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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
JANUARY 9, 2006**

The Jackson County Board of Commissioners met in a Work Session/Budget Retreat on January 9, 2006 at 1:00 pm, Room A227, Justice & Administration Building, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian T. McMahan, Chairman
 Roberta Crawford, Vice Chair
 Joe Cowan, Commissioner
 Eddie Madden, Commissioner
 Conrad Burrell, Commissioner
 Kenneth L. Westmoreland, County Manager
 Evelyn B. Baker, Clerk to the Board

Chairman McMahan called the meeting to order and stated it was a budget work session to discuss the FY06-07 Budget.

(1) COUNTY MANAGER: Mr. Westmoreland stated that there are several issues before the Board, the timing of which must meet the parameters and millage rate along with the \$10 million per annum indebtedness ceiling. Budget planning must stay within present means and not burden the citizens and future boards.

(2) PROJECTED REVENUES & EXPENDITURES: Darlene Fox, Finance Director, gave a power point presentation.

(a) **REVENUES:** There has been an increase in property values and an increase of 34.9% in property transfer transactions from 2002-05. Sales tax revenues reflect a 4.5% growth. The 2005 tax collection rate has increased to 96.96% and the 2005 collection was \$19,681,738. It is anticipated that the county will realize \$1,183,756 in additional revenues.

(b) **EXPENDITURES:** Educational expenses continue to increase as well as fuel (approximately \$200,000) and utility costs. The county should consider some type of fuel storage facility. Salary expenses include a 3.5% COLA increase, third year of salary plan implementation and mandated salary increases for state personnel. Mr. Westmoreland was directed to contact the state personnel division and seek permission for a "substantial equivalent salary" because the majority of the state employees' salaries are already higher than the state mandate due to the county's longevity steps. If the state grants permission, he would meet with each individual employee so they would understand they are not being short-changed in any manner.

(3) EDUCATION: Current allocations to the schools are:

(a) Current operations	\$5, 220,355 (includes payment in lieu of taxes)
(b) Maintenance	\$ 357,000
(c) Teacher Supplements . . .	\$ 243,211
(d) Support Supplements . . .	\$ 139,027
(e) Science Bldg.	\$ 109,638
	<u>\$ 6,069,231</u>

The school system indicated two years ago that it would be willing to assume salary supplements for support staff commencing with the 2006 budget year. For the past two-three years the county has allocated a \$350,000 line item for maintenance plus \$300,000 for technology. Mr. Westmoreland stated that the amount allocated for operational expenses cannot be reduced from year to year, only line items. The majority of the county's debts are for schools. Mr. Westmoreland was directed to schedule a meeting with the Sue Nations, Superintendent of Schools, concerning preliminary school requests. A joint work session will then be scheduled in March.

(4) CAPITAL PROJECTS & EXPENDITURES PLANNING: Mr.

Westmoreland reported on the following capital improvement projects:

(a) **2005 APPROVED PROJECTS:**

Cashiers Library Expansion	\$ 3,960,200
Smoky Mtn High School Phase II	\$ 5,547,186
	<u>\$ 9,507,386</u>

(b) **2006 PROPOSED PROJECTS:**

Cullowhee Rec Center Expansion	\$ 1,000,000
Cashiers Rec Center	\$ 4,500,000
Webster Complex (site work & infrastructure)	\$ 1,200,000
Fairview Kindergarten	<u>\$ 1,500,000</u>
	<u>\$ 8,200,000</u>

(5) CAPITAL PROJECTS UNDER CONSIDERATION:

(a) **Health Dept.:** The result of the needs assessment was unexpected in that the long term needs exceeded the square footage of the present facility and could only make it practical for another three to five years. Two options were presented:

Renovate present bldg.	\$5,950,000
Construct new bldg.	\$6,957,000 (excludes land costs)

(b) **Renovation of Com. Service Bldg.** . . . \$2,652,000
(to accommodate other agencies)

(c) **Aging/Senior Citizens Center** \$2,062,500

(d) **Sylva Branch Library** \$4,000,000 - \$6,000,000
A 30,000 sq. ft. facility was suggested by the library committee. The county has purchased a 2-acre site at the Jackson Plaza. The county should specify a timeline and what amount it plans on contributing so the committee will know how much it needs to raise.

- (e) **Transit/DMV/HP Facility** \$ 500,000
(for stand alone facility, excluding land and
assuming a 90% NCDOT grant for JCT portion)

The county should prioritize and plan how to schedule these projects while maintaining the constraints of a \$10 million debt issue per calendar year.

(5) FUTURE PROJECT CONSIDERATIONS: Mr. Westmoreland discussed the following future project considerations:

(a) **Southwestern Community College:** In order for SCC to move forward with its long range development plans and utilize its allocated state bond money (as well as county match funds) within authorized time limits, the NC Forest Service District Headquarters and the School District School Bus Maintenance Garage must be removed, relocated or replaced. The state has now begun the process for relocating the Forest Service facilities.

(b) **School Bus Maintenance Garage, School Administration Bldg. and The Hub Alternative School:** The county has looked for many years without success for a suitable site for a school bus maintenance and storage area. A tract with considerable potential not previously considered is the old Scotts Creek School site. It is a six acre tract with all utilities and good transportation access. This project and site could be integrated into a sequence to address several other previously discussed capital projects, a new School Administrative Building, and a replacement to the HUB Alternative School.

The sequence would be as follows:

1. Construct a new School Administrative Building at a new location.
2. Renovate and modernize the present Administrative Building to serve as the county's Alternative School.
3. Demolish the old Scott's Creek School and construct a new consolidated school/county maintenance facility on the 6-acre site.
4. Demolish the old school bus maintenance garage for SCC use.

(c) **Whittier Sanitary District/Gateway Sewer Project/Smokey Mountain Elementary School:** The Whittier wastewater project designed to provide wastewater collection and treatment services in the Whittier Community and Gateway area has been underway since February 2001. The project was funded through numerous grants and contributions including the NC Rural Center, Appalachian Regional Commission, USDA, Jackson County, EBCI, and the Southwestern Commission. The project has been delayed repeatedly because of various permitting as well as archeological issues. These delays are anticipated to cause major costs overruns when the project is bid in early 2006 which must be addressed by either diminishing the scope of the project or coming up with additional funding.

The Smokey Mountain Elementary School is scheduled to be connected to the connector line going in on Hwy. 441. This is of critical importance to the county and school district because of the history of failed septic systems at the school site and because of the limited or lack of space for a replacement system.

If the county assumes the cost of the outfall line from the elementary school down to the Gateway intersection, it would quite possibly insure that the overall Whittier project could be completed, but definitely would insure the safe and uninterrupted

operation of the school. The anticipated cost to provide for the outfall line and school connection and hook-up is \$250,000.00. The system will belong to the Whittier Sanitary District. Mr. Westmoreland was instructed to factor in a \$250,000 line item in the new budget.

(6) **HISTORIC COURTHOUSE**: Mr. Westmoreland reported that the next phase includes a sprinkler system for both floors. Bids for an elevator will go out shortly. Bids for exterior lighting, entrance doors, and demolition of the old jail will be put out during the spring of 2006. All environmental clearances have been completed.

(7) **WEBSTER PARK**: Commissioner Cowan suggested that the board consider, after the other major projects are funded, allocating funds for the acquisition of approximately one acre for a small family oriented park in the Webster area (not necessarily within the town limits) based on the Recreation Master Plan criteria. It could be recommended that the community raise funds for park equipment.

Mr. Westmoreland reported that he has scheduled a meeting with the Dept. Heads on January 17th with instructions to have their proposed budgets to him by mid-March. Another work session will be scheduled.

There being no further business, Commissioner Burrell moved to adjourn the meeting. Commissioner Crawford seconded the Motion. Motion carried and the meeting adjourned at 4:30 p.m.

Attested By:

Approved:

Evelyn B. Baker, Clerk to the Board

Brian Thomas McMahan, Chairman