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Time Posted: \_\_\_\_\_  
Posted By: Evelyn Baker  
Witnessed by: \_\_\_\_\_

**MINUTES OF A  
BUDGET WORK SESSION  
OF THE  
JACKSON COUNTY  
BOARD OF COMMISSIONERS  
HELD ON  
FEBRUARY 11, 2008**

The Jackson County Board of Commissioners met in a Budget Work Session on February 11, 2008 at 7:00 pm, Room A227, 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 FY08-09 budget.

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

(1) **PROPERTY VALUATION**: \$6.5 billion for 2007 (based on the 2004 revaluation). \$10 billion is the projected amount for 2008. Revaluation notices will be mailed during March.

(2) **PROPERTY TRANSFERS**: A decrease of 23% in property transfer transactions from 6/30/06 – 6/30/07.

(3) **REGISTER OF DEEDS REVENUES**: A decrease of 6.25% from 6/30/06 to 6/30/07.

(4) **BUILDING PERMITS**: 1,638 in 2007.

(5) **SEPTIC PERMITS**: 1,388 in 2007.

(6) **TAX COLLECTIONS**: Tax collection for 2007 was \$22,742,066, a rate of 97.27%.

(7) **SALES TAX:** Article 44 was implemented in December 2002. As of January 2008, there was a decrease of .07% from the same period in the prior year.

(8) **EDUCATIONAL ALLOCATIONS:** Approximately \$6,000,000 in current expenses which does not include debts. Commissioner Massie requested a per pupil expenditure report based on current expense, capital improvements, capital outlay and debt service.

**(9) PROPERTY TAX REVENUE PROJECTION:**

Fiscal Year	Assessed Value Amount <sup>1</sup>	Tax Rate	Amount	Collection	Collections as % of Levy <sup>2</sup>	Total Revenue from Property Taxation
2008	6,880,691,680	0.36	24,770,490	24,094,256	97.27%	24,594,256

<sup>1</sup> Assumes an annual growth of 5.94% due to new construction  
<sup>2</sup> Collection rate based on FY2007 collections

**(10) GENERAL FUND REVENUE PROJECTION:**

Fiscal Year	Property Tax	Other Local Taxes <sup>1</sup>	Intergovernmental Revenue <sup>2</sup>	Permits & Fees, Sales, Services <sup>3</sup>	All Other Revenue	Total Revenue
2008	24,622,564	11,297,579	5,187,388	3,657,528	1,609,519	46,374,578

<sup>1</sup> Assumes an annual growth of 4% based on collections  
<sup>2</sup> Assumes an annual growth of 1.69% based on collections  
<sup>3</sup> Assumes an annual growth of 3%

**(11) GENERAL FUND OPERATING EXPENDITURES PROJECTION:**

Fiscal Year	General Govt Expenditures	Public Safety Expenditures	Human Services Expenditures	Education Expenditures	All Other Expenditures	Total
2008	5,913,322	7,696,319	10,953,800	8,861,180	8,523,295	41,947,916

<sup>1</sup> Education expenditures include Board of Education and SCC  
<sup>2</sup> Includes transportation, environmental protection, economic & physical dev, cultural/recreation, transfers & contingency  
Growth factors used average approximately 7.71% overall

**(12) PROJECTION OF GENERAL FUND OBLIGATED DEBT SERVICE:**

Total debt projection for equipment and capital projects through 2013 is \$41,296,387. The maximum debt allowed is 15% of operating expenditures.

(13) **MILEAGE RATES:** The IRS business mileage rate effective 1/1/08 is \$0.505. The county's rate is \$0.485

**(14) BUDGET FACTORS:**

Increase for new construction \$250,000@.036	\$900,000@97.27%	\$ 875,430
Sales tax decrease (Article 44 effective 10/1/08)		-763,819
Reduction in Medicaid expenses effective 7/1/08		-991,006
Hold harmless on Medicaid swap		303,439
Cost of living increase of 2.9% with step increase		627,978
Increased fuel and utility costs		125,000
Capital improvement projects		4,900,500

**(15) CAPITAL PROJECT PROJECTIONS:**

<b>PROJECT</b>	<b>FISCAL YEAR</b>
SMHS "D" Bldg renovations	FY07-08
Southern Lumber (balance of purchase price)	FY08-09
Aging Services Complex	FY08-09
Cashiers Rec Ctr	FY08-09
Solid Waste Transfer Station	FY08-09
SCC Bond (local match)	FY08-09
Sylva Branch Library; old courthouse renovations	FY09-10
Southern Lumber renovations	FY09-10
SMH "A" Bldg renovations	FY09-10

The Board of Education has requested a fine arts/gym facility. Based on various financial parameters, the earliest date for the county to consider the request would be FY11-12.

**(16) OTHER ISSUES:**

- a. Implement Mercer Study (salary classifications) to fullest extent affordable;
- b. Provide staff person for Greenways program;
- c. Codify county ordinances into a useable county codebook and a separate publication for comprehensive development rules and regulations;
- d. Major repair expenditures to Tuckasegee Mills building;
- e. Implement post-employment benefits fund to comply with GASB 45;
- f. Consolidate permit applications for planning, building inspections and environmental health to one intake location in both Sylva and Cashiers;
- g. Create a real property preservation fund to acquire property for:
  - conservation & environmental protection purposes
  - purchase development rights
  - purchase conservation easements
  - prime agricultural farmland preservation
  - acquire property for public recreation
- h. Creation of a water/sewer fund;
- i. Recreation park in northern section of the county;
- k. Consolidate building inspections, planning & sanitarians in one facility;
- l. EDC Director;
- m. Provide clerical assistance for fire departments.

There being no further business, Commissioner Massie moved to adjourn the work session. Commissioner Jones seconded the Motion. Motion carried and the meeting adjourned at 9:15 p.m.

Attested By:

Approved:

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Evelyn B. Baker, Clerk to the Board

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Brian Thomas McMahan, Chairman

