

**MINUTES OF A
REGULAR MEETING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 6, 2012**

The Jackson County Board of Commissioners met in a Regular Session on February 6, 2012, 2:00 pm, Justice & Administration Bldg, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Jack Debnam, Chairman
Doug Cody, Vice Chair
Charles Elders, Commissioner
Mark Jones, Commissioner
Joe Cowan, Commissioner

Chuck Wooten, County Manager
J. K. Coward, Jr., Co. Attorney
Pat Parris, Clerk to Board

Chairman Debnam called the meeting to order.

AGENDA: Commissioner Elders moved to approve the Agenda. Commissioner Jones seconded the Motion. Motion carried.

MINUTES: Commissioner Cowan moved to approve the Minutes of the Special Meeting of January 11, 2012, Retreat/Work Session of January 13, 2012, Regular Meeting of January 17, 2012, Work Session and Special Meetings of January 23, 2012. Commissioner Cody seconded the Motion. Motion carried.

(1) CHAIRMAN'S REPORT: Chairman Debnam outlined conduct parameters for the general public concerning displaying signs/posters at Board meetings.

(2) COUNTY MANAGER REPORT: Mr. Wooten reported:

(a) East Carolina Dental School: A revised site plan has been submitted that would increase the amount of property transferred to the State of North Carolina from 1.05 acres to 1.20 acres. The revised property plat would allow for future expansion of the facility (2,650 sq ft) and the proposed building containing 7,800 sq ft with 42 parking spaces. In addition to the property on which the building will be constructed, ECU is requesting a parking easement on the property adjacent to the building site along the back curb of property currently leased to the Jackson County Rescue Squad. These 9 spaces would satisfy additional parking requirements if the building is expanded in the future. The Rescue Squad is agreeable to this request as long as it does not impede egress or ingress to the property on which its building is located. The ECU Board of Trustees will consider accepting the property transfer from Jackson County at its meeting on February 22, 2012. The NC State Property Office will work with the County to transfer the 1.20 acres into the name of the State of North Carolina. Dr. Chadwick has indicated that once the property has been transferred the design will be finalized and construction on the project started as soon as possible.

(b) December Unemployment Rates: The unemployment rate for December 2011 was 9.4%. This is 1.1% higher than November 2011 and .6% higher than December 2010. Unfortunately, each of the 8 westernmost counties experienced an increase in unemployment rates. Haywood County is the only county with an unemployment rate lower than Jackson County.

(c) **Proposed FY 2012-13 Proposed Budget Calendar**: A budget calendar has been developed for use during the development of the upcoming budget. Plans are to present a proposed budget to the Board at the May 21st meeting

(d) **Veteran's Service Officer**: The monthly report for the Veteran's Service Officer provides information on the impact this office has for veterans and funds that flow into Jackson County in the form of veteran's benefits. The office will be relocated to the Aging Center before the end of March 2012

(e) **Webster Enterprises**: Pursuant to an activity report from Webster Enterprises, 13 new employees have been added to its workforce.

(f) **Cashiers Well**: The County owns a well which produces a high volume of water and could possibly be used as a source for a water system for the Cashiers Commercial area. The County needs to work with TWSA to develop an agreement to transfer ownership of this well to TWSA while protecting the County entities that depend on this well for water.

(g) **Drexel/Clearwood Site**: The most recent flood plain maps that were effective in April 2010 have the County property classified as being in the floodplain. This is a change from prior maps. McGill Associates is an engineering firm and is very familiar with this site. The County requested a proposal from McGill to conduct a preliminary analysis of flood protection options that might lead to a petition requesting a reclassification of the property. The cost for the assessment is \$2,000. This expenditure should be delayed until it is determined there is an interest about purchasing this property. If these inquiries do not generate a purchase offer, then permission will be requested to engage McGill Associates so the County can better understand the options as it relates to the classification of this property.

(h) **Residential Building Permits**: The County continues to see the negative impact the economy is having on the new residential construction industry. In 2011, 105 building permits were issued for new residential construction, a decline of 52 permits (-33.1%) as compared to 2010 and a decline of 447 permits as compared to 2005 which was highest year.

(i) **Capital Projects**: Overall the active projects are moving forward. The Mark Watson project is scheduled for completion later this month. A meeting with the contractor was held this week concerning the Cashiers Receptions site work and the completion list for closing this project is down to a few items which should be completed within a couple of weeks. The County engineer is ready to certify the sewer line once a little housekeeping takes place and hopes to allow the residence to hook onto the line during the week of February 6. The single largest item is the bio-retention pond and the contractor's consulting engineer is due on site this week to evaluate the final tasks that are necessary so a certification letter can be generated and provided to the County engineer. The Cashiers Recreation Center construction project is progressing in accordance with the schedule.

(j) **Fire Marshal**: Alan Farmer has submitted his resignation as Jackson County Fire Marshal. He has indicated a willingness to continue serving as Fire Marshal until such time as a replacement is hired. This time will also be used to evaluate the organizational structure of the Fire Marshal as it currently stands to determine if there are improvements that will strengthen the position within the county

(3) ECONOMIC DEVELOPMENT BUSINESS PLAN: David & Betty Huskins, d/b/a Ridgetop Associates, presented a 6-month contract payable at the rate of \$3,500 per month for economic development reorganization with the objective of assisting with organizing an effective comprehensive economic development strategy and establishing the best model for governance and community leadership to carry out the strategy. Services include representation with the N.C. Dept. of Commerce, AdvantageWest Economic Development Group and other economic development and business recruitment organizations in identifying and working with potential economic investments in Jackson County and representation with the NC General Assembly. Payable of \$10,000 from the Duke Energy grant, with the remainder coming from the EDC Fund.

Motion: *Commissioner Cowan moved to approve the contract to be appropriated from the Duke Energy grant and the EDC Fund. Commissioner Elders seconded the Motion. Motion carried by unanimous vote.*

(4) COOPERATIVE EXTENSION: Rob Hawk, Director, stated that during the past year the Extension Center made over 8,182 face-to-face contacts, 44,297 non face-to-face contacts for a total of 53,479 total educational contacts in 2011. The extension office received \$45,346 in grants, gifts and donations to help the citizens of Jackson County with educational programs helps people help themselves for a better quality of life. The 2011 five major program areas were:

(a) Natural Resources Conservation: Educational programs and market development were continued in 2011 to enhance the sustainability and profitability of local agriculture and horticulture. Several workshops were held concerning water conservation, soil erosion management, recycling, wildlife and pest management, plant selection, and proper landscaping.

(b) Improving Health & Nutrition: Youth and adults improved their health by making better food choices, increase physical fitness and reduce risk factors for chronic disease.

(b) Parenting and Life Skills: Extension programs for families led to significant outcomes and increased their applicable knowledge in communication, leadership and decision-making skills to help them with parenting, care giving and self care practices for themselves and their families.

(d) Youth & Leadership Development Needs: 1,061 youth participated in 4-H programs; 661 youth increased their knowledge in imperative skills like communication, critical thinking, decision-making, planning and problem solving; 400 youth increased their conservation stewardship knowledge and practices that will benefit them and the general citizenry in years to come.

(e) Improving Agriculture & Local Food Systems: The educational programs are designed to enhance the sustainability, profitability of local agriculture and horticulture which led to increasing their knowledge of best management practices to increase net farm incomes.

(5) TAX COLLECTIONS: Darlene Fox presented the following:

(a) Five Year schedule:

Year	Total Valuation	Total Levy	Tax Rate	Budgeted Amount	Total Budget	Per Cent Budget Funded by Tax	Uncollected as of 6/30	Per Cent Collected	One Cent Generates
2007	6,494,631,292	23,380,673	0.36	23,453,051	46,280,437	50.68%	638,607	97.27%	649,653
2008	6,998,724,127	25,195,407	0.36	25,211,932	47,787,636	52.76%	925,277	96.33%	699,872
2009	10,860,082,501	30,408,231	0.28	29,951,106	51,228,991	58.47%	1,471,926	95.16%	1,086,008
2010	11,206,838,214	31,379,147	0.28	30,926,548	51,933,144	59.55%	1,707,674	94.56%	1,120,684
2011	11,257,656,785	31,521,439	0.28	31,410,675	51,351,220	61.17%	1,540,124	95.11%	1,125,766

(b) Current year taxes – as of December 31

Year	Ad Valorem Budget	Actual Collections as of 12/31	Per Cent Collected
2008	22,064,672	17,756,349	80.47%
2009	28,326,983	20,651,909	72.91%
2010	29,206,467	22,129,316	75.77%
2011	29,695,163	21,668,960	72.92%
2012	29,369,607	22,999,508	78.31%
	Motor Vehicles Budget	Actual Collections as of 12/31	Per Cent Collected
2008	1,017,590	479,899	47.16%
2009	721,420	427,011	59.19%
2010	721,323	323,408	44.84%
2011	687,267	331,489	48.23%
2012	614,251	339,533	55.28%

(c) Ad Valorem Taxes Receivable

	Uncollected Property Tax	Uncollected Motor Vehicle	Uncollected Balance
Collections 7/1/10-12/31/10	585,547	74,455	660,001
Collections 7/1/11-12/31/11	850,448	56,840	907,288
Uncollected 12/31/10	2,475,773	320,264	2,796,038
Uncollected 12/31/11	2,550,431	280,741	2,831,172

(d) Beverly Buchanan, Tax Collector, stated that since March 7, 2011, approximately 1,262 deeds have been stamped and \$216,657.02 has been collected by delaying the recordation of deeds until taxes are paid.

(e) Foreclosure Update: One Default Judgment and one Order of Sale entered. The property will be sold on the courthouse steps on February 17, 2012.

Attorney Eric Ridenour: Summary since June 2011.

89 Delinquent tax accounts

24 Accounts paid in full

24 Accounts with payment arrangements (3 to 6 months)

40 Accounts title work and filing of complaint pending

15 Complaints filed as of February 1, 2012

12 Complaints to be filed this month

Of the 89 accounts – A total of \$513,727.45 has been collected as of January 31, 2012

Attorney Kim Lay: Summary since mid-December 2011

61 Delinquent tax accounts

21 Demand letters for payment or satisfactory arrangements to be made

Of the 21 accounts – A total of \$59,424.71 has been collected as of January 31, 2012

(6) REVISED OFFER TO PURCHASE VACANT LOTS IN CASHIERS:

Mr. Wooten stated that on November 21, 2011, the County accepted an offer from Brian Peterkin to purchase two lots in Cashiers for \$28,000 which was based upon a certified appraisal. Prior to closing and during the due diligence period, the Corps of Engineers, at the request of DENR, determined that the majority of the property was wetlands and indicated no more than 25% could be utilized for any development activity. Mr. Peterkin continues to have an interest in the property; however, he is of the opinion the value is below the original offer of \$28,000. The County's appraiser advised that the value of the lots should be reduced to \$20,000. Mr. Wooten recommended that the Board accept the reduced offer of \$20,000 and advertise the offer for upset bids. Since this is a negotiated offer, a notice of the offer must be published along with a description of the property, amount and terms of the offer for a period of 10 days for any upset bids, and if no upset bid is submitted, the County can proceed and close the transaction. The notice will be published in the *Cashiers Crossroads Chronicle* and *The Sylva Herald*.

Motion: *Commissioner Cowan moved to except the offer. Commissioner Cody seconded the Motion. Motion carried by unanimous vote.*

(7) JACKSON PAPER: Mr. Wooten stated the County engaged Tax Management Associates (TMA) to perform an audit of business personal property at a number of businesses throughout Jackson County. The audit identified business personal property that was omitted from annual filings for years 2003-2008 in the amount of \$25,256,128 and notified Jackson Paper's tax representative of the discovery. Discussions between the Tax Administrator's Office, TMA and Interstate Tax Mgmt. Services (ITMS), a third party agency representing Jackson Paper for ad valorem tax purposes. ITMS was the agency who supplied all documentation and information used for the business personal property audit. An amended discovery, giving 15 days to appeal, was mailed on December 29, 2008. The 15 day appeal period lapsed without any further communication from ITMS and the discovered value was entered into the tax billing system and a bill was generated in the amount of \$130,417.36 (\$92,968.88 in taxes and \$37,448.48 in penalties and interest). On 01/05/10 Jackson Paper remitted a payment in the amount of \$92,968.88 for the actual taxes leaving the penalties and interest unpaid.

On March 29, 2010, Jackson Paper, by letter, requested a compromise of discovered taxes from the audit years of 2003-2008. In November 2010, Jackson Paper submitted a Petition demanding a refund of tax paid on business personal property. Jackson Paper has advised that it had filed a lawsuit against ITMS for disregard of corporate entity, breach of contract and negligence.

Based on the opinion of the County Attorney, representatives from the NC Dept. of Revenue and the Tax Administration Office, the County cannot compromise taxes that have been paid. Mr. Wooten recommended that the Board compromise the current unpaid penalties and interest (\$41,869.48) related to the discovered business personal property for tax years 2003-2008 and to support the efforts of Jackson Paper in its legal action against ITMS.

***Motion:** Commissioner Cody moved to compromise the current unpaid penalties and interest related to the discovered business personal property for tax years 2003-2008. Commissioner Elders seconded the Motion. Motion carried by unanimous vote.*

(8) HEINZELMANNCHEN BREWERY: Mr. Wooten stated that in October 2010 the County provided Heinzelmännchen Brewery with a discovery of business personal property. The original discovery was for tax years 2005-2009 and the taxes and interest totaled \$610.13.

On April 11, 2011, the owners of the Brewery submitted a letter to the Board requesting that discovered taxes be compromised because the business was not notified by the County of the need to report business personal property. The Brewery had been in business since 2003 and had never filed business personal property until the discovery in 2010 for tax years 2005-2009. The Brewery requested the County to compromise the penalties and interest, but the principal portion of the taxes would be paid by the end of 2011. According to Tax Collector's records, one payment of \$20.00 was made on February 11, 2011 and the remaining balance is outstanding. The current balance due is \$650.70 (taxes & late listing penalty of \$601.11, interest of \$49.59). The annual listing of business personal property for taxation is the responsibility of the taxpayer. He recommended that the request to compromise the interest and penalties be denied.

***Motion:** Commissioner Cowan moved to deny the request to compromise the interest and penalties. Commissioner Elders seconded the Motion. Motion carried by unanimous vote.*

(9) HOMTEX - QC Apparel: Mr. Wooten stated that QC Apparel has an outstanding revolving loan in the amount of \$425,901.07. The terms of the loan were modified in 2006. In addition, the collateral was changed from real estate to equipment, inventory and raw materials. QC Apparel is no longer in business and has no inventory or raw materials and the loan continues to be unpaid. The equipment pledged as collateral does exist; however, the majority consists of a group of obsolete sewing machines. Homtex has offered to purchase the QC Apparel collateral, old sewing machines, for \$5,000. The collateral has been inspected and a scrap metal vendor indicated the scrap metal price would be less than the amount offered by Homtex.

He recommended that the offer from Homtex be accepted. Further, following the completion of a title search of QC Apparel by the county attorney and unless other assets exist, he recommended that the QC Apparel revolving loan and outstanding rent be declared as bad debts and removed from the County's financial records.

***Motion:** Commissioner Cowan moved to approve the recommendations. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(10) CHINQUAPIN DEVELOPMENT AGREEMENT: Carry over.

(11) OCCUPANCY TAX: Mark Jones stated a room occupancy tax study is underway .

(12) SOLID WASTE ORDINANCE AMENDMENT: A public hearing was held on February 6, 2012 and no objections were made.

Motion: *Commissioner Elders moved to adopt the amendment to the Solid Waste Ordinance. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(13) RECREATION TRAILS PROGRAM RESOLUTION (R12-06): Gerald Green, Planning Director, submitted a resolution in support of the Recreation Trails Program grant application. The grant is for \$75,000 to assist in the construction of Phase I of the Tuckasegee River Greenway and requires a 25% local match.

Motion: *Commissioner Jones moved to adopt the resolution. Commissioner Cody seconded the Motion. Motion carried by unanimous vote.*

(14) SIGNS & BOARD MEETING CONDUCT RESOLUTION (R12-07): Jay Coward, County Attorney, presented a resolution prohibiting the display of signs during open meetings because they are disruptive during the conduction of business. The Board is authorized, pursuant to N.C.G.S. §53A-41, 52, 52.1 and §143-318.17, to provide for the maintenance of order and decorum in the conduct of its meetings. It is intended that this policy is reasonable as to the time, place and manner of speech, without regard to content, and only applies to the open meetings of the Board of Commissioners in the room where the Board is convened and conducting its business.

Motion: *Commissioner Cody moved to adopt the resolution. Commissioner Elders seconded the Motion. Motion carried by a vote of 4-1 with Commissioner Jones voting “nay”.*

(15) ROAD NAMING BOARD:

Motion: *Commissioner Jones moved to reappoint Todd Dillard, Jack Knight and Margie Harris to 2- year terms on the Road Naming Board. Commissioner Elders seconded the Motion. Motion carried by unanimous vote.*

(16) WATERSHED REVIEW BOARD:

Motion: *Commissioner Cody moved to reappoint Rick Bennett, Ray Trine, Neil Dawson, and Jim Ryan to 3-year terms on the Watershed Review Board. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(17) PLANNING BOARD: Carry over.

(18) REGION A AGING ADVISORY BOARD:

Motion: *Commissioner Cowan moved to reappoint Kelli Walkingstick to a 3-year term on the Region A Aging Advisory Board. Commissioner Elders seconded the Motion. Motion carried by unanimous vote.*

INFORMAL COMMENTS:

(a) Marie Leatherwood of Sylva stated it is her constitutional right to hold up a sign during meetings and continued her comments concerning property revaluation.

(b) Carl Iobst of Cullowhee stated it is the obligation of public figures to listen to those who wish to speak.

(c) George Ware, business owner of Whittier, expressed the loss of Metrostat who provided WI-FI services for his business. Without WI-FI he could lose market targets which will seriously jeopardize his business. He stated he was not requesting funding or assistance, just an opportunity to stay in business.

PRESS CONFERENCE

CLOSED SESSION:

Motion: *Chairman Debnam moved that the Board go into closed session pursuant to G.S. 143-318.11(a) (6) Personnel. Commissioner Cody seconded the Motion. Motion carried.*

Chairman Debnam called the regular meeting back to order and stated no action was taken in closed session other than the approval of closed session minutes.

ADENDA AMENDMENT:

Motion: *Chairman Debnam moved to amend the Agenda by adding "Personnel". Commissioner Jones seconded the motion. Motion carried by unanimous vote.*

(19) PERSONNEL:

Motion: *Commissioner Cody moved to appoint Tony Elders as the Interim Department Head for the building inspection and code enforcement officers. Commissioner Cowan seconded the Motion. Motion carried by unanimous vote.*

There being no further business, Chairman Debnam moved to adjourn the meeting. Commissioner Cowan seconded the Motion. Motion carried and the meeting adjourned at 4:25 p.m.

Attest:

Approved:

Patsy C. Parris, Clerk to Board

W. J. Debnam, Chairman