

**MINUTES OF A  
BOARD RETREAT  
OF THE JACKSON COUNTY  
BOARD OF COMMISSIONERS  
HELD ON  
FEBRUARY 21, 2023**

The Jackson County Board of Commissioners met in a Board Retreat on February 21, 2023, 10:00 a.m., Rooms C and D, Burrell Building, Southwestern Community College, 447 College Drive, Sylva, North Carolina.

Present:	Mark Letson, Chairman Todd Bryson, Vice Chair Mark Jones, Commissioner John Smith, Commissioner Tom Stribling, Commissioner (via Zoom)	Don Adams, County Manager Heather C. Baker, County Attorney Angela M. Winchester, Clerk to the Board Darlene Fox, Finance Director
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Chairman Letson called the meeting to order.

(1) **PURPOSE OF THE MEETING:** Mr. Adams stated the purpose of the meeting would be to provide the Board with an overview of the budgetary process and to have a high level view of the budget. The retreat would put the Board in a position to provide input and feedback to staff regarding their priorities. They would begin discussions over the next several weeks and months that would lead to the adoption of a budget in June.

(2) **FINANCIAL REVIEW:** Ms. Fox presented:

(a) Analysis of Revenue: Revenues Per Capita in 2022:

- Property tax: 1030
- Other tax: 31
- Sales tax: 521
- Sales and services: 182
- Intergovernmental: 218
- Debt proceeds: 469
- Other miscellaneous: 222

(b) Expenditures by function for Fiscal Year 2022:

- Education 16.72%
- Debt Service 4.94%
- Human Services 19.96%
- General Government 14.47%
- Public Safety 25.68%
- Other 18.23%

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

	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>
Jackson County	49.18	29.67	33.83	37.93	37.37
Group	34.73	34.49	34.97	45.22	47.77
State	30.19	29.06	34.49	42.77	45.70

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Jackson County	97.56	97.88	98.13	98.83	98.98
Group	97.86	98.02	97.94	98.60	98.37
State	98.96	99.02	98.80	99.25	99.02

(e) Outstanding Debt as of July 1, 2023:

<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	\$0.00
12/11/2008	12/11/2023	2.27%	Aging Facility	\$139,033.43
7/15/2008	7/16/2024	2.49%	Jackson Library, SCC	\$1,029,544.69
10/25/2012	10/25/2027	2.79%	SMH Gym, Fine Arts, BR Locker Room	\$3,000,000.07
3/22/2017	3/30/2032	0%	School Improvements-QZAB	\$5,400,000.00
01/30/2019	02/01/2039	3.81%	SCC Health Sciences Building	\$8,000,000.00
06/16/2022	06/01/2037	3.228%	Indoor Pool Facility	\$18,666,000.00
				<b>\$36,234,578.19</b>

General discussions were held.

*Informational item.*

**(3) EDUCATION CAPITAL PLANNING:** Mr. Adams presented: Capital Improvement Projects:

**(a) Major Capital Improvement Projects Public Schools Prioritized:**

- Single entry points and egress courtyards. Project approved and under contract \$7,686,047.
- 1. New cafeteria and classrooms at Fairview - \$17,199,000
- 2. Jackson County Middle School - TBD
- 3. ADA upgrades at SMHS stadium - \$7,500,000 (Clark Nexsen Fall 2022)
- 4. SMHS Track on Jones Street property - \$2,500,000 (Clark Nexsen Fall 2022)
- 5. New bus garage on existing site (no formal plans have been done)
- 6. Scotts Creek slope stabilization - \$1,000,000 (informal estimate from Lofquist before Covid)
- 7. Blue Ridge gym with performance space - \$12,600,000 (Clark Nexsen Fall 2022)
- 8. SMHS Softball field – TBD based on yet to be determined plans

Mr. Adams stated that at the joint meeting with the Board of Education, he mentioned that if there was a real consideration between the two Boards to potentially move forward with the track, then there needed to be additional conversations about the softball field. They needed to understand what the long-term plans would be for the Jones Street property and for the fields at the Fairview property.

This would apply if they started having discussions about a middle school being located at Fairview. That would bring in the need to make sure they understood the impacts of the Fairview fields. Currently, the Fairview fields were used by multiple organizations. These statements did not mean they should or should not proceed forward, they meant they needed to take into consideration all of these elements.

General discussions were held.

Mr. Adams asked Ms. Fox to provide the history of the Jones Street property purchase.

Ms. Fox stated that when the Jones Street property was purchased and they built the gym, the intent was to move the baseball and softball fields to the flat area and share bathrooms and concession facilities. The grading was done and paid for that purpose.

Mr. Adams stated that was the original intent of the property. The new track was going to be put at the current location of the baseball field and practice areas. At one point, there were discussions about investing money in the Jones Street property to start looking to move the ballfields there. A decision was made to not move forward with that. Since that time, there was an ADA complaint for the baseball field, so they invested additional funds in the existing baseball field to solve the ADA issues.

Whichever direction they went in, he wanted to make sure they discussed how field space would be used. If they were discussing leaving softball in Webster, they would need to get legal opinions whether or not that satisfied, long-term. Once they built the Jones Street property out, there were no options. These were initial conversations. He was trying to identify all the barriers and points of the conversation that needed to be discussed. If the ADA upgrades at the football stadium were a priority, that would not necessarily impact all the other conversations of the ballfields.

General discussions were held.

Mr. Adams stated that he would request more details from the school system about the track plans and the upcoming maintenance issues on the football field. He would also ask about looking at the master plan for the area. He did not recommend making a decision on one item without knowing what the others would be.

The other element would be truly examining the middle school. Potential middle school concepts would be co-locating at existing schools or a standalone campus. The last time they had a conversation, they were focused on the Fairview campus. They would need to understand further details what the Board of Education was trying to achieve for a middle school with programming, etc. They would need to provide more detailed information. They would also need to understand the growth plan and expansion.

Many of the questions for the Board of Education would require professional assistance. The next conversation with the Board of Education or the School System would be about the need to consider putting dollars behind examining these questions of campus planning. It took both Boards to agree to spend the capital money, so they would need to put aside planning money to answer questions.

They would need to think long-term about when this would require a referendum. Was a new high school or a new middle school something the Board would entertain moving forward with or would they believe the community would need to have input?

Mr. Adams presented:

**(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 previously applied 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. Grants would require a 5% county match.

Chairman Letson requested to look at the Blue Ridge projects, since they were not going to be affected by other projects.

*Informational item.*

**(4) ARTICLE 40 AND 42 SALES TAX:** Mr. Adams stated that a portion of the Articles 40 and 42 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:

**(a) Article 40 and 42 Sales Tax:**

	<b>FY 2019-2020</b>	<b>FY 2020-2021</b>	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>
Articles 40 & 42 Total:	\$3,417,313.65	\$4,073,484.13	\$4,591,973.53	\$4,936,371.54	\$5,306,599.41	\$5,704,594.37	\$6,132,438.94
School Capital Expenditures:	\$3,417,313.65	\$4,073,484.13	\$4,591,973.53	\$4,936,371.54	\$5,306,599.41	\$5,704,594.37	\$6,132,438.94
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		\$2,982,697.48					
New Year Addition				\$2,115,854.54	\$2,504,682.41	\$2,921,277.37	\$3,367,721.94
<b>Balance Available</b>		<b>\$2,982,697.48</b>	<b>\$696,048.34</b>	<b>\$2,811,902.88</b>	<b>\$5,316,585.30</b>	<b>\$8,237,862.66</b>	<b>\$11,605,584.61</b>

**(b) Five-Year Projection of Undesignated Education Revenues:**

	<b>FY 2021-2022</b>	<b>FY 2022-2023</b>	<b>FY 2023-2024</b>	<b>FY 2024-2025</b>	<b>FY 2025-2026</b>
Article 40 and 42	\$696,048.34	\$2,115,854.54	\$2,504,682.41	\$2,921,277.37	\$3,367,721.94
Lottery Funds	\$632,535.33	\$120,018.83	\$230,000.00	\$230,000.00	\$230,000.00
Repair & Renovation Lottery	<u>\$230,555.79</u>	<u>\$232,527.27</u>			
Totals	\$1,559,139.46	\$2,468,400.64	\$2,734,682.41	\$3,151,277.37	\$3,597,721.94
<b>Cumulative Total</b>		<b>\$4,027,540.10</b>	<b>\$6,762,222.51</b>	<b>\$9,913,499.88</b>	<b>\$13,511,221.82</b>
Article 46 available	<u>\$335,278.07</u>	<u>\$1,665,603.61</u>	<u>\$1,871,005.45</u>	<u>\$2,090,383.67</u>	<u>\$2,324,786.50</u>
<b>Cumulative Total</b>		<b>\$6,028,421.78</b>	<b>\$10,634,109.64</b>	<b>\$15,875,770.68</b>	<b>\$21,798,279.12</b>

Mr. Adams stated they were fortunate to be in the position they were. They could do some very positive things with this amount of money going through the next couple of years.

*Informational item.*

**(5) ARTICLE 46 SALES TAX:** Mr. Adams stated that this was a quarter cent sales tax approved by the voters of the county.

Ms. Fox presented:

**(a) Article 46 Sales Tax Projections:**

	<b>FY18-19</b>	<b>FY19-20</b>	<b>FY20-21</b>	<b>FY21-22</b>	<b>FY22-23</b>	<b>FY23-24</b>	<b>FY24-25</b>	<b>FY25-26</b>
Projection Amount	\$1,457,471.62	\$1,632,001.60	\$2,057,618.49	\$2,311,340.57	\$2,484,691.11	\$2,671,042.95	\$2,871,371.17	\$3,086,724.00
Cumulative total	\$3,710,463.35	\$5,342,464.95	\$7,400,083.44	\$9,711,424.01				
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)				
Transfer to SCC HS Bldg. Project		(\$3,220,163.00)						
New year additional after debt payment			\$1,018,137.99	(\$1,926,796.93)	\$1,665,603.61	\$1,871,005.45	\$2,090,383.67	\$2,324,786.50
Cumulative Total	\$3,710,463.35	\$1,243,937.01	\$2,262,075.00	\$335,278.07	\$2,000,881.68	\$3,871,887.13	\$5,962,270.80	\$8,287,057.30

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

General discussions were held.

Mr. Adams stated it seemed the first step would be to take a look at the master plan.

*Informational item.*

The Board took at lunch break.

Chairman Letson called the meeting back to order.

**(6) SOUTHWESTERN COMMUNITY COLLEGE:** Mr. Adams presented SCC's Master Plan Priorities:

**(a) Southwestern Community College Master Plan Priorities:**

- 1. Oaks Renovation. \$3,420,338
- 2. Library Addition: \$8,710,561
- 3. Faculty Office Expansion. \$1,879,225
- 4. Holt Renovation: \$1,868,017

**(b) Total remaining priorities cost: \$15,878,141 (all costs without furniture/equipment).**

**(c) State SCIF funding was available in the amount of \$5,020,226 in 25% allotments over the next four years.**

Mr. Adams stated that the \$5,020,226 could be spent on any of SCC's campuses. They wanted to have the funds invested in the Jackson campus. It was the responsibility of counties to build out facilities at community colleges. A large portion of the county's annual budget to SCC was for capital needs and to maintain the facilities. Also, there had been conversations about lobbying the state for additional funds.

General discussions were held.

*Informational item.*

**(7) CAPITAL IMPROVEMENT PROJECTS:** Mr. Adams presented: Capital Improvement Projects:

**(a) Major Capital Improvement Projects Approved – County:**

- Health Department Renovation: \$8,234,492 (cached); completed during FY2020-2021
- Dillsboro Complex Project: \$5,661,023 (cached); estimated completion March 2023.
- Indoor Pool Facility Project: \$24,181,308 (GO Bonds with associated tax increase).
- Domestic Violence Shelter: \$4,223,995 (50% ARPA Revenue Replacement, 50% Dogwood)

- Justice Center Renovations: approved in CIP
- (b) Major Recreation Projects:
- Whittier-Qualla Park: Land purchase \$400,000; Construction \$2,013,525 (PARTF Grant \$500,000)
  - Cashiers-Glenville Recreation Master Plan: Partial implementation – Funded \$1,111,691; Total cost \$1,967,388
  - Webster Park: Total \$105,000 (Town of Webster grant of \$90,000)

Mr. Adams noted there were a couple of primary ways the county borrowed money. General Obligation Bonds were backed by the taxing authority of the county. The other was through an installment purchase, where the property they were improving was the collateral for the loan.

General discussions were held.

*Informational item.*

**(8) POTENTIAL CAPITAL IMPROVEMENT PROJECTS:** Mr. Adams presented:

(a) Capital Improvement Projects:

- 1. Justice Center Renovations Planning and Architect - \$250,000. This was a planning number to help identify the needs.
- 2. Storage Building – Emergency Management, DSS, Public Works, Sheriff – TBD. They had significant storage needs.
- 3. Library Parking Lot expansion – Galik property - \$757,450. The lot contained a house that burned years ago and the county purchased the property. A retaining wall would have to be placed with backfill. This cost was for 16 parking spaces. If they did not turn the property into parking, they would need to strategize what to do with the house.
- 4. Dillsboro Park – TBD
- 5. LED Lights – Fairview Complex, Mark Watson Park, Cullowhee, Cashiers – estimated cost of \$907,000 for each location
- 6. Expand Webster Park to a Hybrid Park with Inclusive Elements – additional cost of \$152,694. This would be for a traditional park with ADA amenities.
- 7. Cashiers Recreation Master Plan – full implementation \$1,967,388 - \$1,111,671 = \$855,717
- 8. NC DOT Carbon Reduction Grant NC Highway 107 - \$417,440
- 9. Domestic Violence Shelter – additional needs \$425,784. They completed the needs assessment overall schematic planning phase. Originally, the footprint was for 7,000 sf, but now were looking at 8,200 sf. This would allow for more rooms and larger rooms.

(b) Total known \$3,340,820 - \$5,154,820

*Informational item.*

**(9) CAPITAL IMPROVEMENT PROJECT FUNDING PROJECTIONS:** Ms. Fox presented:

(a) Capital Improvement Project Funding Projections FY2023-2027:

<b>Revenue Type</b>	<b>FY22-23</b>	<b>FY23-24</b>	<b>FY24-25</b>	<b>FY25-26</b>	<b>FY26-27</b>
CPR	\$709,082	\$500,000	\$500,000	\$500,000	\$500,000
Capital Reserve	<u>\$1,786,052</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>
Totals	<u>\$2,495,134</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$1,500,000</u>
<b>Cumulative Totals</b>	<b>\$2,495,134</b>	<b>\$3,995,134</b>	<b>\$5,495,134</b>	<b>\$6,995,134</b>	<b>\$8,495,134</b>

(b) Additional Funding Sources Fund Balance:

	<b>Amount</b>
FY 2022 Balance	\$38,307,037
Reserved by FBP 25%	\$18,551,154
Reserved by State	\$6,771,493
Other Assigned/Committed	\$2,526,639
<b>Available for Funding</b>	<b>\$10,457,751</b>

*Informational item.*

(10) **AMERICAN RESCUE PLAN ACT**: Ms. Fox presented: American Rescue Plan Act:  
(a) \$8,534,441.00:

<b><u>Purpose-Committed</u></b>	<b><u>Amount</u></b>
Public Safety Wages	\$7,934,441.00
Broadband Great Grant Match	\$ 600,000.00
Total Committed	\$8,534,441.00
<b>Remaining Funds</b>	<b>\$ 600,000.00</b>

(b) Revenue Replacement \$7,934,441:

<b><u>Purpose-Committed</u></b>	<b><u>Amount</u></b>
Public Safety Equipment	\$1,210,450.90
Homeless Planning	\$ 62,500.00
Domestic Violence Center	\$2,111,997.50
Cashiers-Glenville Recreation Project	\$1,111,691.00
Whittier-Qualla Recreation Project	\$ 756,763.00
AWAKE Renovations on Building	\$ 64,711.57
Total Committed	\$5,318,113.97
<b>Remaining Funds</b>	<b>\$2,616,327.03</b>

(c) Local Assistance and Tribal Consistency Fund (LATCF):

- The American Rescue Plan appropriated \$2 billion to Treasury across fiscal years 2022 and 2023 to provide payments to eligible revenue sharing counties and Tribal governments for use on any governmental purpose except for a lobbying activity.
- The county received \$246,897.40 for each fiscal year, for a total of \$493,794.80.
- No deadline until expended. Required a March 31<sup>st</sup> reporting until expended.
- No funds have been committed to date.
- Balance available \$493,794.80

Mr. Adams stated that so far, they had attempted to utilize the ARPA funds for their original purpose, even though they had gone through the process of using safety and salary to offset the grant so they could use the grant in the general fund. The intention had generally been to utilize the ARPA funds for items that could be related to the pandemic.

As they progressed through determining what ARPA funds could be used for, it became apparent that they could be used for human services activities. The federal government determined that people suffering through mental health issues, economic issues, etc., were automatically assumed to be disproportionately impacted by Covid.

At the beginning, one of the first obligations was the Domestic Violence Shelter. Dogwood came out with a grant opportunity to match ARPA funds. The federal government later felt the projects that served communities overall health, such as recreation projects, could be argued to qualify under the original format of the ARPA grant. The county kept the funds separate and tracked them for transparency.

They had also kept money aside for Broadband. He recommended to set aside \$1 million for upcoming Broadband grant opportunities. There would be a program coming out from the state that would require a match from the county. He asked the Board if they were comfortable with reserving \$1 million of ARPA funds for future Broadband conversations?

General discussions were held.

**Consensus:** *Reserve \$1 million of ARPA funds for future conversations about Broadband.*

**(11) CIP PRIORITIZATION:**

(a) Commissioner Bryson stated that he had heard from the community that citizens would like to see a fairground for a venue to enjoy with their families. Different clubs and fire departments could help man the location. He asked how the Board felt about moving forward with that? Representative Mike Clampitt had mentioned if the county moved forward with this type of project, he would try to get funding from the state to help with the project.

Chairman Letson stated he liked the idea and felt it would be a worthwhile community cause.

Commissioner Smith stated this project could be a source of income for the county.

Mr. Adams stated one part of this would be about physical location. The second part would be to hear from the community about their participation and interest, such as the fire departments, 4-H Clubs, etc. Would these groups have an interest to the time in and use the facility. If the Board wished staff to start research, there would need to be a dual research.

Commissioner Jones stated that he was in favor of more research on the project.

(b) Commissioner Jones asked if the Galik house was a hazard?

Mr. Adams stated he thought there was potential that it could be rehabbed. There was burn damage, but not to a point of collapse. He did not know if it could be turned back into a residential unit.

Commissioner Jones stated he was on the Library Board. He found it very difficult to spend \$700,000 for 16 parking spaces.

Commissioner Smith stated that he agreed. He thought it was easy to find a parking spot at the Library.

Commissioner Jones stated he would lean toward looking to rehab the house.

Commissioner Smith stated or they could sell it "as is".

Mr. Adams stated that he did not see a public use for the property. They would have to put a lot more money into it to bring it to ADA standards.

Chairman Letson stated that he did not believe it was worth the amount of money for the parking. He felt they could move this one to the bottom of the list.

General discussions were held.

(c) Mr. Adams stated they did have the John Parris Cabin on the Library property as well. It was a complicated area and would cost a significant amount of money to get ADA access for the public to the cabin.

General discussions were held.

(d) Commissioner Jones stated he was for the Justice Center renovations.

Mr. Adams stated there was an expansion area for an additional pod for the jail system. There was already space reserved for the jail, if it needed to be expanded, but that would cause other space issues. There were also other operational needs in the jail. There was a series of processes to go through space needs for all operations in the Justice Center.

Commissioner Smith stated his thought process was more about moving county offices to a new facility and have the Justice Center just be a justice center.

Mr. Adams stated that once they went out of the footprint of the building, parking would become an issue. The property by Public Works was initially purchased and evaluated for the Health Department. This could be one of multiple choices brought to the Board for this project. This would be a multi-year implementation and the construction process would be in phases.



(e) Commissioner Jones stated he liked the idea of the Domestic Violence Shelter moving forward and asking Dogwood to match the additional funds needed.

Commissioner Smith agreed.

Commissioner Bryson agreed.

(f) Commissioner Jones stated that he thought the NC DOT Carbon Reduction Grant was a go.

(g) Commissioner Jones stated that he was in favor of the Cashiers Recreation Master Plan being fully implemented.

(h) Commissioner Jones stated that he liked the Webster Park hybrid additions.

(i) Commissioner Jones stated that he was mixed on the LED lights at the parks.

General discussions were held.

(j) Mr. Adams stated that the second most expensive item would be storage. The biggest challenge would be finding property and location.

(k) Commissioner Bryson asked about the Dillsboro Park.

Mr. Adams stated there were studies done on the property that he would bring back to the Board. Long-term, as a Board, they would need to tell him if they wanted this property to be recreational and/or some type of potential economic development.

(l) Commissioner Smith stated that the Galik property and the LED lights were the lowest priorities for him.

General discussions were held.

Mr. Adams stated that most of what the Commissioners had stated could fit within the funding and would leave room for potentially finding property for a fairground. If he understood correctly, the Galik Property, LED Lights and Dillsboro Park were the least priorities of the Board. They discussed adding fairgrounds to the conversation. He would start proceeding forward with location and bringing in Cooperative Extension and Soil and Water to the conversations.

*Informational item.*

The Board took a five-minute break.

Chairman Letson called the meeting back to order.

**(12) BUDGET DRIVERS:** Ms. Fox presented FY2023-2024 Budget Drivers:

(a) Real Property Assessed Value Projections: The following information provided the increase to the real property assessed values for the 2023 tax year. The value change typically occurred through land splits and combinations, via deeds and plats and permitted changes via Code Enforcement. The activity processed through the Tax Administration Department as follows:

- Recorded deeds: 8.77% decrease over last year. 3,767 deeds recorded in 2022, 362 less than in 2021. Up 47.67% from prior 15-year average.
- Recorded plats: 589 plats recorded in 2022, down from the 823 recorded in 2021. Down 9.74% from prior 15-year average.
- The average of the vacant residential sale was \$228,193. The average of the improved residential sale was \$748,835.
- Permits: 3.36% increase over last year. 2,310 permits in 2022, up 75 from 2021. Up 19.37% over prior five-year average. Decrease of 5.01% in new single family permits from 2021 to 2022. Up 20.10% over prior five-year average. The average square footage and construction cost of the new single family permits was 3,732 and \$1,146,089, respectively. 36.90% of the new single family permits had a construction cost of over one million dollars.
- There were 40,717 parcels for tax year 2023. There were 40,453 parcels for tax year 2022.

(b) Ad valorem tax:

<u>Source</u>	<u>Value</u>
Ad Valorem Tax Value TR-1	\$11,354,414,686
New Construction	\$330,000,000
Motor Vehicle	\$522,444,382
<b>Total Value</b>	<b>\$12,206,859,068</b>

- Total ad valorem tax @ \$0.38 per \$100 = \$46,386,064
- Collection rate @ 98.94% = \$45,894,372
- 1 cent on tax rate = \$1,207,747

General discussions were held.

(c) Ad Valorem and Sales Tax Projections:

<u>Source of Revenue</u>	<u>Projected Increase</u>	<u>Amount</u>
Ad Valorem Taxes	\$330,000,000 New Construction Value	\$1,240,708
Motor Vehicle Taxes	\$20,000,000 Increase in Value	\$ 75,932
Sales Tax	7.5% Increase (does not include Article 46)	<u>\$1,316,640</u>
	<b>Total New Capacity Projected</b>	<b>\$2,633,280</b>

Mr. Adams presented:

(d) Payroll projections for FY 2023-2024:

- The Career Path Salary Program was currently up to date
- Projection for a one step increase for the career path: \$575,267.47
- Steps 1-9 = 3.15%; Step 10 = 3.00%; and Steps 11-30 = 1.50%
- 3% Cost of Living Increase: \$773,638.44
- Total increase for salary and benefits: \$1,348,905.91
- Overall averages: Step increase 2.29%; Step increase with 3% COLA 4.47%
- Cost of living last year 9.1%; mid-year 7%; estimated at year end 5%

(e) Health Insurance:

- Mark III Brokerage did a cost analysis and recommendation on the Health Insurance Coverage for the new year renewal effective July 1, 2023.
- Rate action projection 0%: No increase, rates to remain the same.
- Current monthly rate: \$1,220
- Current annual cost: \$14,640

(f) Funding Capacity and Budget Driver Summary:

<u>Source</u>	<u>Amount</u>
Ad Valorem Taxes	\$1,240,708
Motor Vehicle Taxes	\$ 75,932
Sales Tax	<u>\$1,316,640</u>
<b>Total</b>	<b>\$2,633,280</b>

<u>Driver</u>	<u>Amount</u>
Payroll	\$1,348,906
Health Insurance	\$0
<b>Total</b>	<b>\$1,348,906</b>

(g) Additional capacity available: \$1,284,374

*Informational item.*

**(13) PUBLIC SAFETY ISSUES:** Mr. Adams presented: Public safety issues for fiscal year 2023-2024: Request to add personnel/wages:

- (a) Town of Sylva Fire Department: Requesting additional employees
- (b) Cullowhee Fire Department: Requesting pay adjustment for existing employees
- (c) Sheriff: Requesting positions. Conversations had been held for additional road deputies and possibly multiple other positions.

Mr. Adams stated there were three full-time fire departments. If the Board started making decisions about helping one fire department versus the others about pay, the next fire department would want to talk about pay also. They would need to have a larger conversation about how full-time firefighters were paid in the county as a whole.

Also, Canada Fire Department would be coming in with a request to update their facility. The department operated out of a county-owned facility that was built with grant funds and county funds in 1981. They did have responsibilities with the building and it was in need of HVAC, electrical upgrades, etc. The building was also used as a community building. He thought they could evaluate the entire space.

Commissioner Jones stated that with the paid fire firefighters, they had taken the safety of the county to another level, countywide. He was in favor of the additional Sheriff's Office positions. Once the Sheriff got his positions filled, countywide, he wanted to see two full-time, 24-7 deputies in Cashiers and throughout that area.

Commissioner Bryson stated that he met with Sylva Chief Mike Beck. Chief Beck mentioned that the county was making a facility payment that would be paid in full within the next year. Chief Beck hoped the Commissioners would continue to provide those funds so they could use those funds for three additional firefighters. He asked if they could do a fire tax, as a county?

Mr. Adams stated the annual payment was approximately \$150,000 for the Sylva Fire Department, which was not going away next year. He thought it reduced, but would continue for several more years. The county directly made those debt service payments until Sylva went full-time. The county was now reimbursing Sylva for the debt service payment.

They could do a service district in Sylva, but they would have to participate in the service district. Sylva could raise taxes on the town limits, not necessarily on the service district. The Town of Sylva could do a fire tax or a property tax. At that time, Sylva was part of the countywide \$0.38 property tax. A service district tax in Cullowhee would have been 10-12 cents, so the decision was made to add a penny countywide.

Commissioner Jones stated that the Cullowhee Fire Department provided mutual aid to every other fire department in the county. That was how they justified a penny added countywide.

Mr. Adams stated that Sylva had mutual aid agreements also. Because it was not a service district, the process would be for the Sylva Fire Chief to go to the Town Manager and justify to the Town Commissioners. Then, the request would come back to the county. Recommendations would be made to the County Commissioners based on this. The County Commissioners would then decide if they supported the request.

The county fire budget was a single budget. When the debt service was paid off on one fire department building, often times, those funds were then used on the debt of another fire department building. It was not viewed as the funds would always go to a certain department. He would recommend to the Board that they reserve the right to move those funds. It was an entire fire budget, not based on one individual department.

General discussions were held.

*Informational item.*

**(14) OTHER GENERAL BUDGETARY DRIVERS:** Mr. Adams stated they had a significant need for new development software. A review committee was formed comprised of the below entities. They went through a full evaluation process reviewing different systems and interviewing the companies. The committee made a recommendation.

He presented:

**(a) New Development Software:**

- Departments utilizing software:
  - Emergency Management – address and fire reports
  - Environmental Health
  - Permitting
  - Planning
- Cost for upgrade:
  - Project would take one year to complete all conversions
  - First year funding required: \$455,863
  - Contract total: \$724,647
  - Recurring fees: \$119,714 annually

**(b) Other issues:**

- Medicaid Expansion: HB76 received final consideration on February 16<sup>th</sup>. If the expansion becomes effective July 1<sup>st</sup>, processes would begin launching in April.
- DSS county workload would increase due to eligibility and redeterminations.
- They were working to contract to expand counselling services.

General discussions were held.

**(c)** Mr. Adams recommended that the Commissioners go back to the beginning of budget where they would see goals and objectives for all departments. As they proceeded forward, he would meet the departments to discuss their goals and objectives. If there were items the Commissioners wanted to add, he could also discuss those items with departments. Eventually, these could lead to budget requests.

Commissioner Bryson requested to look at adding power sources and lights at the Canada Park.  
*Informational item.*

There being no further business, Commissioner Smith moved to adjourn the meeting. Commissioner Jones seconded the Motion. Motion carried and the meeting adjourned at 3:57 p.m.

Attest:

Approved:

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Angela M. Winchester, Clerk to Board

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Mark A. Letson, Chairman