.

Mr. Adams stated they were revising their request that was coming back and it could be less than \$245,000.

Commissioner Luker stated that they should plan as a worst case scenario as the placeholder.

(b) Commissioner Woody inquired about Circles of Hope Cashiers and why they did not fund them.

Mr. Adams stated that all of the nonprofits had some general public purpose. When they started trying to make decisions of whether or not they wanted to put a roof on a museum or if they wanted to help with meals for people. He had frozen all nonprofits and he was leaving it up to the Board if they saw that as a value. When the programs began to get funded it was a permanent conversation. Throughout the year they may receive requests to ask for help on a roof, which would be a one-time type of conversation and they were different than these types as these were generally going to have an ongoing expectation of funding.

Commissioner Woody stated that she had talked with Circles of Hope Cashiers and wanted to give them some funds. They were going to reach out in their community, but they felt it would give them leverage to say they had these funds to start up.

Chairman McMahan stated that Circles had successful luncheons in the past to raise funds and maybe they needed to work towards having this type of event in Cashiers. They were doing good work, but a huge part of their success was not the county, it was the community.

Mr. Adams stated that Circles of Hope received \$20,000 from the county last year. The additional request was for \$44,000, a total request of \$64,000. Did the \$10,000 requested for Cashiers give the Cashiers expansion?

Commissioner Woody stated that Cashiers Circles of Hope requested \$15,000 to fund the annual salary of a part-time program coordinator. Did they want to ask if they were going to formally be under Circles of Hope Jackson County?

Mr. Adams stated that these were all under Mountain Projects. Was there someone at Mountain Projects running this? This may matter in this discussion if they were a single entity.

Commissioner Woody stated they may need more information.

Commissioner Deitz stated that he started out helping them when they first started. No doubt their mission was very good, but he did not feel really good about it.

Chairman McMahan stated that the seven people that graduated had very powerful stories and a testament to the good work they had been able to accomplish. He saw the request for the Cashiers side, but they were requesting \$29,000 more just for Sylva.

Commissioner Mau stated that he thought if they wanted to move forward, they needed more information about the structure of the organization and how Cashiers and Sylva would be working together.

Commissioner Woody stated that she would reach out to the individuals she had talked with about it previously.

Chairman McMahan stated they could leave this at level funding and then try to understand better what the plan was and if they saw the need was something they could help with, they could add it later.

(c) Chairman McMahan stated that all other nonprofits that requested additional funding remained at level funding. Did they want to make adjustments to any of those requests?

There were no requests for adjustments.

(4) OTHER BUSINESS: Chairman McMahan stated that Commissioner Mau could not be present on June 18th when they were planning to adopt the budget ordinance. He inquired if they could hold a special meeting on Tuesday, June 11th following the work session to adopt the budget ordinance.

Commissioner Luker stated that if he was not back in town, he would call in for the special meeting.

Mr. Adams stated that if they were going to do this on June 11th, they would now have \$317,000 in contingency and they were talking about having potential conversations after the budget was adopted. They could still be talking about \$100,000 from contingency, depending on the Board's decisions in the future.

Consensus: *Set a special called meeting on June 11th at 1:30 p.m. to consider adoption of the budget ordinance.*

There being no further business, Commissioner Mau moved to adjourn the meeting. Commissioner Woody seconded the Motion. Motion carried and the meeting adjourned at 2:20 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman