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Posted By: Pat Parris
Witnessed By: _____

**MINUTES OF A
WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MARCH 18, 2013**

The Jackson County Board of Commissioners met in a Work Session on March 18, 2013, 1:30 p.m., Justice & Administration Building, 401 Grindstaff Cove Rd., Room A227, Sylva, North Carolina.

Present: Jack Debnam, Chairman
Doug Cody, Vice Chair
Charles Elders, Commissioner
Mark Jones, Commissioner
Vicki Greene, Commissioner

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

(1) SCC CAPITAL PROJECTS: Don Tomas, President, stated that enrollment has increased 18.9% since 2006-07 and SCC is one of the fastest growing of the state's community colleges. He presented preliminary cost estimates for the following:

(a) Phase One:

Founder's Hall Addition	\$1,514,986
(cosmetology expansion, café/food service, study lounges, restrooms)	
Campus Quad	\$ 305,000
(pedestrian greenspace, ADA access between parking lot and 4 bldgs.)	
Parking and Water	\$ 562,027

(b) Phase Two:

Bradford Hall (entrance elevator, renovations)	\$ 975,319
The Summit (renovations and expansion)	\$ 268,356
	\$ 3,625,688

Funds designated	(\$ 2,471,578)
Additional funding request	\$ 1,154,110

Consensus: Review request during budget meetings.

(2) NC 107 CORRIDOR STUDY REPORT: Sarah Graham, Southwestern Commission, stated that a new online community based study of the NC107 Corridor in Sylva recommends keeping the road, as much as possible, within its current footprint. Other suggestions include adding a sidewalk to the east side of the corridor, provide pedestrian crossings at all traffic signals, provide lane pavement markings for bicycles or a bike lane if possible, implement a traffic signal timing system throughout the corridor, and include public transit stops. DOT's feasibility study recommends widening lanes, increase medians and make intersections larger. She will be presenting an update to the Town of Sylva at a later date. Final approval will be required from the Town of Sylva and the County.

(3) 441 CORRIDOR DEVELOPMENT ORDINANCE AMENDMENT:

Gerald Green, Planning Director, stated the proposed amendment addresses internet sweepstakes operations. NC Supreme Court's recent legislation prohibiting internet sweepstake operations forced the closure earlier this year of two establishments on the corridor. However, there is a question as to whether the legislation will withstand additional legal challenges and the amendment is proposed in the event the courts overturn the legislation.

Community meetings were held to discuss this issue and the vast majority of those in attendance indicated the corridor was not the appropriate location for internet sweepstakes operations. The 441 Corridor Council and Planning Board recommend that the ordinance be amended.

***Consensus:** Add issue to the regular meeting agenda for the purpose of scheduling a public hearing.*

(4) HEALTH DEPT. DENTAL CLINIC: Paula Carden, Health Dept. Director, stated the Board of Health recommends to either close the existing Health Dept. dental clinic or transition its patients to the ECU Dental Clinic that is due to open early next year. The recommendation is made for several reasons, but largely due to the cost of operating the clinic. The cost for clinic expenditures is largely dependent on Medicaid cost settlement dollars. The clinic is unable to generate revenues needed for sustainability due to the age and size limitations. ECU will be able to offer a full array of services to include all Medicaid, self-pay, insurance, etc. It will also offer sliding fees for those with low to no income and will be a family dentistry clinic.

***Consensus:** That the recommendation be considered after the ECU Dental Clinic is operational.*

(5) HEALTH INSURANCE – TOBACCO PRODUCTS: Danielle Wittekind, Human Resources Director, recommended that the health insurance plan as it relates to users of tobacco products be modified and become effective immediately. The new policy will affect all employees and retirees (under 65 years of age) regardless of hire date. Employees and retirees (under 65 years of age) are required to submit to mandatory substance testing for verification of use or non-use of tobacco products.

***Consensus:** Carry over to a regular meeting.*

(6) TOBACCO FREE PARKS & RECREATION AREAS ORDINANCE: Anna Lippard, Health Education Specialist, requested that the County consider adopting an ordinance prohibiting the use of tobacco products in parks and recreation fields, facilities and open spaces. Research indicates:

- During active smoking, outdoor levels of secondhand smoke may be as high as indoor levels and may pose a health risk for people in close proximity (such as those sitting beside someone on a park bench or children accompanying a smoky parent or guardian).

- Children playing on the grounds of the County's parks system and in buildings located in the County's park system are more likely to ingest cigarette butts if they are discarded and accessible.
- On January 2, 2010, "An Act to Prohibit Smoking in Certain Public Places and Certain Places of Employment", NC Session Law 2009-27 became effective authorizing local governments to adopt and enforce ordinances "that are more restrictive than State law and that apply in local government buildings, on local government grounds, in local vehicles, or in public places".

Consensus: *Further research needed to ascertain if all County facilities and grounds can be included in the ordinance.*

(7) FOOD SERVICE AND KITCHEN MGMT. CONTRACT: Mr. Wooten stated the contract with B & Al's LLC provides for a price adjustment on March 1st of each year based upon the National Restaurant Assoc. Wholesale Food Price Index or other mutually agreeable nationally recognized restaurant whole food price index. The current price per meal is \$4.75 and the adjusted price per meal will be increased to \$4.88 (2.80% (CPI) - food away from home).

(8) SUNRISE SUN-RIPENED TOMATOES, INC. LEASE: Mr. Wooten explained that the County entered into a Lease Agreement with Sunrise on June 1, 2010 for space in the former Tuckaseigee Mills Bldg. Pursuant to the lease, Sunrise has an option to renew the lease for a second three-year period effective April 1, 2013. The monthly rental is \$1,757.50 and rent payments are current.

Consensus: *The County will not make improvements to the property.*

(9) TWSA FY2013-14 CAPITAL PROJECT PLANNING: Mr. Wooten stated that TWSA is in the process of preparing its budget development for FY13-14 and is requesting input from the County concerning its current and future needs related to water and wastewater. He recommended TWSA include the following:

(a) **Emergency Management Location on Hwy. 441:** If a fire sprinkler system is required in the proposed 911 call center and emergency operations center, extension of service will be essential. TWSA is currently evaluating associated costs.

(b) **Whittier Sewer System:** This system is critical because it provides service to Smokey Mountain Elementary School. Need to continue evaluation and determine next steps for the system. Is it practical for TWSA to assume ownership and, if so, how would the current operations deficit be handled? Presently, funds are allocated by the NC Rural Center for the extension of sewer services to a mobile home park with a failing septic system. This extension will require a 10% local match and will create 20+ additional customers to a system that is in desperate need for an increase in sewer customers and the related revenue.

(c) Cashiers Water System: Need to develop a time line for transferring this asset to TWSA. The forming entities agreed, in the original resolution creating TWSA, to discontinue providing any further water or sewer service. The County purchased a well and water system to provide adequate flow to the Cashiers Recreation Center. Presently, the system has 15 customers who pay \$110 per month as a bulk rate since there are no meters. Need to determine whether the system will accept new customers. Could the County expect to receive partial reimbursement of the \$350,000 investment for this asset from the revenues that TWSA would collect from current and expanded customers?

(d) Cashiers Sewer System: Need to continue evaluation for expanding the system in the Cashiers area. This could potentially result in a funding request from TWSA to support its due diligence costs as well as the cost associated with purchasing property for a waste water treatment facility.

(e) Extension of Water and Sewer Services: Need to establish a policy for providing funds for the extension of services as it relates to economic development. Presently, if a potential business or industry identifies a site for possible development that is not served by water and sewer then it is the responsibility of the company to pay the costs associated with the extension. In some cases, this could be a development obstacle. A policy should be considered whereby the County could evaluate the costs associated with extending service as compared to the investment of a new company as a justification for whole or partial funding for the extension of services. If the County fronts the money for the extension, could a portion of the investment be returned from impact or system improvement fees? If the extension is within the corporate limits of a municipality, would both entities participate in the associated costs and partial reimbursement? Having a policy in place could expedite the process of trying to close a deal with a potential business or industry. TWSA should develop a comprehensive expansion plan and set aside funds each year in its capital budget for normal water and sewer extensions which would provide a return on the investment from additional revenues.

(10) GREAT SMOKY MOUNTAINS RAILROAD (GSMR): Jay Coward presented a draft Economic Development Loan Commitment Agreement between Jackson County (County) and GSMR. GSMR intends to rehabilitate a steam engine that is currently owned by GSMR but is non-operational, expand the maintenance garage in Dillsboro, and construct two turntables (one in Bryson City and one in Dillsboro) at an estimated cost of \$1,400,000. It is anticipated that the expansion will increase tourism in Jackson and Swain Counties, invigorate the local economy and create six new full time jobs at GSMR. The County would loan GSMR up to \$700,000 which, when combined with the \$700,000 supplied by Swain County, should pay for the three expansion projects. The agreement includes, among other requirements, the following:

(a) The County would directly administer disbursements from the loan.

(b) GSMR would convey the turntable parcel to the County and the County would lease it back to GSMR. The County will hold a first lien Deed of Trust on the maintenance garage property consisting of approximately 12 acres located in Dillsboro.

(c) For a period of 15 consecutive years, GSMR must originate at least half of all steam engine excursions from Jackson County and must maintain the six full time jobs.

(d) In the event GSMR completes the rehabilitation of the steam engine and keeps it operational, but does not keep it operational for a period of 15 consecutive years, then repayment of the loan amount would be as follows:

1. For each "full operational year" the County will forgive \$40,000 from the loan amount.
2. The principal amount shall be due and payable to the County within 60 months from the date of default prorated monthly at the interest rate of 7.5% per annum.

(e) At the start of the regular full-time 2013 season, GSMR will begin the process by which it will originate diesel train trips from Dillsboro, with the goal that by the end of the season, half of the trips will originate from Dillsboro and half from Bryson City.

Betty Farmer, Professor of Communications & Public Relations, Western Carolina University, presented a report prepared by WCU estimating the economic and fiscal impact of GSMR's plan to operate steam engine trains, build a new turntable, and re-open the train depot in Town of Dillsboro. The impacts reported are in terms of dollars and jobs created.

(a) In terms of employment, the proposal would create and/or maintain 314.1 jobs for the local economy. In terms of taxes that remain locally, GSMR could be credited with \$1,631,899 in tax payments. In addition to its economic impact, GSMR's proposal could provide \$4,042,743 tax dollars to support federal, state and local initiatives.

(b) In addition to the economic and fiscal impacts, construction of the turntable and spur would have an extra one-time impact. It was estimated that this additional, one-time impact would be \$1,056,648. 10.5 jobs would be created and/or maintained. Estimated fiscal impacts in federal and state/local governments would be \$56,166 and \$26,862, respectively.

(c) The economic impact, compared with the annual train ridership and visitor spending, construction of the turntable and spur would be a one-time expense. The direct impact of GSMR due to a train depot with a steam engine and visitor spending is \$7,651,954. The indirect and induced effects of these same categories are \$2,976,052 and \$5,351,087, respectively. In terms of dollars, GSMR would contribute \$25,979,093 to the local economy with its proposal. In employment, the proposal would create and/or maintain 314.1 jobs for the local economy; however, estimates cannot be differentiated between the new jobs and the existing jobs in the analysis.

Commissioner Cody stated it will be a good investment for the county. Commissioner Elders stated it would be a great opportunity to bring back jobs to the county. Chairman Debnam stated he supports the agreement which would benefit the entire county, not just Dillsboro. Commissioner Jones stated he could support a loan that will be repaid, but not a grant.

Commissioner Greene stated she opposes giving the railroad taxpayer money and would like to see the owner's tax returns. She asked what the funding source would be for the \$700,000. Mr. Wooten responded that currently there is a little over \$500,000 in the Economic Development Fund and from time to time it would be necessary to make transfers from the general fund.

(11) WHITTIER INDUSTRIAL PARK FLOOD STUDY UPDATE: Tony Elders, Director of Permitting & Code Enforcement, presented a letter/report from McGill Associates dated March 15, 2013. Last year McGill sought to determine what, if any, steps could be taken in order to ensure that the industrial park land and structures are protected in future flood maps. FEMA and the North Carolina Floodplain Mapping Program do not concur to the "greatest benefit and lowest cost" option previously submitted. Significant modifications to the earthen structure would be required in order to satisfy the FEMA definition of a levee and sufficiently demonstrate flood protection for the industrial park. The cost of modifying the berm to comply with FEMA's accreditation criteria could easily exceed \$450,000. If the County does not choose to appropriate funds for the modifications, there are many practical uses such as recreational activities for floodway areas if the park remains in the floodway.

(12) EDNEYVILLE FIRE & RESCUE: In December 1998 Edneyville Fire & Rescue agreed to purchase from the county a used fire truck for the sum of \$35,000. Edneyville paid \$30,000 leaving a balance of \$5,000 which was to be paid upon receiving a clear title because at the time the county could not locate the title. A bill of sale was received, but it still notes money is owed upon receipt of title. Edneyville contends that since 13 years have passed without the title being produced, a clear bill of sale should be forwarded immediately.

Consensus: *Forward a clear bill of sale.*

There being no further comments, Commissioner Elders moved to adjourn the Work Session. Commissioner Greene seconded the Motion and the Work Session adjourned at 4:50 p.m.

Patsy C. Parris, Clerk

W. J. Debnam, Chairman

