

**MINUTES OF A
BUDGET WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MAY 24, 2022**

The Jackson County Board of Commissioners met in a Budget Work Session on May 24, 2022, 8:30 a.m., Justice and Administration Building, Room A201, 401 Grindstaff Cove Road, Sylva, 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. He stated the purpose of the meeting was to discuss the budget. They already had many budget discussions up to that point. Mr. Adams put together a recommended budget and presented it to the Board. They had heard requests from some of the larger institutions and agencies they funded. This meeting would be an opportunity for the Board to evaluate all of the requests and make changes so that the budget could be finalized and put them in a better position for adoption on June 14th.

(1) SOLID WASTE: Mr. Adams stated that when he gave the budget presentation to the Board, he mentioned that at the time, there was no recommendation for increases in the availability fees for Solid Waste. Since then, they had been collecting information about potential increases in the landfill costs through Waste Management in Homer, Georgia. Also, he would be receiving information about the SRC costs.

He was working to estimate how much those additional costs would be as they would be effective January 1st. With the initial information he received, he was hopeful to not recommend an increase in fees, but he could not state that at that point. He could come back on June 6th and tell them what they believed the estimated increase cost would be and then discuss what it would take in fees to pay for it.

This was an enterprise fund that was self-funded through fees. They were not allowed to let this fund go into the negative. If they did not budget fees to pay for costs, Ms. Fox would appear before the Board asking to supplant the fund with general fund dollars.

General discussions were held.

Informational item.

(2) SOUTHWESTERN COMMUNITY COLLEGE: Chairman McMahan stated he thought it was a fair statement that Dr. Don Tomas, SCC President, was pleased with what was being proposed in the upcoming budget and it met all the needs of the community college.

Mr. Adams stated that was correct.

Chairman McMahan stated there were no additional requests needed for SCC. The county had met their needs. Did any Commissioners have any concerns or questions?

Commissioner Jones stated they did have an SCC Trustee meeting that evening, but he agreed with the Chairman's assessment.

General discussions were held.

Informational item.

(3) PUBLIC SCHOOLS: Mr. Adams stated that Dr. Dana Ayers, School Superintendent, went through the years of funding and talked about a twofold request. They were trying to cover a projected 5% increase in operational costs. They were also trying to cover the cost necessary to meet the mandate of a minimum salary of \$15 per hour or 2.5%, whichever was greater. Those were the two primary additional costs that impacted their request. The overall requested increase was \$10,089,377.

	2021	2022	2023 Proposed	
Salaries	\$5,183,566	\$5,242,052	\$6,611,240	
Operations	\$3,004,221	\$3,369,416	\$3,478,137	
Total	\$8,187,787	\$8,611,468	\$10,089,377	
County Funding	\$7,908,941	\$8,431,468	\$8,600,097	2% Increase
			\$306,852	JCPS Fund Balance
			\$455,300	5.4% Set Aside
			(\$727,128)	Revisit when State Budget signed

He recommended to hold \$455,300 to set aside for future conversations with the Board of Education. They were projecting a \$727,128 shortfall. After the state budget was passed, he recommended that the Board of Education come back to the Commissioners to discuss what their needs would be. He believed it would then become a fund balance conversation. If the Commissioners allocated any funds over the \$455,300, they would have to make that up in their ongoing expenses in the next years' budget.

Chairman McMahan stated that he thought the positive was that there was fund balance available in the school system. They would need to have a conversation with them about what an appropriate level would be for them to maintain. There was a need to maintain a fund balance for cash flow purposes and to meet unexpected needs, but what the number needed to be was the real question. It was alluded to that 5% of their operating budget should be a number that was set aside.

He thought the School Board and Administration had done a great job managing and providing a quality education. The Board of Commissioners had always had a great relationship with the School Board, so he did not see this being a problem going forward. He thought the final conclusion was that the schools were satisfied with what was being projected at that point and were willing to come back and have additional conversations.

General discussions were held.

Informational item.

(4) LIBRARY: Chairman McMahan stated that the Library was pleased with their level of funding and had no additional requests.

Informational item.

(5) SHERIFF'S OFFICE: Chairman McMahan stated that the Sheriff presented his budget, which had requests for capital and personnel.

Mr. Adams stated that there were only two recommendations in the proposed budget for new personnel changes:

- Social Services: Extend the IMC II-Support Specialist position one additional year. The position was already budgeted and was cost share with the state.
- GIS: It was recommended that the GIS Analyst position be moved into the IT Department.

Beyond those two, it was recommended that everyone continue on their career path. It was recommended that all of the Sheriff's Office employees receive their step increase. Everyone had their implementation of the salary study and the Sheriff noted that it helped to stabilize the force.

The Sheriff did have additional requests for new personnel: two Narcotics Investigators; a new jail position; reclassification of an administrative position; and a court position. At that point, none of those were included in the budget. The Sheriff also presented changes to how employees were paid for holiday pay.

Chairman McMahan stated that Holiday Pay did not just impact the Sheriff's Office. They had other departments within the county system that would also potentially need to be evaluated. It was something they were not in a position to do at that point.

Mr. Adams stated that the Sheriff also requested Hazard Pay and paid Educational/Training Incentives. At that point, none of these were in the recommended budget. If the Board wished to move forward with some type of Holiday Pay, it would need to be a countywide study to see if it was needed and how it would be implemented. This also became a recruitment/retention conversation, but in his opinion the Board just implemented a significant pay plan. As far as all of the other line items, the majority of the capital requests were being recommended in the budget.

Commissioner Stribling stated that the Sheriff also requested a body scanner, which he thought would be really good to have.

Commissioner Jones stated that the Sheriff also requested to move forward with acquiring replacement vehicles on July 1st instead of waiting until October.

Commissioner Woody asked about the need for the two Narcotics Investigators requested.

Mr. Adams stated that he recognized that there would be a newly elected Sheriff installed in December. He wanted the new Sheriff to be seated and evaluate the needs. That would put them into next year's budget.

Informational item.

(6) HERE NONPROFIT ORGANIZATION: Chairman McMahan stated that based on what HERE was projecting, there would be a shortfall for operational needs versus what had been budgeted.

Mr. Adams stated that HERE had a new executive director that would start on July 1st. Their request had been \$313,000, but reduced it down to \$205,000. \$165,225 was in the recommended budget, which left a shortfall of \$40,000. HERE did also state that they could apply for potential grants.

He recommended to provide them with an increase, which was the only proposed nonprofit increase. HERE were going through a planning process to pull together community input about what the homeless program would be long-term. At that point, they received a lot of funds from Covid, which was what expanded their operations. He did not feel that he could recommend supplanting those funds until a clearer picture could be understood about what a long-term homeless program would look like.

This did not negate the fact that they may be \$40,000 short or may end up causing them to remove people. They did receive funds through Covid, which allowed them to do the summer program. It was not just the housing cost they used the money for, they also used it for case management. The \$165,255 would still fund what the initial primary purpose of the request for proposals, which was to help with case management and hotel rooms.

As a reminder, they did not have multiple agencies stepping up for this. HERE was the only agency that stepped up. He wanted to recognize the work the HERE Board had done and what they were attempting to do. They were conducting a study and working with Pathways of Haywood County. Between those two, hopefully there could be a process to get them to an acceptable plan.

General discussions were held.

Consensus: *Move forward with the County Manager's recommendation to maintain funding in the current budget. Request that HERE apply for grants to acquire additional funding. They could revisit this issue in the future if needed.*

(7) NONPROFIT FUNDING: Chairman McMahan stated that generally, there were many organizations that appeared before the Board to thank them for their contributions and make requests for extra items. All of those nonprofits were at level funding in the recommended budget except HERE. All of the nonprofits they normally funded received level funding. There were some that did not submit requests.

Commissioner Woody stated that she was pleased with the reports provided by the nonprofits and the number of people who had been served. She requested to get information on how many were served by the Disabled American Veterans. Also, Macon-Jackson Habitat for Humanity stated they were planning to build a home in Jackson County. Their Board of Directors did not appear to have anyone from Jackson County.

Mr. Adams stated they could submit a request to Habitat for Humanity to have a person on their board be from Jackson County.

General discussions were held.

Informational item.

(8) OTHER TOPICS:

(a) ARPA Funds: Commissioner Woody stated that they had discussed setting up a fund with what they had left with ARPA and call it Jackson County America Rescue Plan. This would be so that when they disbursed those funds for a project, they could let the community know this was money they got from the America Rescue Plan.

Ms. Fox stated that those funds were set aside in a special revenue fund.

Mr. Adams stated that they were using the revenue option to utilize the funds to replace revenues. In order to do that, they had to show what they were doing with those revenues, which they could use for general governmental expenses. They still wanted to track the funds so they could decide where to spend them. They were tracking that separate from the general fund. If they started moving forward with the Domestic Violence Shelter, they would eventually do a project ordinance and that money would come out of this fund.

Chairman McMahan stated that out of that fund, they had earmarked \$1 million towards broadband. There were other projects they had earmarked out of that fund, but there were several million dollars left that they had not allocated or earmarked. From that, they would potentially be able to fund other smaller projects to be tied to this.

Mr. Adams stated that out of the \$8.5 million, \$4.5 million was not committed at that point. Coming up in the next year, he recommended three potential areas to be prioritized:

- They had committed \$600,000 to match for broadband grants. There would also be another round of broadband grants.
- Human services and nonprofit partnerships.
- Capital Improvements Plan. There were a couple of parks they were trying to build. They were hopeful to fund them out of the normal process, but they could consider these funds.

(b) Schools: Commissioner Jones inquired about the monies they set aside for the \$450,000,000 grant from the state for schools. The county set aside the 5% match toward those three major projects. What fund did those come out of?

Mr. Adams stated the funds came out of Articles 40 and 42. In the proposed budget, it was recommended to budget an additional \$1,862,653 for public school capital expenditures in FY22-23 out of Articles 40 and 42 sales tax. It was also recommended to budget an additional \$1,495,734 out of the Article 46 sales tax fund in FY22-23 to be used for educational purposes. These sales tax funds, future grants and available lottery proceeds would dictate the outcomes of Public Safety and the FY2023-2027 Facility Capital Improvement Plan.

(9) GLENVILLE-CASHIERS RESCUE SQUAD: Chairman McMahan stated the Rescue Squad building payment had been included in the budget. Were there any objections?

There were no objections.

Mr. Adams noted that they were projecting this would potentially be up to \$4.6 million, but the interest rates were lower than they had budgeted, so the debt service payment would not change.

(10) EMS SALARIES: Chairman McMahan stated that this included the Glenville-Cashiers EMS and the Harris EMS employees. It was in the budget to fund those increases to bring the salaries up to a higher amount to meet the market need in the area. Were there any objections?

There were no objections.

(11) SYLVA FIRE DEPARTMENT: Chairman McMahan stated that Mr. Adams recommended they fund eight full-time positions with the Sylva Fire Department. Most had read the article in the Sylva Herald and there was quite a bit of debate that took place at the Town of Sylva Board meeting as to whether or not the Town of Sylva was totally in favor of funding a full-time department at eight.

He spoke with the Mayor of Sylva the evening before and let her know that the County Board of Commissioners would take up this item and there would be a consensus from the Board whether to keep this in the budget or not. If it stayed in the budget, they needed an official statement of acceptance to move forward with this funding option from the Town of Sylva. The Town of Sylva would meet on May 26th.

He would poll the Board as to whether they wanted to leave the funding in the budget or take it out. It would be contingent upon what the Town of Sylva wanted. These would be Town of Sylva employees and it would be a town/municipal department. If the Town of Sylva decided to wait or they were not interested or would not accept eight, it would have a huge bearing on what the county would do.

Mr. Adams stated that he recommended that the Town of Sylva be funded \$1,074,290, which would enable them to have eight full-time personnel, pay the debt and other items they were already paying. The Town of Sylva could choose to add additional personnel by adding town funds. He was not recommending they limit themselves to eight people. If the town believed they needed eleven, they had the ability to fund eleven.

Chairman McMahan stated that he also thought it was important to make the point that the initial request from the Cashiers Fire Department to go to a full-time paid department was for eight employees. When Cullowhee Fire Department made the request to go to a full-time paid department, the request was for eight employees. This would fall in line with the other two the county had supported in recent years and would keep it the same. He was comfortable with what had been included in the budget as the Manager had presented. He was comfortable to support the eight employees if the Town of Sylva was willing to accept it.

Commissioner Stribling stated that he agreed.

Commissioner Woody stated that she agreed. One of the concerns they had expressed was about how the Town of Sylva would go about hiring. The Town Manager assured them they had standards they would go by, so she felt good about that.

Commissioner Deitz stated that in reading the Sylva Herald article, it was obvious the Sylva Town Board did not know themselves exactly what they wanted. Some wanted to postpone this decision for a year. He thought some thought the County Board of Commissioners was stepping where they should not be. The county had been asked to do this.

Chairman McMahan stated that this was a request that came to the county from the Town of Sylva. The Town Manager came, the Mayor was at the first meeting and the Fire Chief was present. Sylva Fire Department was a municipal department, Sylva's main station and was located within the municipal area. But, they served an area outside the municipality with more of their calls taking place outside the municipal limits. Their service district was a large area and they served many county residents.

As a Board of Commissioners, they were trying to do something that would not only help Sylva Town, but would also help other citizens that were served by the Sylva Fire Department. They felt this was a good thing for the county. But, if Sylva did not want to do this, they needed to let them know.

Commissioners Deitz stated that he felt eight people was adequate. More would be better, but they could only do what they could do. He agreed with Mr. Adams that if the Town of Sylva wanted to add more, they could. This was a good start. He wanted to make sure those eight were trained and prepared to do the job.

Commissioner Jones stated that yes, he wanted to keep it in the budget. He would still like to see the standards the Town of Sylva would use to hire the individuals. He thought the County Board had shown its commitment to safety throughout the county with the additional firemen they put in the other districts from one to two paid firemen. Adding eight to the Town of Sylva would enhance the municipality and the rural fire district outside the municipality.

Chairman McMahan stated that he believed that all five of the County Commissioners had sat through multiple meetings and evaluated these requests to find a way to provide the best emergency service protection for the community. But they had also done this to fund it in a way to have the least burden on the taxpayers. If they went with a traditional fire tax district in the Town of Sylva, this would be a tremendous burden on the residents of Sylva. But, they chose to approach this in a manner that lessens the impact and they could make this affordable. They were the only organization that could do this.

He requested that Mr. Adams convey to the Town Manager that this Board chose to leave the funding in the budget, but were awaiting an answer from the Town of Sylva. They needed confirmation if the town was willing to accept. When the Board of Commissioners met again on June 6th to review the numbers for the pool bids, if the Town of Sylva rejected eight employees and would rather wait until another cycle, they would pull this from the budget at that point.

Commissioner Woody stated that she appreciated all the work Mr. Adams and Ms. Fox had done. It was a wonderful effort on their part. It did reflect the Board's desire to meet the needs of the community.

Consensus: *Keep eight personnel in the budget for the Sylva Fire Department, contingent upon the Town of Sylva's decision to accept.*

There being no further business, Commissioner Woody moved to adjourn the meeting. Commissioner Stribling seconded the Motion. Motion carried and the meeting adjourned at 10:05 a.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman