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Posted By: Evelyn Baker
Witnessed by: _____

**MINUTES OF A
BUDGET WORK SESSION
OF THE
JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 22, 2006**

The Jackson County Board of Commissioners met in a Budget Work Session on February 22, 2007 at 6:30 pm, Room A201, Justice & Administration Building, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian T. McMahan, Chairman
Joe Cowan, Vice Chair
Tom Massie, Commissioner
William Shelton, Commissioner
Mark Jones, Commissioner
Kenneth L. Westmoreland, County Manager
Darlene Fox, Finance Director
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 operations budget for FY06-07.

PROJECTED REVENUES & EXPENDITURES: Highlights of a power point presentation by Darlene Fox, Finance Director, are as follows:

- (1) **PROPERTY VALUATIONS**: \$6,000,000,000 for 2006
- (2) **PROPERTY TRANSFERS**: An increase of 35.8% in property transfer transactions from 2002-2006 and a total increase of 20.5% from 1999-2006.
- (3) **BUILDING PERMITS**: 1,703 in 2006.
- (4) **SEPTIC PERMITS**: 1,911 in 2006.
- (5) **TAX COLLECTIONS**: The tax collection rate for 2006 was 97.03% in the amount of \$21,109,457.
- (6) **SALES TAX**: Sales tax revenues reflect a 7.2% increase in 2005 and a 10% increase in 2006.
- (7) **EDUCATIONAL ALLOCATIONS**: \$6,000,000 current expense in 2006 which does not include debts.

(8) PROPERTY TAX REVENUE:

Fiscal Year	Assessed Value Amount	Percent Change	Tax Rate	Amount	Current Levy Percent Change	Current Collection	Collections as % of Levy	Total Revenue from Property Taxation	Percent Change
2006	6,043,436,944	6.67%	0.36	21,756,373	6.67%	21,109,457	97.03%	21,976,752	6.20%
2005	6,665,491,667	48.50%	0.36	20,395,770	11.40%	10,681,738	96.50%	20,693,075	12.80%

(9) REVENUE OTHER THAN PROPERTY TAX:

Fiscal Year	Other Local Tax Amount	Percent Change	Intergovernmental Revenue Amount	Percent Change	Permits Sales & Amount	Fees, Services Percent Change	All Other Revenue Amount	Percent Change
2006	9,968,654	10.94%	5,025,811	-8.42%	3,547,292	13.38%	1,233,721	79.68%
2005	8,985,501	7.30%	5,487,621	15.40%	3,128,708	3.00%	686,639	52.70%

Increase in other local taxes reflects the addition of Article 44 Sales Tax
Increase in intergovernmental revenue reflects additional grants and funding
Decrease in intergovernmental revenue for 2006 reflects completion of grant projects and the increase for 2006 in other revenue reflects the increase of investment earnings.

(10) PROJECTION OF PROPERTY TAX REVENUE:

Fiscal Year	Projected Assessed Value 1	Projected Tax Rate per \$100 of Assessed Value	Projected	Current Collection As Percentage of Levy 2	Projected Current Tax Revenue	Total Projected Current & Delinquent Tax Revenue Amt	Total Collection As Percentage Of Levy
2006	5,665,491,667	0.0036	20,395,770	96.50%	19,681,918	20,181,918	97.52%
2005	6,043,436,944	0.0036	21,756,373	97.03%	21,110,209	21,610,209	97.69%

1 Assumes an annual growth of 4.80% due to new construction
2 Collection rate based on FY2006 collections
3 Reassessment year with a projected 35% increase in assessed values and a decrease in tax rate of 23 cents

(11) PROJECTION OF GENERAL FUND REVENUE:

Fiscal Year	Property Tax	Other Local Taxes 1	Intergovernmental Revenue 2	Permits & Fees, Sales, Services 3	All Other Revenue	Total Revenue
2006	21,976,752	9,968,654	5,925,811	3,547,292	1,233,721	41,752,230
2005	22,865,706	10,417,243	5,126,327	2,653,711	1,290,102	43,453,089

1 Assumes an annual growth of 4.5% based on collections
2 Assumes an annual growth of 2% based on collections
3 Assumes an annual growth of 3%

(12) PROJECTION OF GENERAL FUND OPERATING EXPENDITURES:

Fiscal Year	General Govt Expenditures	Public Safety Expenditures	Human Services Expenditures	Education Expenditures 1	All Other Expenditures 2	Total Amount
2006	4,599,051	6,674,094	9,522,152	8,324,356	7,572,141	36,691,794
2005	4,792,211	7,044,506	10,182,323	9,086,867	7,875,027	38,980,934

1 Education expenditures include Board of Education and SCC
2 Includes transportation, environmental protection, economic & physical dev., cultural/recreation, transfers and contingency
Growth factors used average approximately 5.96% overall

(13) PROJECTION OF GENERAL FUND OBLIGATED DEBT SERVICE:

Total debt for equipment, schools, jail, recreation, DSS, administration, Cashiers Library, capital projects through 2012 is \$30,173,837.

(14) PROJECTION OF NEW CAPITAL FINANCING POTENTIAL:

2007	2008	2009	2010	2011	2012
766,934	676,602	1,158,630	2,065,169	2,608,755	3,183,583

(15) EXPENDITURES:

Salary expenses include a 3.4% COLA increase.
Mileage rates increase on 1/1/07 (IRS IR2006-168)from \$0.405 to \$0.485 for business miles

(16) BUDGET FACTORS:

Increase for new construction \$250,000@.036 \$900,000@97.03%	\$ 873,270
Sales and Use Tax increase of 4.5%	408,411
Cost of Living increase of ¾% with step increase	1,281,681
Medicaid increase to state recommendation	750,912
Additional personnel costs	329,133
Increased fuel and utility costs	300,000
Capital Improvement of debt issuance	?
Whittier Sanitary District (to be funded FY08-09)	406,000

(16) SCHOOL CAPITAL FUNDING AVAILABLE:

PSCBF Balance (requires 25% match	\$ 714,237
Lottery Proceeds	274,007

(17) ADDITIONAL STAFF: Mr. Westmoreland stated that a number of departments need additional positions. In the event new ordinances are adopted, the planning department will immediately need a minimum of two code enforcement officers. Funding for these two positions would be transferred from the undesignated fund balance. Further, space considerations for additional planning staff must also be addressed. He recommended that two or three additional positions be considered for the planning department in the upcoming budget. Mr. Westmoreland was authorized to proceed with job descriptions and costs for two planning department positions for the remainder of this fiscal year.

He stated that the Maintenance Dept. needs two positions, Grounds Dept. one position, Housekeeping Dept. one position, and Emergency Management one position. Commissioner Massie suggested additional jailers be considered and Commissioner Jones suggested additional Health Dept. inspectors.

There being no further business, Commissioner Jones moved to adjourn the meeting. Commissioner Shelton seconded the Motion. Motion carried and the meeting adjourned at 8:45 p.m.

Attested By:

Approved:

 Evelyn B. Baker, Clerk to the Board

 Brian Thomas McMahan, Chairman

