

**MINUTES OF A
REGULAR MEETING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MAY 26, 2020**

The Jackson County Board of Commissioners met in a Regular Session on May 26, 2020, 1:00 p.m., Justice and Administration Building, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian McMahan, Chairman
Boyce Deitz, Vice Chair
Mickey Luker (via speakerphone)
Ron Mau, Commissioner
Gayle Woody, Commissioner

Don Adams, County Manager
Heather C. Baker, County Attorney
Angela M. Winchester, Clerk to Board

Chairman McMahan called the meeting to order.

(1) **AGENDA**: Commissioner Mau moved to approve the agenda. Commissioner Woody seconded the Motion. Motion carried.

(2) **MINUTES**: Commissioner Mau stated that he had an addition to the May 5th meeting minutes. When the County Manager was giving his report looking forward to Phase Two, he asked what might happen to the swimming pools. That was not reflected in the minutes and he thought the County Manager had indicated maybe July. He wanted to make sure that was in there.

Commissioner Woody moved to approve the minutes of a Public Hearing (Cashiers Small Area Plan) of April 07, 2020 and a Regular Meeting of May 05, 2020 with the noted correction. Commissioner Mau seconded the Motion. Motion carried.

(3) **CHAIRMAN'S REPORT**: None.

(4) **COMMISSIONER REPORTS**:

(a) Commissioner Deitz stated that he and his wife were in downtown Sylva on Sunday to look at the flags on Courthouse Hill. It was a beautiful morning and the flags displayed was so great. There were many people stopping to take pictures and showing a lot of interest. He knew they were all proud of that.

(b) Commissioner Woody stated she talked to Julia Heckert, Youth Pastor at Cullowhee United Methodist Church and she wanted to commend them for their efforts in honoring the Jackson Community School Seniors. They were collecting money and support in the community. The Cullowhee United Methodist, Sylva United Methodist, Hights and Webster Enterprises were all working to make sure those seniors had a special graduation time. She knew that other groups were working with the Early College and Smoky Mountain High School Seniors. She thanked the people that were working really hard to make sure that every single student was recognized at this time when things were not as they would have been.

Also, a Board of Health meeting was held by Zoom with a few attending in person. It was a good meeting with excellent input from the Board of Health Members. The fact that they had a doctor, pharmacist and nurse involved - the questions they asked and the feedback that was given was very helpful. She thanked all of those people that volunteered on the Board of Health and the Health Department with all they were doing, keeping them informed and helping the community stay as healthy as possible.

(c) Commissioner Mau stated that he sent all of the Commissioners an email about what TWSA was looking into. Ms. Carraway attended their meeting and they were pursuing funding for COVID-19 testing via wastewater. He did not know if anything would come of it, but it was pretty interesting science. As that continued to be updated, he would be sure to let them all know.

Commissioner Deitz asked how that would work?

Commissioner Mau stated that they could take samples of wastewater before it was treated and test it. Apparently, the virus showed up in wastewater. The science was still being developed as far the number of cases, but they could at least get some early indications and potential spikes once they got a baseline. They could do portable testing as well where they could isolate certain areas, although there were some legalities with that and it had to be a place that served at least 500 people. The lead researcher they were talking with actually lived in Haywood County.

(5) COUNTY MANAGER REPORT: Mr. Adams provided the following updates:

(a) COVID-19 Update: There was an agenda item for a COVID-19 update from Todd Dillard, Emergency Management Director; Shelley Carraway, Health Director; and Sheriff Hall. This was an ongoing item placed on the agenda. He spoke with all three of the presenters and at that point, none of them had updates for the Board. They expressed if the Board had any specific questions, to feel free to give them a call.

North Carolina had moved into a modified Phase Two and with the modified phase, there could be some questions in the community. This was addressed at the stakeholders meeting that morning. Since the issue began, the stakeholders had been meeting via Zoom on almost a daily basis. They decided that they no longer needed to meet every day, so they reduced the number of meetings to Mondays and Thursdays. During the stakeholder meeting that day, Ms. Baker brought up a good point and they would ask the PIO to prepare public information about the modified Phase Two to be available so they would be prepared for questions.

(b) County Operations: County operations were proceeding forward bringing back teleworkers and opening for foot traffic. They had plexiglass shields being installed in several locations. They would also receive floor markers that week for employees to maintain safe distances. The county purchased masks from American Sewing, which were washable and dryable. All employees would receive three masks and were encouraged to use them at work and in the public. At that point, departments were moving forward with preparing their operations as best they could for foot traffic since the Stay at Home Order had been lifted.

They would still have multiple telework employees that were high risk and certain areas with special circumstances. They did have current operations that were not able to open for foot traffic or normal services such as recreation uses and aging services. He would be meeting with Rusty Ellis, Recreation and Parks Director, the next day to discuss specific plans for the indoor pool and other recreation operations. He would be able to report those specifics to the Board at a later date.

(c) All In Jackson: Information was sent out regarding All In Jackson, the fund that the Board modified to allow small businesses access. At that point, they had a total of four businesses approved for \$40,000 of funding and 45 jobs were retained. All businesses were encouraged to go to www.allinjacksonnc.com for information about this and other state and federal funds available for small businesses.

(6) INFORMAL COMMENTS BY THE PUBLIC: None.

(7) CONSENT AGENDA:

(a) Darlene Fox, Finance Director, presented the Finance Report for April, 2020 and three Budget Ordinance Amendments for fiscal year ending June 30, 2020, for approval.

Commissioner Woody stated that Ms. Fox had mentioned before that there were strict guidelines of how they could spend the CARES Act funds they received, which was sent to the county in a lump sum. They had to be accountable and if the funds were not spent according to their guidelines, they had to send it back. Would the challenge be that they had to report it correctly?

Ms. Fox stated that was correct. They had to pay for the sick leave that the federal government allowed as of April 1st. They would take that out of it and they would send some to the municipalities based on population. They would do some construction work and different items for social distancing.

Mr. Adams stated that he recommended to follow through and finish some of the FEMA programs and make sure they knew what FEMA was supposed to be allocated for versus the CARES Act funds. Also, they started having conversations with departments to challenge them to start thinking past the next month or two on how they could set up infrastructure of how to deal with these issues now and in the future. He recommended to let some of the expenses play themselves out and transition, which would also help them develop the budget.

Commissioner Mau stated that it was his understanding that there was a deadline for when the plan had to be submitted for the CARES Act fund.

Ms. Fox stated that they had submitted a preliminary plan already.

Mr. Adams stated that what could happen was that that budget could be amended. What was submitted was an estimate of where they spread the money out to different categories to hit all of the topics they were discussing. As they went through and finalized some of their needs, they could amend the budget.

(b) Brandi Henson, Tax Collector, (via Zoom video conferencing) presented the Tax Collector and Refund Reports for April, 2020, for approval.

Motion: *Commissioner Mau moved to approve the Consent Agenda. Commissioner Woody seconded the Motion. Motion carried by unanimous vote.*

(8) COVID-19 UPDATE: Chairman McMahan inquired if anyone had a specific question they wanted to bring up at that time. As Mr. Adams indicated earlier, they did not have reports or new information at that time, unless there were specific questions a Commissioner had that they could seek clarification on.

There were none.

Informational item.

(9) BUSINESS AND PERSONAL PROPERTY TAX AUDITING CONTRACT:

Tabitha Ashe, Tax Administrator (via Zoom video conferencing) stated this was a new contract for the auditing firm for Business and Personal Property for the Board's consideration.

Motion: *Commissioner Deitz moved to approve the Tax Auditing Contract, as presented. Commissioner Mau seconded the Motion. Motion carried by unanimous vote.*

(10) TRANSIT TITLE VI PROGRAM PLAN: Norma Taylor, Transit Director (via Zoom video conferencing) stated that because they received Federal Transit funds, they were required to maintain a Title VI Non-Discrimination Plan. She updated the plan to reflect the change from Chuck Norris as Director to herself and listed herself as the Title VI Coordinator.

Also, Jackson County now met the state threshold of 5% of individuals of the Spanish language. That would mean that Transit was required to provide translation of their vital documents in written form for non-English speaking individuals. They did have all of their brochures printed in Spanish as well as English. They also had a phone line dedicated to Spanish speaking individuals that could leave messages and arrange for transportation. She requested the Board's approval so that she could submit the changes with the DOT.

Motion: *Commissioner Deitz moved to approve the requested changes to the Transit Title VI Program Plan, as presented. Commissioner Mau seconded the Motion. Motion carried by unanimous vote.*

(11) JUVENILE CRIME PREVENTION COUNCIL (JCPC): Heather Baker, JCPC Chair; Katie Hutchison, JCPC Secretary (via Zoom video conferencing); and Gabby Grant, Director of Mountain Mediation (via Zoom video conferencing) and were present for this item.

Ms. Baker stated that over the last several years, she had appeared before the Board for JCPC. Prior to that, Steve Lillard appeared before the Board and through all those years things remained the same. The amount of JCPC's budget was \$102,900 until that year where they had some significant changes. One change was expanded funding for the Raise the Age Initiative, which was implemented as of October 1, 2019. With that change, the state awarded more funds for each JCPC for this initiative. The available state funds were \$128,439. The state wanted the expansion funds to be available for Teen Court in each county. Mountain Mediation had done a fantastic job of getting all counties together for the six western counties, who had to agree for this to work. In response to the RFP for JCPC funds, Mountain Mediation submitted for Teen Court for Jackson County.

Project Challenge had always done the rehabilitation piece for the county, but a change that year was that they were not able to get staffing together, so they did not submit an RFP for rehabilitation. Marcus Metcalf with the Hights Program submitted for restitution along with his regular proposals. All of the agencies that submitted had worked together to make sure they were not asking for more funds than the other needed. Mr. Metcalf received funding for his usual programs and for the restitution piece.

Since COVID-19, Hawthorne Heights had closed down, but then realized funding issues and closed permanently, which was a huge loss to the county. Kara Long, who had worked at Hawthorne Heights and participated with JCPC put together a group to start to take that on. They were working hard, but were not ready to apply for the funds yet. At that time, they had an unallocated amount of \$28,621, which were the funds that were usually allocated to Hawthorne Heights, but were now being held until they could do a RFP when the new group was ready.

Since Teen Court was new, she invited Ms. Grant to talk about that with the Board and provide some background.

Ms. Grant stated that Mountain Mediation offered two services, Restorative Justice Mediation and Teen Court. They had been doing Restorative Justice Mediation in Haywood County for about four years and it was the more preventative side to help keep kids out of Juvenile Justice and the Criminal Justice System. They worked directly with schools for referrals for things that could happen in schools that may not be formal charge. Last year, they served 20 youth in Haywood County and of those youth, none of them had repeat referrals.

Teen Court was an administrative request from Juvenile Justice and money was allocated from the state so that every county had some type of restorative mechanism such as Teen Court for juveniles that were charged with misdemeanor charges. Teen Court was made up of volunteer youth peers with one adult in the room, which was the judge. They were working with retired community leaders to serve as the judges. The focus was on that the youth and they had to admit guilt before going through the process. The sentencing was based on the harm and it was important that it matched the community service. The focus was to keep the youth out of the criminal justice system.

The recidivism rate for youth going through the process dropped to around 10%, so it was good statistics for youth that went through the process as a diversion. They were still in the planning phase and were hoping if school was face to face in the fall, they would be recruiting youth and adult volunteers to train. They were hopeful that by the end of the year to have Teen Court setup. They were already taking referrals for Restorative Justice Mediation and did one last week via Zoom and worked with two youths as well.

Ms. Baker asked Ms. Hutchison if she had anything she wanted to add.

Ms. Hutchison stated that she did not have anything to add.

Ms. Baker presented selected programs, certification, membership list and proposed funding for FY20-21. The required local match was \$19,806. She would come back to the Board when the RFP went out and was completed for the runaway shelter.

Commissioner Woody asked Ms. Grant about the 20 youth in Haywood County and that there were no repeat offenses. Did she have a number for Jackson County?

Ms. Grant stated that they had just got started. They received funds in March and had done one mediation so far.

Ms. Woody asked how this program worked in conjunction with Webster Enterprises program where they approved personnel working directly in the schools?

Ms. Baker stated it may be part of the same program as the Restorative Justice Program.

Ms. Baker stated that regarding the JCPC Membership, Commissioner Deitz was the Commissioners' representative on JCPC. Other appointee's included Rhonda Cooper, Court Counselor; Becca Swanger, who would be the Counselor; and Casey Walawender, who would be the Social Worker replacement.

Motion: Commissioner Woody moved to approve the Programs, Certification, Membership List and Funding Plan to include a match of \$19,806. Commissioner Deitz seconded the Motion. Motion carried by unanimous vote.

(12) ANIMAL RESCUE CENTER / GREEN ENERGY PARK ARCHITECT

CONTRACT: Mr. Adams stated he would go through the highlights of the contract:

(a) Compensation: The preapproved amount was \$397,000

(b) Proportion of Compensation for each phase of services:

- Schematic Design Phase 15%
- Design Development Phase 25%
- Construction Documents Phase 35%
- Procurement Phase 5%
- Construction Phase 20%

They were at the Procurement Phase, which was basically 75% into the project.

(c) Scope of Services: Compensation:

- Total design services for the Animal Rescue Center and Green Energy \$397,000
- They received credit for the Programming and Schematic Design of \$60,108
- Total A&E Services for Green Energy Park: \$179,647

He requested that the Board approve the contract. The architect was moving quickly and still believed they could enter into a bidding phase sometime in the summer with the start of construction in late summer or early fall. They were getting ready to go through a process of getting updated estimates. The architect asked if they felt they could move with a fairly aggressive timeline. He thought they could as long as the numbers stayed within budget. If the new estimates fell outside the current budgeted amount, he would bring that back before the Board. They already adopted a project fund, so if the new estimates fell within those amounts, they would proceed forward and he would keep the Board updated.

Motion: Commissioner Mau moved to approve the AIA Contract, as presented. Commissioner Woody seconded the Motion.

Discussion: Commissioner Woody stated she thought it was important the way they had it broken down that the actual Animal Rescue Center cost would be \$2,734,005. She thought there had been some misunderstanding in the community about how much the Animal Rescue Center would actually cost. She appreciated that being broken down.

Motion carried by unanimous vote.

(13) INDOOR POOL FACILITY BOND ORDER AND RESOLUTION: Mr. Adams stated that he was not requesting the Board to actually go forward with the Bond Order, he was only introducing it that day. The bond attorney provided them a list of steps:

(a) Prior to the June 9th meeting:

- Publish Notice of Intent, which had been done on May 21st
- File LGC Application, which would be done by the end of the week
- Introduce the Bond Order, to be done at the June 9th meeting
- Adopt a Resolution to set the hearing, to be done at the June 9th meeting

(b) After the June 9th meeting:

- File Sworn Statement of Debt
- File Statement of Estimated Interest
- Publish Notice of Public Hearing proposed to take place on July 7th at 5:55 p.m.

Commissioner Mau stated that he planned to join the June 9th meeting via Zoom. Would that affect anything if he did that?

Mr. Adams stated that he thought the main thing would be the July 7th public hearing, which would call for the adoption.

Ms. Baker stated that as long as the state was under a state of emergency, they could have the virtual meetings. If they had only one Commissioner participate remotely, it would put them under the rules of if they had a public hearing, they were required to receive public comments for 24 hours following a public hearing. The best way would be to recess the meeting and come back after 24 hours, where they could still virtually meet and would be able to take action.

Commissioner Woody stated that she had two people talk with her about their concerns in light of COVID-19 and the issues they knew they would face with the budget. The resolution stated a maximum amount of \$20 million. These two people asked her if she was willing to rethink this and do one pool at possibly half the costs? They still wanted a pool, but they felt that amount of money, in light of what they were facing, was going to be a hard sell for the community. She wondered if the whole idea of the two pools was something that would come up at the public hearing. That was a shock to her when it came back and she expressed that. It seemed that they had not even thought about having one pool with less costs. Was that a possibility?

Chairman McMahan stated that it was a huge debate. He did not think it was a fair statement to say it would be half the costs to eliminate one pool. They would still have to build the entire facility, so it would not say they would cut the cost in half by eliminating one pool. Secondly, when they did the survey and asked people what they wanted in an aquatics facility, there were a list of things. They took the list and developed this facility based on the list.

Commissioner Woody stated that was correct and that answered that.

Commissioner Deitz stated that it answered some of it, but it was for sure not going to cut the cost in half to only build one pool. At the same time, it would be a big expense to come off of it.

Chairman McMahan stated that he thought it was important to remember as they moved through the timeline, that this would be placed on the ballot for the people of the county to vote on and decide if they thought this was something they wanted them to move forward with. They would be gaging support of the community based on how they would respond at the ballot box. Even then, the Board or future Boards to come could decide whether to move forward or not based upon the economic conditions at that moment. Even if it passed, the Board could choose not to move forward. He thought there was a lot of room for movement in a lot of different directions, even as they moved through the process.

Informational item.

(14) FY2020-21 PROPOSED BUDGET: Mr. Adams presented the proposed Fiscal Year 2020-21 Annual Budget for the county and stated it was in the amount of \$66,535,931. The proposal constituted an approximate decrease of 1.34% (\$902,792) under the FY19-20 amended budget. The budget was balanced and prepared in accordance with the Local Government Budget and Fiscal Control Act, presenting appropriations by categories of expense and revenues by source. All proposals within the general fund were based upon a budget with a tax rate of \$0.38 per \$100 of value.

(a) Expenditures Highlights: Total Expenditures by Function for the General Fund - \$66,535,931:

- Education 25%
- Public Safety 23%
- Human Services 22%
- General Government 17%
- Cultural/Recreation 6%
- Non-Education Debt 3%
- Ec and Phy Dev 2%
- Transportation 1%
- Environmental Protection 0%
- Other/Contingency 0%

(b) Personnel/Insurance: The proposed FY2020-21 budget contained personnel recommendations. The recommendations included:

- One step (2%) increase for all employees
- Additional Positions
- Hospital/Dental Insurance Adjustments, Worker's Compensation Insurance

It was recommended that all employees move up one step in the current grade and step plan. This action was necessary to maintain the career path system. Approximately \$445,052 was budgeted to implement a one-step increase for all employees. It was originally recommended at the February 2020 budget retreat that the employees also receive a Cost of Living Adjustment (COLA) along with a one-step increase. Funding for an employee COLA was not available at that time. It was recommended that this issue be revisited in January, 2021.

The following future career pathways and position adjustments were recommended to be funded:

- Tax Administration: Create new career pathway for Personal and Real Property Appraisers:
 - Personal Property Appraiser I – Grade 18 (current)
 - Personal Property Appraiser II – Grade 20
 - Assistant Tax Assessor – Personal/Business – Grade 24 (current)
 - Real Property Appraiser I – Grade 20 (current)
 - Real Property Appraiser II – Grade 22
 - Assistant Tax Assessor – Real Property – Grade 24 (current)
- Tax Administration: Reclassify Adm. Secretary from a Grade 15 to a GIS Mapping Specialist I at a Grade 22
- Social Services: Reclassify Social Worker III positions at Grade 24 to Social Worker IA&T positions at Grade 25

The following additional positions were recommended to be funded:

- Maintenance: Create a new 50% part-time General Utility Worker III
- Code Enforcement: Create a new Code Inspector I position at Grade 19
- Solid Waste: Create a new 12.5% part-time position of Scale House Operator at Grade 16
- Health: Create a new One Stop Office Manager position at Grade 21
- Social Services: Turn a 47.5% part-time Social Worker II position at Grade 22 into a full-time position

Hospitalization/dental insurance premiums would increase by 8.5%. The employee rates would remain the same. Worker's Compensation Insurance would increase by 2%. Liability Insurance would increase by 2%.

(c) Capital and Capital Improvements: There were capital and capital improvement needs in the amount of \$1,976,604 that should be addressed in FY20-21. The recommendations were as follows:

- Equipment: \$628,874. Highlights under this category include computers, servers, printers, software, phone systems, garage equipment, cleaning equipment, grounds maintenance equipment, recreation equipment, law enforcement car video and taser replacements and emergency communication equipment. It was recommended that the majority of these expenses be delayed potentially until January, 2021.
- Vehicles: \$638,330. Highlights under this category include \$257,150 to replace vehicles at the Sheriff's Office; \$50,000 for two vehicles for Code Enforcement; \$24,885 for a vehicle for Environmental Health; \$25,000 for a Social Services vehicle; and \$281,295 for one Lift Equipped 20' Light Transport Vehicle, two 25' Light Transit vehicles and one Minivan/Crossover ADA compliant van (90% grant funded).
- Improvements: \$709,400. Highlights under this category include lights for the Department on Aging parking lot; new roof and upgrade to HVAC software for Department of Social Services; new flooring for the Cashiers Recreation Gym and Aerobics Rooms; Andrews Park upper bathrooms and primitive area renovations and a new picnic shelter; archery range and various other facility and recreation improvements. Note: It was proposed that these projects be funded from three different sources: \$362,800 from General Fund; \$269,100 from CPR Fund; and \$77,500 from Greenway Project Fund.

(d) FY2018-2022 Facility Capital Improvement Plan: The adopted FY2018-2022 Facility Capital Improvement Plan set aside funds for three major facility projects:

- Health Department/One Stop Permitting Center
- Animal Rescue Center
- Justice Center Renovations

The Health Department/One Stop Permitting Center was scheduled to be complete by September, 2020. The project construction for the Animal Rescue Center would begin in FY20-21. Schematic design work for the Justice Center Renovations would begin at the end of FY 20-21.

(e) Board of Education:

- Current Expense: It was proposed to allocate \$7,908,941 (level amount) to the public schools for FY20-21. This included \$6,884,438 for current operations, \$141,928 for PILT, \$448,458 in teacher supplements and \$434,117 for counselors. It was recommended that this level funding allocation be revisited in January, 2021.
- Capital: 40% of the Article 40 (½ cent) sales tax and 60% of the Article 42 (½ cent) sales tax go to public schools for capital. In FY20-21 the following items were proposed to be funded:
 - Capital Outlay: \$235,000
 - Capital Outlay – Technology: \$400,000
 - Capital Outlay – One to One: \$320,700
 - Capital Outlay – Maintenance: \$375,500 – Preventative maintenance on roofs
 - Capital Outlay – Security: \$25,000
 - Total \$1,355,700

It was recommended to budget an additional \$1,000,000 for public school capital expenditures in FY20-21 out of Article 40 and 42 sales tax. It was also recommended to budget an additional \$1,500,000 out of the Article 46 sales tax fund in FY20-21 to be used for educational purposes. The additional \$2,500,000 would be used for facility safety upgrades.

(f) Southwestern Community College (SCC): It was proposed to allocate \$2,050,990 (level funding) to SCC in current operations for FY20-21. It was recommended that this level funding allocation be revisited in January, 2021. The proposed general maintenance capital outlay appropriation was \$349,126. Major items in capital included boiler replacement in Founders Hall, three new fleet vehicles, upgrades to plumbing in Bradford Hall, purchase a new John Deere riding mower and various renovations to the facilities.

(g) County Libraries: It was proposed to allocate \$1,154,908 (level funding) to the Fontana Regional Library System to operate both the Jackson County Library and the Albert Carlton Library. It was recommended that this level funding allocation be revisited in January, 2021.

(h) Other Appropriations: There were many agencies that requested funds from the county. He divided the discussions into three categories: Safety-Fire, Forestry, Rescue, EMS; Community Development Centers (CDC), non-profits; and Contingencies.

- Safety – Fire, Forestry, Rescue, EMS: It was proposed that Cullowhee, Sylva, Canada, Savannah, Balsam and Qualla Volunteer Fire Departments and the Glenville-Cashiers and Jackson County Rescue Squads receive a 2% increase in allocation. It was proposed that the Forestry Service receive increased funding of \$85,408, as requested.
- CDC and Non-profits: It was proposed that Community Development Center funding to all 14 centers remain at current FY19-20 levels. It was proposed that funding to most nonprofits remain at current FY19-20 levels. No significant increases have been recommended to existing non-profits nor have any new non-profits programs been budgeted.
- Contingencies: A contingency of \$178,692 was budgeted for FY 20-21 and was available for general purposes. An additional \$25,000 was budgeted to continue the internship program and \$709,400 was available for capital purposes identified earlier in the message.

(i) COVID-19 Pandemic: Jackson County employees had done a great job in adjusting to local and state orders to help protect the health and safety of the community. As the state and community attempted to transition back to open operations, county government would also need to transition back to a “new normal” of operations. This transition would be done in consonance with the orders and recommendations of the State of North Carolina (DHHS) and other health agencies.

The transition to a “new normal” of operations along with revenue impacts related to the COVID-19 pandemic was the reason that the proposed FY20-21 budget was presented at a 1.34% decrease along with no growth for major operations. This conservative approach would fund needed operations at the beginning of the fiscal year and would allow them to re-evaluate the situation mid-year. As previously discussed, the following expenses should be either delayed or revisited in January, 2021:

- Capital Equipment
- A COLA increase for employees (Note: a one-step increase for all employees was included in the proposed budget)
- Board of Education current expense level funding
- Southwestern Community College current operations level funding
- Jackson County Libraries level funding

Delaying the above expenses would allow for the county to truly understand how federal and state funding would assist in these needs and would also allow for a true assessment of the sales tax losses.

Jackson County was slated to receive \$964,886 from the NC Coronavirus Relief Fund (CRF) under the Federal CARES Act. These funds would be used to offset some of the existing costs and new costs associated with COVID-19. There was also a potential for additional funds to be allocated to the county to offset revenue losses. Both the Board of Education and Southwestern Community College would be receiving additional funds related to the COVID-19 pandemic. It could take all of them many months to truly understand how the funds could be used to offset the existing and future costs related to the pandemic.

Sales tax would be impacted by the pandemic. These potential impacts should be broken down into two categories:

- Current year impacts. Up until the pandemic occurred, the county was experiencing tremendous growth within the community. The first eight months (July 19 – February 20) of sales tax revenue surpassed last year's revenues by over 12%. This was over 75 more than budgeted. It was believed that this tremendous growth was due to tourism and new construction. Assuming March revenues remained relatively flat, they could see a decline in sales tax revenue by 14% for the months of April, May and June, 2020 and still receive the budgeted amount. Due to the continuation of the construction industry, it was believed that the county would at least receive the budgeted amounts for FY19-20 sales taxes. If this was not the case, then the county's fund balance would be reduced. Unfortunately, the sales tax revenues generated by the tremendous amount of growth in the county would be offset by the negative impact of the pandemic.
- FY20-21 impacts. Sales tax revenues have been reduced by 2% under current year estimates. This reduction accounts for a gradual comeback in overall sales through the month of September with overall sales being back to normal by the second quarter (October-December 2020). If the Governor's three phased plan stayed relatively on schedule, then it was believed that these estimates were conservative for two reasons. One was that tourism in the county should begin to rebound by the second quarter of the fiscal year. The second was that construction was continuing to occur within the county. Unfortunately, the sales tax revenues generated by the growth in the county next year would be somewhat offset by the negative impact of the pandemic.

The county would be in a position by January, 2021 to assess the true impact of the pandemic on operations and revenues. This would allow them to make budgetary adjustments, if deemed justified and necessary.

(j) Special Fund Highlights: These funds were separate operating entities from the general fund budget. The general fund budget included transfers to some of these other funds in the amount of \$7,566,400 to support capital projects, recreation and conservation, debt service, the green energy park, economic development, revaluation and school capital reserve. There were additional personnel and capital recommendations in the following summaries:

- Solid Waste Enterprise Fund: The Solid Waste FY20-21 proposed operating budget was \$4,056,847. The proposal constituted an approximate increase of 2% (\$76,381) over the current FY19-20 amended budget. The enterprise fund was funded completely from fees collected for services. Employees within this Fund would receive a one-step (2%) pay increase. There were no other major operational changes proposed for FY20-21.
- Emergency Telephone (E911) Fund: The E911 FY20-21 proposed operating budget was \$426,416. The proposal constituted an approximate increase of 1.47% (\$6,167) over the current FY19-20 amended budget. These operations were funded completely through E911 fees. Employees within this Fund would receive a one-step (2%) pay increase. There were no major operational changes proposed for FY20-21.
- Real Property Revaluation Fund: The proposed FY20-21 revaluation operating budget was \$431,780. The proposal constituted no increase over current year operations. Employees within this Fund would receive a one-step (2%) pay increase. New property values would become effective January 1, 2021 in the final year of the current revaluation project. There were no major operational changes proposed for FY20-21.

- Green Energy Fund: They FY20-21 proposed budget was \$251,892. The proposal constituted the same level funding over current FY19-20 budget. Employees within this Fund would receive a one-step (2%) pay increase. There were no major operational changes proposed for FY20-21.
- Economic Development fund: The FY20-21 proposed budget was \$200,449. The proposal constituted an approximate increase of 2.13% (\$4,177) over the current FY19-20 amended budget. The employee within this Fund would receive a one-step (2%) pay increase. Highlights in this fund included \$35,700 budgeted for an Economic Development Master Plan and \$12,500 for a Dillsboro Park feasibility study. Both were postponed due to the COVID-19 crisis.
- Fire Tax Fund: This Fund included both the Highlands Fire and Rescue Operations and the Cashiers-Glenville Volunteer Fire Department.
 - The Highlands Fire and Rescue proposed FY20-21 budget was \$84,000. The proposal constituted increasing funding of \$34,000 from current FY19-20. The current fire tax rate of \$0.0254 per \$100 value would increase to \$0.0305 per \$100 value to provide the revenues necessary to cover expenses.
 - The Cashiers-Glenville Volunteer Fire Department proposed FY20-21 budget was \$1,207,100. The proposal constituted an increase of \$50,284 in funding from current FY19-20 amended budget. The current tax rate of \$0.0233 per \$100 value would provide the revenues necessary to cover expenses.
- Other Funds: This category included other funds such as the Capital Reserve Fund, School Capital Reserve Fund (19 and 20), Economic Development Fund (23, 42 and 64), Community Development Fund, Law Enforcement Fund, Conservation Preservation Recreation Fund, Debt Service Fund, Clean Water Revolving Fund, Airport Authority Fund and all active building funds.

(k) Fee Schedules: The county operated many services that relied on fees to offset the cost of operations. These fee schedules applied to both the general fund and other fund operations. The fee and rate schedule included the following: Mileage reimbursement rate; Hospital/Dental Insurance Rates; Recreation Center Fees and Charges; Pool Fees and Charges; Senior Center Participants Fee Schedule; Permitting and Code Enforcement Fees; Planning Fees; Health Department Fees; and Solid Waste Fund Fees. It was recommended that adjustments be made to the following fee schedules:

- Hospital/Dental Rates – The county’s contribution for employees would be increased by 8.5%.
- Other minor changes in departmental fee and rate schedules were included in the proposal.

(l) Closing: The public hearing was scheduled for June 9, 2020 at 5:55 p.m. in regards to the proposed budget. The public would be able to examine the proposed budget on the county’s website and hard copies would be available for inspections at the Administration and Finance Departments. The budget was tentatively scheduled to be approved at the regular scheduled June 23, 2020 Commissioners’ meeting after the Board had the opportunity to make any final adjustments. If the Board deemed that additional time was needed prior to the budget adoption, then a special meeting could be held on June 30, 2020.

He extended his appreciation to all county employees who worked extremely hard to provide the necessary services that made Jackson County a great place to live. He also extended his thanks to the department heads, elected officials and other representatives for their cooperation in fashioning their budget requests to the required specifications and timelines. Last, but by no means least, he thanked Finance Director Darlene Fox and her staff for their tireless effort and attention to detail over the budget development process.

General discussions were held.
Informational item.

(15) **BALSAM WEST EASEMENT RESOLUTION R20-08**: Ms. Baker stated that this item was discussed at the last work session. This was a request from Balsam West for the county to grant an easement along county property onto the Bartlett property for \$400.

Motion: *Commissioner Mau moved to approve Resolution R20-08, as presented. Commissioner Woody seconded the Motion. Motion carried by unanimous vote.*

(16) **AGRICULTURAL ADVISORY BOARD**: *Carry over.*

(17) **COMMUNITY ADVISORY COMMITTEE FOR LONG TERM CARE**:

Motion: *Commissioner Woody moved to appoint Patsy Deitz to a three-year term on the Community Advisory Committee for Long Term Care, term expiring May 04, 2023. Commissioner Mau seconded the Motion. Motion carried by unanimous vote.*

(18) **PLANNING BOARD**: *Carry over.*

(19) **SEDIMENT CONTROL APPEALS BOARD**: *Carry over.*

(20) **PRESS CONFERENCE**: None.

There being no further business, Commissioner Mau moved to adjourn the meeting. Commissioner Woody seconded the Motion. Motion carried and the meeting adjourned at 3:13 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman