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Posted By: Evelyn Baker
Witnessed by: _____

**MINUTES OF A
BUDGET RETREAT/WORK SESSION
OF THE
JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 15, 2005**

The Jackson County Board of Commissioners met in a Work Session/Budget Retreat on February 15, 2005 at 12:00 noon, at the Nichols House, 217 Frank Allen Road, Cashiers, North Carolina.

Present: K. Stacy Buchanan, Chairman
Joe Cowan, Commissioner
Roberta Crawford, Vice Chairman
Eddie Madden, Commissioner
Brian McMahan, Commissioner
Kenneth L. Westmoreland, County Manager
Evelyn B. Baker, Clerk to the Board

Chairman Buchanan called the meeting to order and stated it was a budget retreat/work session to discuss the FY05-06 Budget.

(1) TOUR OF FACILITIES: The Board toured the Freeman House, the Nichols House, proposed Recreation Center site, and the Albert-Carlton Library.

(2) PROJECTED REVENUES & EXPENDITURES:

(a) **REVENUES:** Darlene Fox, Finance Director, reported that there has been a big increase in property values. Bob McMahan, Tax Assessor, estimated new construction will be approximately \$275,000,000 which would equate to approximately \$957,000 in tax revenue. The sales tax revenues should be approximately 4.5% which equates to \$376,000. Thus, it is anticipated the county will realize \$1,333,000 in new money from new construction and sales tax revenues.

(b) **EXPENDITURES:** There will be an increase in salary expenses, i.e., \$662,480 which includes three housekeeping positions and two grounds positions (five new positions = \$96,000). The majority of the salary expense will be for state mandated health and social services department positions (the costs are estimated at \$300,000). The CPI was actually 2.49% but was rounded to 2.5% for a COLA increase plus one step and the second year of salary adjustments for employees.

(c) **SCHOOLS:** Chairman Buchanan reported that the schools need funding in order to make their technology equipment compatible with other counties. The cost would be \$300,000 as an annual line item for technology equipment and would enable replacement of the equipment every six years. The schools requested the following:

Current Operations	\$ 5,083,855 (+\$75,396)
PILT	\$ 56,500
Maintenance	\$ 357,000
Teacher supplements	\$ 270,443
Support personnel	\$ 150,176
Capital outlay	\$ 650,000 (-\$48,350)
Technology	\$ 300,000 annual line item (fixed percentage each year)
	\$ 7,195,019 (5% increase from FY2004-05)

(d) **NEW POSITIONS:** No new routine positions will be added this year with the exception of 3 for housekeeping and 2 for grounds unless extenuating and/or emergency circumstances dictate otherwise.

(2) **ECONOMIC DEVELOPMENT COMMISSION:** Chairman Buchanan scheduled a special meeting for February 22, 2005, 6:00 p.m., Room A227 to discuss the county's future position with the EDC. Mr. Westmoreland was directed to send a letter to the EDC giving it a 90-day notice that the county does not intend to renew the Agreement for staff support.

(3) **CAPITAL PROJECTS & EXPENDITURES PLANNING DOCUMENT:**
Mr. Westmoreland presented a Capital Projects & Expenditures Planning Document along with a suggested funding plan and implementation schedule as follows:

WEBSTER COMPLEX			
(A) Acquisition installment purchase	General Fund	Jan. 2006	\$ 287,500
(B) A/E, road work, utilities, storm water system	Debt Instrument	July 2005	\$1,200,000
(C) JCT/DMV/HP Building This project can be tabled pending NCDOT Regionalization Study. The problem is the impact it will have on the county's commitment to the Highway Patrol and DMV			\$ 430,000

CASHIERS PROJECTS			
(A) Freeman Property Construct access road and parking lot, make minor renovations to bldg.	Debt Instrument	July 2005	\$ 430,000
(B) Albert Carlton Library Reimburse general fund \$1,500,000 for land acquisition. \$1,500,000 for library expansion, \$342,000 for furniture, fixtures, misc.	Debt Instrument	July 2005	\$3,342,000
(C) Recreation Center \$320,000 for A&E, permitting, environmental, etc.	General Fund	July 2005	\$3,720,000
\$3,200,000 for construction	Debt Instrument	January 2006	
\$200,000 for furniture, fixtures, etc.	Debt Instrument	January 2006	
(D) Nichols Property Construct parking lot	Debt Instrument	July 2005	\$ 300,000

HISTORIC COURTHOUSE			
(A) Installation of elevator	General Fund	July 2005	\$ 90,000
Demolition of <i>circa</i> 1960's jail	General Fund	July 2005	\$ 40,000
New exterior lighting	General Fund	July 2005	\$ 12,000
Misc. improvements	General Fund	July 2005	\$ 58,000
(B) Renovation of old jail	General Fund	July 2005	\$ 50,000
SMOKY MOUNTAIN HIGH SCHOOL			
(A) Guidance area renovations	Debt Instrument	July 2005 In progress	\$ 423,000
(B) Cooling system for B,C,D Bldg	School Improvement Funds	July 2005	\$ 111,000
(C) Gym renovations Window replacement (change order authorized. Balance of renovations deferred until after campus road and site work is completed)	ADM & School Improvement Funds	July 2005	\$ 80,000
(D) Water line to Science Bldg & Fairview	Debt Instrument	July 2005	\$ 267,000
(E) Building "A" renovations Change order authorized for renovations to old shop area. Balance of renovations deferred until after campus road and site work is completed	General Fund	July 2005	\$ 184,000
(F) Alexander & Jones Houses - demolition	School Capital Reserve	July 2005	\$ 30,000
(G) Building "D" Renovations Deferred until road and site work is complete			
(H) Phase I Site Improvements: Parking lots, driveways, storm drainage, retaining walls	Debt Instrument	July 2005	\$1,600,000
(I) Phase II Site Improvements: Wetlands mitigation, ball field site work, road work	Debt Instrument	July 2005	\$1,300,000

RECREATION			
(A) East LaPorte Park 2 nd installment for Webb property	General Fund	July 2005	\$ 100,000
(B) Savannah/Greens Creek Park	General Fund	July 2005	\$ 120,000
(C) Cullowhee Park Expansion of aerobics & fitness area, A&E	General Fund	July 2005	\$ 100,000
(D) Cullowhee Park Construction & equipment	Debt Instrument	January 2006	\$1,000,000

THE HUB			
(A)Phase I renovations New windows,replace boiler, new HVAC system	Debt Instrument	July 2005	\$ 600,000
(B) Phase II renovations Remove asbestos, new plumbing, etc.	Debt Instrument	July 2006	\$1,000,000
(C) Phase III renovations Clean bldg exterior, repair parking lot, improve storm drainage system, etc.	Debt Instrument	July 2006	\$ 400,000

SCOTTS CREEK SCHOOL			
Drainage improvements	School Improvement Funds	July 2005	

COMMUNITY SERVICES BUILDING			
Needs assessment	General Fund	March 2005	\$ 40,000
Renovation	General Fund	July 2005	\$ 500,000

FAIRVIEW SCHOOL			
A & E	School Improvement Funds	July 2006	\$ 150,000
Construction	Debt Instrument	January 2007	\$1,500,000

AGING DEPT, MTN PROJECTS/JCMC MULTI-USE FACILITY & KITCHEN			
A & E	General Fund	July 2005	\$ 50,000
Construction	Debt Instrument	January 2006	\$ 400,000

Mr. Westmoreland presented the following Expenditures Summary for the proposed capital projects:

<u>General Fund FY2004-05</u>	<u>\$ 224,000</u>
<u>General Fund FY2005-06</u>	<u>\$1,657,500</u>
<u>School Improvement Fund FY2004-05</u>	<u>\$ 281,000</u>
<u>School Improvement Fund FY2005-06</u>	<u>\$ 150,000</u>
<u>Calendar Year 2005 Debt</u>	<u>\$9,332,000</u>
<u>Calendar Year 2006 Debt</u>	<u>\$6,200,000</u>
<u>Calendar Year 2007 Debt</u>	<u>\$1,500,000</u>

(4) **TRANSIT BUILDING**: Mr. Westmoreland reported that it appears funding for a new Transit Building is not going to be approved by NCDOT this year. NCDOT is pushing the regionalization approach and studies are being conducted concerning combining county transit facilities throughout the state. These studies will not be completed for approximately one year.

(5) **CULLOWHEE FIRE DEPT. AND SRC**: Mr. Westmoreland reported he had received a call from Chuck Wooten of WCU who made a verbal request for WCU to purchase the Cullowhee Fire Dept. and Cullowhee SRC sites. Mr. Westmoreland informed Mr. Wooten that the county would only consider the request if it would be made whole in terms of replacement of the fire department, land and SRC without the county being required to appropriate any funds.

(6) **NICHOLS HOUSE REPAIRS**: It was recommended that funds for either all or a portion of the repairs be appropriated from the undesignated fund balance.

(7) **UNDESIGNATED FUND BALANCE**: The balance is approximately \$12,000,000 and, based on the revenue projections and expenditures, it should be enhanced by an additional \$1,000,000 this year.

(8) **COMMUNITY DEVELOPMENT CLUBS**: It was recommended that the appropriations be increased from \$1,000 to \$1,500.

(9) **KUDZU PLAYERS**: Chairman Buchanan reported that the Kudzu Players have requested a meeting with this Board concerning an appropriation in an amount comparable to the Arts Council and Community Development Clubs. Kudzu Players need capital in order to apply for grants.

(10) **TAX RATE**: Jackson County has the second lowest tax rate in the state.

Mr. Westmoreland reported that the Dept. Heads should have their budgets to him by February 28th. There will probably be the need for one more budget work session with the Board of Commissioners.

Chairman Buchanan moved that the Board go into Closed Session pursuant to G. S. 143-318.11(a)(6) Personnel. Commissioner Crawford seconded the Motion. Motion carried.

Chairman Buchanan called the Open Session back to order and report no action or votes were taken in Closed Session.

There being no further business, Commissioner Crawford moved to adjourn the meeting. Commissioner McMahan seconded the Motion. Motion carried by unanimous vote, and the meeting adjourned at 4:20 p.m.

Attested By:

Approved:

Evelyn B. Baker, Clerk to the Board

K. Stacy Buchanan, Chairman