

**MINUTES OF A
BOARD RETREAT
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 22, 2022**

The Jackson County Board of Commissioners met in a Board Retreat on February 22, 2022, 1:00 p.m., A.K. Hinds University Center, Illusions Room 309, Western Carolina University, 245 Memorial Drive, Cullowhee, North Carolina.

Present: Brian McMahan, Chairman
Boyce Deitz, Vice Chair
Mark Jones, Commissioner
Tom Stribling, Commissioner
Gayle Woody, Commissioner

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

Chairman McMahan called the meeting to order.

(1) INTRODUCTIONS AND PURPOSE OF THE MEETING: Chairman McMahan stated that this meeting would provide the Board with an overview of the budgetary process. They would begin discussions over the next several weeks and months that would lead to the adoption of a budget in June.

Mr. Adams stated that the objective of the day would be for the Commissioners and the public to have a high level view of the budget. They would concentrate conversations on Capital Improvements and Major Budget Drivers. The retreat would put the Board in a position to provide input and feedback to staff regarding their priorities.

(2) FINANCIAL REVIEW: Ms. Fox presented:

(a) Analysis of Revenue: Revenues Per Capita in 2021:

- Property tax: 926
- Other tax: 32
- Sales tax: 457
- Sales and services: 82
- Intergovernmental: 313
- Debt proceeds: 0
- Other miscellaneous: 23

(b) Expenditures by function for Fiscal Year 2021:

- Education 27.23%
- Debt Service 5.26%
- Human Services 20.01%
- General Government 12.69%
- Public Safety 22.83%
- Other 11.98%

(c) Analysis of Available Fund Balance: General Fund:

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Jackson County | 45.87 | 49.18 | 29.67 | 33.83 | 37.93 |
| Group | 33.73 | 34.73 | 34.49 | 34.97 | 45.22 |
| State | 29.33 | 30.19 | 29.06 | 34.49 | 42.77 |

(d) Analysis of Property Tax: Collection Rate %:

| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|
| Jackson County | 97.73 | 97.56 | 97.88 | 98.13 | 98.83 |
| Group | 97.81 | 97.86 | 98.02 | 97.94 | 98.60 |
| State | 98.85 | 98.96 | 99.02 | 98.80 | 99.25 |

(e) Outstanding Debt as of July 1, 2022:

| <u>Date Incurred</u> | <u>DOLP</u> | <u>Interest Rate</u> | <u>Purpose</u> | <u>Amount</u> |
|----------------------|-------------|----------------------|---|------------------------|
| 12/20/2007 | 12/20/2022 | 2.19% | FV Kindergarten, Cashiers Webster Site Work | \$330,166.57 |
| 12/11/2008 | 12/11/2023 | 2.27% | Aging Facility | \$417,100.09 |
| 7/15/2008 | 7/16/2024 | 2.49% | Jackson Library, SCC | \$1,715,907.75 |
| 10/25/2012 | 10/25/2027 | 2.79% | SMH Gym, Fine Arts, BR Locker Room | \$3,666,666.73 |
| 3/22/2017 | 3/30/2032 | 0% | School Improvements-QZAB | \$6,000,000.00 |
| 01/30/2019 | 02/01/2039 | 3.81% | SCC Health Sciences Building | \$8,500,000.00 |
| | | | | \$20,629,841.14 |

(f) Ad valorem tax:

| <u>Source</u> | <u>Value</u> |
|---------------------------|-------------------------|
| Ad Valorem Tax Value TR-1 | \$11,017,184,810 |
| New Construction | \$300,000,000 |
| Motor Vehicle | \$463,401,949 |
| Total Value | \$11,780,586,759 |

- Total ad valorem tax @ \$0.36 per \$100 = \$42,410,112
- Collection rate @ 98.83% = \$41,913,914
- 1 cent on tax rate = \$1,164,275

Informational item.

(3) **PUBLIC SCHOOLS:** Dr. Dana Ayers, Superintendent; Jake Buchanan, Assistant Superintendent; and Kristie Walker, CFO, were present for this item.

Dr. Ayers expressed her appreciation to the County Commissioners for supporting education and making it a true priority in the county. She stated that the egress projects were in progress, which they would have completed within the year to keep the kids safe in school.

Mr. Buchanan stated that the items they would discuss would not be possible without the thought of the Commissioners working with the School Board to do the QZAB loan. The \$10 million QZAB loan totally changed the conversation for capital funding priorities moving forward.

He presented: Capital Improvement Priorities:

(a) Continue Capital Funding:

- Security Camera Upkeep \$25,000
- One to One Initiative \$320,700
- Technology Funding \$400,000
- Preventative Maintenance \$375,500
- General Capital \$335,000 (day to day capital needs)

Mr. Buchanan stated that one difference in the funding request was the \$335,000 for general capital instead of the usual \$235,000. This line item had not increased in over a decade. They wanted to make sure they had funds in the school district to solicit architectural planning moving forward on some projects. This would also help, on a school level, for small projects and furniture replacement.

(b) Current Project: Single Entry Points and Egress Courtyards:

After the events in the 2017-2018 school year around the country and in their own district, students, teachers and parents came to them, as leaders and stated the things they wanted to do. They now had a School Resource Officer in every school, which was not common across the state. Also, the Commissioners funded six additional counsellors. They also received grants to build upon what the Commissioners had provided. They were leading the way by providing mental health supports for students.

The third component requested was single entry points at every school. The Commissioners voted to raise taxes to increase funding for the Sheriff's Office to be able to place the SRO's and Counsellors in the schools and to fund the school egress courtyard projects, which would turn all of the schools into single entry points. That project was on schedule and it was their full intent to come back on budget and to be completed in about one year.

(c) Long Term Needs:

- ADA Ramp Football Stadium
- ADA Compliant Bathrooms/Concession Stand
- Fairview Cafeteria and Classrooms
- Erosion Control Scotts Creek
- Bus Garage
- Track on Jones Street Property
- Softball Field Upgrade at Fairview
- Blue Ridge Gym with Performance Stage and Classrooms

(d) Needs-Based Public School Capital Fund: The Legislature had approximately \$450 million for that year and the next year for capital projects. They were using the same process as in the past to award the funds, but had opened up eligibility. Traditionally, JCPS had not been eligible for these funds. They were able to apply for these funds as long as the County Commissioners pledged a 5% match, if they were awarded the grants.

He was writing three grants:

- Fairview Cafeteria and Classrooms:
 - Project Cost: \$8,306,128
 - Match Request: \$415,306
- SMHS Stadium ADA Upgrades and Track on Jones Street:
 - Project Cost: \$7,124,940
 - Match Request: \$356,247
- Blue Ridge Gym/Performance Space and Classrooms:
 - Project Cost: \$14,451,360
 - Match Request: \$722,568
- Total Request for Matching Funds: \$1,494,121

General discussions were held.

Mr. Buchanan stated that he would receive feedback on any grants they were not awarded in the spring and he would be able to resubmit in the fall. He did have to have the Chairman's signature before submitting the grants and they were due on March 16th.

Dr. Ayers presented:

(e) Additional Priorities for JCPS:

- Expansion of preschool programming across the district was a priority and goal of Dr. Ayers. Currently, this was not included in any capital projects plan.
- Grants obtained that year would fund three additional preschool classrooms at Scotts Creek, Cullowhee Valley and a second classroom at Blue Ridge.

- Long-term goal: Have a preschool building and work with community partners to have Universal Preschool in the county. Universal Preschool would mean they would offer families that were residents of the county free preschool opportunities for anyone. They would do this by partnering with the community organizations and have a universal application.
- Adapted playgrounds for special needs students. Not included in any capital projects plan:
 - Cullowhee Valley: grades K-5, separate setting
 - Fairview: grades 6-8, separate setting
 - SMHS: grades 9-12, separate setting
 - \$260,000 Dogwood Health Trust grant written and submitted in December. Tentative award of half (\$130,000). Commissioners to match grant award to complete the project that year.

General discussions were held.

Chairman McMahan stated that on behalf of the Board of Commissioners, they were honored to partner with them in these endeavors. They were passionate about education and making sure the children had the best and most accessible options.

Informational item.

(4) PUBLIC SCHOOLS AND COMMUNITY COLLEGE: Mr. Adams presented:
Capital Improvement Projects:

(a) Major Capital Improvement Projects Public Schools Prioritized:

- 1. Single entry points and egress courtyards. Project approved and under contract \$7,686,047.
- 2. Football stadium ADA compliant ramp and visitor bathroom/concessions.
- 3. New cafeteria with some classrooms at Fairview.
- 4. Scotts Creek slope stabilization.
- 5. New bus garage on existing site.
- 6. Blue Ridge gym with performance space.

Costs for priority 2-6 to be determined by architect selected in Spring of 2022.

(b) Additional Funding Opportunities Public Schools:

- Statewide Funding Opportunities:
 - Need based public school capital funding
 - Public School Repair and Renovation Fund
 - K-12 Public Schools Athletic Fields
- The Board of Education was applying for grants for the following capital projects:
 - Fairview: New cafeteria with additional classrooms: \$8,306,128
 - Match \$415,306
 - SMHS: Stadium ADA upgrades and track on Jones Street: \$7,124,940
 - Match \$356,247
 - Blue Ridge gym/performance space and classrooms: \$14,451,360
 - Match \$722,568

DPI confirmed that these projects would qualify for consideration. Notification of grant awards by April 12th. Grants would require a 5% county match.

Informational item.

(5) **ARTICLE 40 AND 42 SALES TAX:** Mr. Adams stated that a portion of the sales tax was mandated to go to K-12 Public Schools for capital needs. In order for the schools to access these funds, both the Board of Commissioners and the Board of Education must agree on the priorities.

Ms. Fox presented: Article 40 and 42 Sales Tax:

| | FY 2019-2020 | FY 2020-2021 | FY 2021-2022 | FY 2022-2023 | FY 2023-2024 | FY 2024-2025 | FY 2025-2026 |
|--|----------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Articles 40 & 42 Total: | \$3,417,313.65 | \$4,073,484.13 | \$4,277,158.34 | \$4,491,016.25 | \$4,715,567.07 | \$4,951,345.42 | \$5,198,912.69 |
| School Capital Expenditures: | \$3,417,313.65 | \$4,073,484.13 | \$4,277,158.34 | \$4,491,016.25 | \$4,715,567.07 | \$4,951,345.42 | \$5,198,912.69 |
| Capital Improvements transfers out | | | | | | | |
| ADA upgrade SMH Baseball | (\$463,800.00) | | | | | | |
| BRS water/sewer | (\$68,400.00) | | | | | | |
| School safety projects | | | (\$4,009,447.00) | | | | |
| | (\$532,200.00) | | (\$4,009,447.00) | | | | |
| Capital Reserve Projected amounts available after commitments: | | | | | | | |
| School Capital Reserve 06/30/21 | | | | | | | |
| Balance | | \$2,735,148.01 | | | | | |
| New Year Addition | | | \$1,538,041.34 | \$1,770,499.25 | \$2,013,650.07 | \$2,268,028.42 | \$2,515,595.69 |
| Balance Available | | \$2,735,148.01 | \$263,742.35 | \$2,034,241.60 | \$4,047,891.67 | \$6,315,920.09 | \$8,831,515.78 |

Mr. Adams noted that it was projected to have \$2,034,241.60 available in this fund for the FY2022-2023 fiscal year. The Board of Education was looking to submit grants that required a 5% match. It was proposed for the 5% match to come from this fund. Was the Board comfortable with placing this item on an upcoming regular meeting agenda for consideration?

Consensus: Add this item for the required 5% match for public school capital projects to the March 1st regular meeting agenda for consideration.

(6) **SOUTHWESTERN COMMUNITY COLLEGE:** Mr. Adams stated there was a 2016 Master Plan adopted by Southwestern Community College that identified multiple areas of improvement. Several items had already been approved. He presented the remaining items in the Master Plan:

(a) Southwestern Community College Master Plan Priorities:

- 1. Library addition. \$4,663,000
- 1a. Renovate Stacks for classrooms and offices – Small Business Center. \$200,000
- 2. Balsam Renovation. \$690,000
- 3. Oaks Renovation. \$1,831,000
- 4. Faculty Office Expansion. \$1,006,000

(b) Total remaining priorities cost: \$8,390,000 (all costs without furniture/equipment).

(c) State SCIF funding was available in the amount of \$5,020,226 (25% allotments over the next four years). SCC had been awarded this amount to be paid out over the next five years for capital projects.

He noted that these numbers had not been updated for new construction costs. The numbers would be significantly higher. SCC was a regional college, so there would be conversations about other priorities.
Informational item.

(7) ARTICLE 46 SALES TAX: Mr. Adams stated that this was a quarter cent sales tax approved by the voters of the county. The Board of Commissioners, at that time, chose to make the use of the fund to be education, which was primarily the community college and public schools.

Ms. Fox presented:

(a) Article 46 Sales Tax Projections:

| | FY18-19 | FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|---|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|
| Projection Amount | \$1,457,471.62 | \$1,632,001.60 | \$2,065,208.89 | \$2,168,469.33 | \$2,276,892.80 | \$2,390,737.44 | \$2,510,274.31 | \$2,635,788.03 |
| Cumulative total | \$3,710,463.35 | \$5,342,464.95 | \$7,407,673.84 | | | | | |
| SCC Health Sciences Bldg. Debt Payment | | (\$878,364.94) | (\$857,187.50) | (\$838,137.50) | (\$819,087.50) | (\$800,037.50) | (\$780,987.50) | (\$761,937.50) |
| Transfer to School Improvement Projects | | | (\$182,293.00) | (\$3,400,000.00) | | | | |
| New year additional after debt payment | | | \$1,025,728.39 | (\$2,069,668.17) | \$1,457,805.30 | \$1,590,669.94 | \$1,729,286.81 | \$1,873,850.53 |
| Cumulative Total | \$3,710,463.35 | \$1,243,937.01 | \$2,269,665.40 | \$199,997.23 | \$1,657,802.54 | \$3,248,502.48 | \$4,977,789.29 | \$6,851,639.82 |

(b) Funds available for K-12 Public Schools and/or Southwestern Community College.

(c) Five-Year Projection of Undesignated Sales Tax Revenues:

| | FY 2021-2022 | FY 2022-2023 | FY 2023-2024 | FY 2024-2025 | FY 2025-2026 |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Article 40 and 42 | \$263,742 | \$1,770,499 | \$2,013,650 | \$2,268,028 | \$2,515,596 |
| Article 46 | \$199,997 | \$1,457,805 | \$1,590,700 | \$1,729,287 | \$1,873,851 |
| Totals | \$463,740 | \$3,228,305 | \$3,604,350 | \$3,997,315 | \$4,389,446 |
| Cumulative Total | | \$3,692,044 | \$7,296,394 | \$11,293,709 | \$15,683,156 |

Mr. Adams stated that looking at the next five years, from an educational standpoint, the \$15 mil would give significant opportunities to the Board of Commissioners, Board of Education and SCC to meet educational needs. He recommended to send a message to the SCC Board of Trustees that the county was willing to work with them to utilize the \$5 mil towards their priorities.

(d) Prioritization Discussions:

Chairman McMahan stated that he thought they were very blessed and fortunate that they were in the position to have the funds available. Prior Boards were able to put into place the tools that had given them the opportunities they were able to capitalize on. He thought it was a great plan and he was fully comfortable with what had been presented to try and match the public schools grant requests. He suggested writing a letter to Dr. Tomas and the SCC Board of Trustees stating the county wanted to finish out the Master Plan and was willing to commit the funds, if the SCC Board of Trustees was willing to focus their efforts on the main campus in Jackson County.

Commissioner Jones stated that as a Board of Education appointment to the SCC Board of Trustees, he saw the opportunity. He congratulated Ms. Fox, Dr. Ayers and Mr. Adams for their foresight. They had an opportunity to move forward to meet all or almost all of the educational needs in the county for Preschool through K-12 and at the community college level.

Commissioner Woody stated that she had some questions about the SCC library addition and requested additional information.

Chairman McMahan suggested they get clarification on what was meant by “library addition”. It may include changing some of the components from a more traditional library atmosphere to a more modern approach. He suggested that SCC present to the Board some ideas and thoughts.

General discussions were held.

Informational item.

(8) CAPITAL IMPROVEMENT PROJECTS: Rusty Ellis, Parks and Recreation Director was present for this item.

Ms. Fox presented: Capital Improvement Projects:

(a) Major Capital Improvement Projects Approved – County:

- Health Department Renovation \$8,234,492 (cash); completed during FY2020-2021
- Dillsboro Complex Project \$5,614,236 (cash); estimated completion June 2022.
- Indoor Pool Facility Project \$22,000,000 (anticipated bonds with associated tax increase). Advanced \$1,487,488 and project an additional \$512,512 to be required
- Justice Center Renovations approved in CIP

General discussions were held.

Mr. Adams presented:

(b) Major Recreation Projects:

- Qualla Park: Land purchase \$400,000; Construction \$1,686,302
- Dillsboro Park: Range from \$472,340-\$3,154,346
- Cullowhee River Park
- Cashiers-Glenville Recreation Master Plan: Total \$1,967,388; Cashiers Pool Removal/Splash Pad Installation \$455,000

Mr. Ellis presented:

- Qualla Park: Conceptual Layout for Smoky Mountain Recreation Park. This project was one of the two remaining items left on the 2013 Recreation Master Plan. The park would be similar to the Savannah Park with the size and scale of the playground, pavilion and restrooms. The walking trail would be longer. Equinox provided an estimate of \$1,686,302, which included a 30% contingency and inflation. They would be applying for a PARTF Grant that would be due on May 2nd, which would require a \$500,000 match.

General discussions were held.

Mr. Adams noted that there were utility lines that split the property. Whether they partnered with another group or were awarded a PARTF Grant, he would look to keep any required restrictions on the property on the southern end. If they received a PARTF Grant, they would agree to operate it as a park for the life of the property. If they stopped operating it as a park, they had to pay the monies back. He would want to leave the northern portion unencumbered to allow for conversations between the county and the Board of Education about future needs.

Mr. Ellis presented:

- Cashiers-Glenville Recreation Center Master Plan: The recreation center in Cashiers had already outgrown its indoor and outdoor space. He presented the rendered Master Plan. The preliminary cost estimate was \$1,967,388.

Commissioner Jones requested that the splash pad/playground to be phased in so that when the pool went away, they would still have some type of aquatic for the next season, if possible.

General discussions were held.

Mr. Ellis presented:

- Webster Park: He presented a GIS map with drawings for Webster Park. They had been in talks with the Town of Webster and the Board of Education about creating a concept similar to the Fairview Complex. He also worked with Ms. Baker to create a lease agreement similar to Fairview. The proposed concept would include all-inclusive playground equipment along with regular playground equipment. Also, there would be a picnic shelter, nature trails, a small dog park and handicapped parking. The cost estimate was \$250,000. The Recreation and Parks Advisory Board had approved this concept.

General discussions were held.

Mr. Adams presented:

- Dillsboro Park:

This park was on one of the original Recreation Master Plans. He presented a GIS map of the general area showing the Dillsboro River Park site. Through the years, there had been multiple plans proposed for the property. Originally, there was a recreation plan with amenities. Since that plan, there had been several conversations about commercial use of the property.

He had been approached by different entities, including Economic Development and Recreation, about the best and highest use potential for the property. He hired an engineering firm to provide a plan about what could be done on the property. He thought the starting point should be from an environmental and engineering standpoint.

He requested the engineering group to evaluate the property based on common themes: accessing the river; walking trails; building structures; connecting properties; and making the river passable. There were several environmental constraints on the property that included plant and animal species. Another constraint would be the trout buffer, which would require permitting. There were wetland areas, bat boxes, and impacting areas with mussels, which would affect access for fishing piers. This was an environmentally sensitive area that would require up to one year or more of permitting no matter what they chose to do.

He presented the following options:

| Activity | Option 1: Passive Park | Option 2: Commercial/Retail | Option 3: Enhanced Park and River Sports |
|----------------------------------|--|--|--|
| | Trails, piers, access. Add well and restrooms | Commercial Retail | Trails, piers, access. Add well, restrooms with water and sewer. River bed modifications |
| Enviro Permitting | \$63,240 | \$136,000 | \$108,570 |
| Flood Permitting | \$25,100 | \$84,000 | \$66,000 |
| Utilities | | \$1,286,346 | \$256,613 |
| Trails, piers, access, restrooms | \$384,000 | \$400,000 | \$400,000 |
| River bed modification | | \$300,000 | \$222,000 |
| Roads | | \$948,000 | \$129,000 |
| Total | \$472,340 | \$3,154,346 | \$1,182,183 |
| Bridge | | \$4,774,150 | \$2,123,450 |
| Total | | \$7,928,496 | \$3,305,633 |
| Permitting Time (days) | 240 | \$570 | \$570 |

General discussions were held.

Commissioner Woody presented photos of areas of the river showing structures that had been built or placed on the river. She was opposed to any commercial use of placing houses. Option 3 showed an area for short-term rental units, etc. She thought that took away from the beauty of the river, which was a treasure in the county that they should protect for generations to come.

Mr. Adams stated that he would look to the Board for items they wished to prioritize, which would allow staff to put together a five-year plan and show how the revenues looked over the five years. He noted that there were no specific or detailed information for the Cullowhee River Park at that time.

Mr. Adams presented:

(c) Mid-Level Capital Projects:

- Storage Building: Emergency Management, DSS, Public Works, Sheriff. He shared letters from agencies.
- Cashiers Pool Removal/Splash Pad Installation: \$455,000 (total Cashiers Master Plan \$1,967,388)
- Webster Park: \$216,000
- Restroom on Tuckasegee River in Webster. He researched the county’s existing property across from the church and it was in the flood plain. If they wanted to place a restroom in that area, they would have to look at buy property.
- Parris Cabin: \$500,000 ADA compliance
- Galik Property: Extend parking areas
- LED lights: Fairview Complex; Mark Watson Park, Cullowhee, Cashiers. The price for the Fairview Complex would be \$907,000. The other facilities would be comparable.
- Community Kitchen: \$75,000
- Paving: \$635,000:
 - Aging Facility \$200,000
 - DSS Parking \$55,000
 - Cashiers Building Inspections \$30,000
 - Mark Watson Park \$350,000
- Courthouse stairwell and front court area
- Jail generator replacement

Commissioner Jones requested consideration to add more storage at the Cashiers-Glenville Recreation Center. He knew they were out of storage space as well.

Ms. Fox presented:

(d) Capital Improvement Projects: Revenue Projections and Planning:

| Revenue Type | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 |
|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| CPR | \$608,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 |
| Capital Reserve | <u>\$780,123</u> | <u>\$1,000,000</u> | <u>\$1,000,000</u> | <u>\$1,000,000</u> | <u>\$1,000,000</u> |
| Totals | <u>\$1,388,123</u> | <u>\$1,500,000</u> | <u>\$1,500,000</u> | <u>\$1,500,000</u> | <u>\$1,500,000</u> |
| Cumulative Totals | | \$2,888,123 | \$4,388,123 | \$5,888,123 | \$7,388,123 |

Note: CPR FY 2022: Funded \$500,000 for Recreation Improvements, \$773,850 for Fairview Concession Building, \$283,991 for the Prentice property and \$300,000 for Conservation.

(e) Additional Funding Sources:

| | Amount |
|------------------------------|--------------------|
| FY 2021 Balance | \$35,221,830 |
| Reserved by FBP 25% | \$17,141,908 |
| Reserved by State | \$6,563,806 |
| Other Assigned/Committed | \$5,522,716 |
| Additional Funding – Pool | \$512,512 |
| Available for Funding | \$5,480,888 |

Mr. Adams stated that feedback from the Board would allow him to start lining out the projects and when they could afford them based upon their priorities. He suggested placing this item on a future work session for further discussions.

Chairman McMahan stated that this was a lot of information to absorb, especially the engineering report for Dillsboro. They would put thought to what they may want to see or not see. Then, at a future work session, they could start giving feedback.

Informational item.

(9) FY2022-2023 BUDGET DRIVERS: Ms. Fox presented:

(a) Ad Valorem and Sales Tax Projections:

| Source of Revenue | Projected Increase | Amount |
|--------------------------|--|--------------------|
| Ad Valorem Taxes | \$300,000,000 New Construction Value | \$1,067,364 |
| Motor Vehicle Taxes | \$48,100,801 Increase in Value | \$172,903 |
| Sales Tax | 10% Increase (does not include Article 46) | <u>\$1,621,918</u> |
| | Total New Capacity Projected | \$2,862,185 |

General discussions were held.

Mr. Adams stated that the county hired a consultant to do a salary study. Although they did not have a final product for the Board, they were finishing up the study and would have that information soon. They put together rough estimates of costs. The next steps would include having conversations with the Board and Department Heads. They hoped to have the final report in March. They had spent a significant amount of time reviewing the information to make sure it was correct.

Ms. Fox presented:

(b) Salary and Benefits – Salary Study:

| | |
|------------------------------------|--------------------|
| Annual cost of implementation | \$2,800,000 |
| Benefits | <u>\$560,000</u> |
| Total annual cost | \$3,360,000 |
| Semi-annual cost of implementation | \$1,400,000 |
| Benefits | <u>\$280,000</u> |
| Total semi-annual cost | \$1,680,000 |

FY 2022 funding available: \$725,000. An additional \$955,000 would be required for full implementation.

• Payroll projections:

- The Career Path Salary Program was currently up to date
- Salary Study Implementation: \$2,635,000; \$725,000 was funded in the current fiscal year
- Projections for a one step increase for the career path: \$565,128
- Steps 1-10 = 3.15%; Step 11 = 3.00%; and Steps 12-30 = 1.50%
- Total for projected payroll increases: \$3,200,128
- Numbers were estimated pending final approval of the Salary Study

Mr. Adams noted that those in steps 1-10 would not be given an advantage over people in steps 11 or 12. Those employees would benefit immediately from those first ten years of service. This would allow departments to recruit experienced people in the 1-10 years. This was a very unique way to address the recruitment issues they had faced.

Chairman McMahan stated that he and Mr. Adams met to discuss how the Board would receive the information and understand it. At the same time, Mr. Adams would need to take the preliminary numbers to the Department Heads to make sure the numbers were where they needed to be. The Board would go in depth to understand the system and then vote to implement the adjustment for January 1st through June 30th. These numbers would then be built into the next years' budget in perpetuity going forward. It was a deviation of the system where they traditionally had a 2% increase between each step.

They made a commitment as a Board and set aside funds. They all knew this was a major issue they had to deal with. They knew what was happening in neighboring jurisdictions and how competitive it had become. The only way they would have a solid footing and be able to provide the service they needed to provide and take care of their employees the way they needed to, was to move forward with this kind of plan. This was a large driver to the budget.

Mr. Adams presented:

- Health Insurance:
 - Rate action projection of 3%: \$190,526
 - Mark III Brokerage was doing a cost analysis and recommendation on the Health Insurance Coverage for the new year renewal effective July 1, 2022.
 - Current monthly rate: \$1,220
 - Proposed monthly rate: \$1,256
 - Current annual cost: \$14,640
 - Proposed annual cost: \$15,079
- Funding Capacity and Budget Driver Summary:

| <u>Source</u> | <u>Amount</u> |
|-----------------------|--------------------|
| Ad Valorem Taxes | \$1,067,364 |
| Motor Vehicle Taxes | \$172,903 |
| Sales Tax | \$1,621,918 |
| Salary Reimbursements | \$485,615 |
| Total | \$3,347,800 |

| <u>Driver</u> | <u>Amount</u> |
|------------------|--------------------|
| Payroll | \$3,200,128 |
| Health Insurance | \$190,526 |
| Total | \$3,390,654 |

- Additional funding required: \$42,854
- (c) Public Safety Issues:
 - Glenville-Cashiers Rescue Squad building debt: \$325,533
 - \$3,800,000 at 2% for 15 years
 - Emergency Medical Services salary increases: \$280,000
 - Harris Regional Hospital
 - Glenville-Cashiers Rescue Squad
 - Grant funding match for Fire and Rescue: \$180,000
 - Town of Sylva Fire Department \$761,540
 - More discussions would be held on this issue at the March 10th work session

General discussions were held.
Informational item.

(10) AMERICAN RESCUE PLAN ACT: Mr. Adams presented:

| <u>Purpose-Committed</u> | <u>Amount</u> |
|---------------------------------|-----------------------|
| Public Safety Equipment | \$1,252,118.82 |
| Homeless and Domestic Violence | <u>\$2,174,497.50</u> |
| Total Committed | \$3,426,616.32 |
| Remaining Funds | \$5,107,824.68 |

Mr. Adams stated that a pressing issue that was presented to the Board previously was regarding broadband funding. There was a GREAT Grant Process where local providers could apply for funds. The maximum amount that could be applied for in Jackson County was \$8 mil with a maximum single amount being \$4 mil. There were variations on whether or not local governments would participate. The rules encouraged ARPA matching dollars. The total maximum amount the county could consider from ARPA, if they chose to do so, would be \$600,000.

Ms. Baker noted that because of ARDOF dollars, Jackson County had less eligible areas for this than a lot of other counties. But, there were at least three providers interested.

Mr. Adams stated that the application deadline would be April 5th.

Chairman McMahan stated that he thought they needed more information. He was still concerned about duplicating service and making sure everyone in the county had access. They needed to make sure this was being evenly distributed.

Mr. Adams stated that he would bring more information back on March 1st.

Informational item.

(11) MEETING SUMMARY: Chairman McMahan thanked Mr. Adams, Ms. Fox and all the staff for the work that had gotten them to that point. This was their launching off point and there was a lot to absorb and consider. They would take this information and start the thought process of what they wanted to do and provide staff with direction in the coming weeks as they took these items up again.

Mr. Adams stated that he would plan to place the capital items on the March 8th work session for continued discussion about the five-year CIP Plan.

There being no further business, Commissioner Woody moved to adjourn the meeting. Commissioner Stribling seconded the Motion. Motion carried and the meeting adjourned at 4:33 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman