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Time Posted: _____
Posted By: Evelyn Baker
Witnessed By: _____

**MINUTES OF A
REGULAR MEETING
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
DECEMBER 5, 2011**

The Jackson County Board of Commissioners met in a Regular Session on December 5, 2011, 2:00 pm, Justice & Administration Bldg, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Jack Debnam, Chairman	Chuck Wooten, County Manager
Doug Cody, Vice Chair	J. K. Coward, Jr., Co. Attorney
Charles Elders, Commissioner	Evelyn Baker, Clerk to Board
Mark Jones, Commissioner	
Joe Cowan, Commissioner	

Chairman Debnam called the meeting to order.

AGENDA: Chairman Debnam amended the Agenda by adding Request for Fireworks Display and three Refinancing Resolutions. Commissioner Elders moved to approve the amended Agenda. Commissioner Jones seconded the Motion. Motion carried.

MINUTES: Commissioner Elders moved to approve the Minutes of the Work Session of November 14, 2011, Public Hearing and Regular Meeting of November 21, 2011. Commissioner Cowan seconded the Motion. Motion carried.

(1) CHAIRMAN'S REPORT: Chairman Debnam stated a Public Hearing is scheduled on December 12 at 1:30 p.m. to consider revolving loan applications from 540 Broadcasting Co., Inc. and Jackson Paper Mfg. Co. followed by a Special Meeting to consider those requests. The next regular Board meeting will be January 3, 2012 at 2:00 p.m.

(2) COUNTY MANAGER REPORT: Mr. Wooten reported:

(a) Metrostat: The County and Town of Sylva each made a \$250,000 revolving loan to Metrostat. Metrostat recently notified its customers (approximately 100 business and residential) of its intention to discontinue service as of December 30, 2011. The county and town attorneys are exploring what options are available to those customers.

(b) Unemployment: The October unemployment rate is 8.0% which reflects a decline from September.

(c) Smoky Mountain Host: He attended the annual meeting on November 29th. The meeting was of significant interest especially the reports from marketing experts and their suggestions for improving tourism activities in the region. The organization has done a significant amount of market research to understand where the regional visitors come from and the more significant areas of interest from these guests. Hopefully, both local TTAs will participate in some of the advertising opportunities.

(d) HomTex: Homtex has indicated the company will be vacating the Tuckaseegee Mills Bldg. by the middle of January which will leave only one tenant in the facility. There is the possibility of leasing a portion to another company and he is working with AdvantageWest to show the building to another prospective purchaser.

(e) Duke Energy: As part of the recent settlement and relicensing agreements, a commitment was made by Duke to invest funds in recreational, educational and stabilization projects along the Tuckaseegee River in Jackson County. Duke has set aside \$350,000 towards this initiative and these funds may be spent over the next 15 years following relicensing. Mr. Wooten will facilitate a meeting with representatives from the Board of Commissioners, Planning Board, Soil & Water District, Towns of Dillsboro, Sylva and Webster to discuss some projects that might be recommended for funding. In addition, \$40,000 is allocated for each county in the Nantahala service area to the Soil & Water Conservation Districts for projects that make physical improvements to protect soil or water resources, educate landowners or school children on property soil and water practices, and improve soil or water conservation programs. Further, \$200,000 was set aside for stabilization projects in the Nantahala service district and will be awarded by Duke on a case by case basis.

(f) TWSA: Annual meeting is scheduled on December 13.

(g) NCACC: The NCACC and NC League of Municipalities are sponsoring a breakfast meeting with Speaker of the House Thom Tillis on December 8th, 8:00 a.m. in Murphy.

(3) OCCUPANCY TAX: Rep. Phil Haire explained how Jackson County was added to House Bill 96. In the spring of this year he was contacted concerning the procedure for increasing the occupancy tax to 6%. At the time of that contact the time for introducing new bills had past so he found a similar bill which was being introduced on behalf of Alleghany County and Jackson County was added and the bill was ratified on June 17th. He stated that part of what was explained to him was when the original Jackson County bill was introduced in 1986 there were no regulations or guidelines. Subsequently, the State Travel & Tourism Board wanted certain parameters so tax monies would be spent for generally the same purposes throughout the state and not put in general fund budgets or spent for some other reason. He stated Jackson County's portion of the bill can certainly be amended, but probably not before next May because the General Assembly short session will not start until then. Provided there are no objections, he could perhaps get an amendment before the Legislature during that short session.

Mr. Wooten stated that when he talked with Rep. Haire there were three points of contention in HB96: (1) limiting the number of TDAs, (2) use of funds for capital, and (3) compensation. The intent of the Commissioners was set out in the Resolution adopted in April which requested that the two Travel & Tourism Authorities remain, the tax be raised to 6% and funds only be spent for travel and tourism. The standardized modifications in the ratified bill (HB96) are different than those in the Resolution.

A work session will be scheduled for further discussion.

(4) SCHOOL CAPITAL PROJECTS: Mr. Wooten stated that the School Board established two top priorities for capital construction: New Gymnasium and Fine Arts Building at Smoky Mountain High School and Lockers at Blue Ridge School and requested the Commissioners to authorize these projects to proceed from design development through the construction drawings stage. Utilizing a projected cost of \$10.5 million for the SMH projects and \$780,000 for lockers at Blue Ridge School the total design fee would be \$834,720 (7.4% of \$11,280,000 construction costs). By contract, the architect would earn 70% of the design fee before the projects are bid

Funds are available in the school capital construction fund to pay design fees through the construction drawing stage. As of June 30, 2011, the balance in the school capital fund was \$309,279.35. It is projected that in FY 2011-12 there will excess revenues in the amount of \$587,857 making a total of \$897,136.35 in the fund.

Architect John Cort stated costs for the two SMH projects could be separated and constructed in phases. The gym is approximately 73% of the area involved and the theatre is about 26%. Using a round figure of \$10 million for construction would mean \$7.3 for the gym and \$2.6 for the theatre. The design reflects that only one electrical service, one or two boilers, main equipment room, and a chiller is necessary to provide service to both facilities. The projects can be bid as a single project with a deductive alternate for either project. This would probably be a good idea because the entire concept is based on funding; however, the time is favorable to get competitive bids.

Commissioner Cody inquired if a multi-use facility with expanded seating capacity that could be used by the community, musical groups, entertainment conventions, etc. is practical rather than two separate buildings. Mr. Cort responded that he has worked with the school board for months and in every instance the educators came up with the need for two separate spaces - one for physical education/competitive athletic events and a second for performing arts. He stated he could provide arena comparables in about 30 days. Further, set up costs, programming and scheduling would need to be taken into consideration.

Commissioner Cowan stated that funding for the two SMH projects was set out by the County Manager last month. Further, more students are involved in band, chorus, glee club and all types of performing arts than will ever be served in the four major sports combined.

***Motion:** Commissioner Cowan moved to authorize funding from the school capital construction fund for design development through the construction drawings stage for Smoky Mountain High School and Blue Ridge School projects. Commissioner Jones seconded the motion. Motion carried by unanimous vote.*

(5) CASHIERS TRAVEL & TOURISM REPORT: Mark Jones, Chairman of the Cashiers TTA presented financial statements for FY2010-11 which reflects net revenue of \$178,529.05. Revenue for the months of January – April are very low. In order to get marketing and media campaigns going, the TTA must have funds in reserve to pay for May - June marketing. The net revenue for July – September 2011 was \$107,831.59.

The cost for ads placed directly by the TTA in various newspapers and magazines totals \$31,861.00. The report reflects that other advertising and public relations expenditures (grants, UGO Tours, website, brochures, postage, etc) total \$25,421.00. Year-to-date ads (direct and labels) total \$19,026.00. The value of free editorial

advertising is estimated at \$50,000. For the period of July – November 2011, 8452 inquiries were made as a result of paid ads. The TTA is checking into software and a server that can send inquiry information to accommodation providers and retail merchants as they are received by the TTA.

He presented a comparison of responses from a full page co-op ad by Jackson County TTA and Cashiers TTA in “2011 AAA Go”- 3397 requests compared to Asheville Convention & Visitors Bureau 2033, Biltmore Estate 1616, and Transylvania County Tourism 1324. There are 200 AAA Offices who are given 200 brochures each and 10 Welcome Centers receive 250 brochures each. Cashiers TTA expends a little over 52% of its budget for advertising/marketing.

Minutes from the 3/30/11, 7/10/11 and 11/2/11 TTA meetings were also submitted.

(6) TRANSIT POLICIES: Chuck Norris, Transit Director, requested the Board to approve the follow two policies concerning transit operations and service.

(a) Deviated Fixed Route; Dillsboro-Sylva-Webster Trolley Service: As part of this type of service, transit is required by the Federal Transit Authority to deviate up to a ¼ mile along this route. The policy states that when deviation occurs, drivers will only do so when it is safe. This has been the general practice in the past but there has never been a formal policy addressing this issue.

(b) Lift Use: Medical Necessity Use of the Lift When Boarding and De-boarding Vehicles: Ensure that medical records are current when clients provide doctor statements requesting temporary medical necessity use of vehicle lifts when utilizing transit services.

Motion: *Commissioner Cody moved to adopt the two policies. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(7) 540 BROADCASTING CO., INC. – ECONOMIC DEV. FUND 23:

The Revolving Loan Committee met on November 28, 2011 to review a loan application from 540 Broadcasting Co., Inc. The company will use the funds to put the local radio station back on the air. The Committee recommended that a loan be made from the Economic Development Fund 23 to 540 Broadcasting Co., Inc. in the amount of \$179,000 for a term of 10 years with a 2% interest rate and quarterly payments deferred until May 10, 2012. The collateral will be the FCC License, 5000 watt transmitter and all equipment necessary to operate a radio station. Mr. Coward stated he has placed a call to a FCC attorney in Washington, D.C. to ascertain if it is permissible for the County to be a collateral holder or co-owner/licensee. He will update the Board after he talks with the attorney.

Motion: *Commissioner Cowan moved to approve a loan from Economic Development Fund 23 in the amount of \$179,000 to 540 Broadcasting Co., Inc. for a term of ten years with 2% interest and quarterly payments deferred until May 10, 2012, contingent upon approval of a \$110,000 revolving loan on December 12, 2012 and the appropriate collateral. Commissioner Elders seconded the Motion. Motion carried by unanimous vote.*

(8) CLERK TO BOARD: The current Clerk, Evelyn Baker, is retiring at the end of December 2011.

Motion: Commissioner Jones moved to appoint Pat Parris as Clerk to the Board effective January 1, 2012. Commissioner Elder seconded the motion. Motion carried by unanimous vote.

(9) COUNTY ATTORNEY CONTRACT: J. K. Coward submitted a one-year contract payable at the rate of \$ 200.00 per hour effective 12/5/11. The new hourly rate is the same as is paid to the attorneys handling tax foreclosures.

Motion: Commissioner Cowan moved to approve the contract. Commissioner Cody seconded the Motion. Motion carried by unanimous vote.

(10) FIREWORKS DISPLAY: Alan Farmer, Fire Marshal, submitted a Permit Application from Pyrotecnico to display fireworks at Castle Ladyhawke on December 31, 2011 at 10:45 p.m. The applicant has submitted the required documentation and fees; however, his office cannot issue a permit until a site inspection has been performed on the day of the event. Authorization, pursuant to G. S. 14-413, must be given to Mr. Farmer to continue the application process and issue a permit at his discretion.

Motion: Commissioner Elders moved to authorize the Fire Marshal to proceed with the application of Pyrotecnico to display fireworks at Castle Ladyhawke on December 31, 2011 contingent upon the Fire Marshal issuing a permit. Commissioner Cowan seconded the Motion. Motion carried by unanimous vote.

(11) HOUSING PROGRAM RESOLUTION (R11-28): Mr. Wooten stated that it is necessary that the County adopt a Resolution for the transfer of the housing program to Mountain Projects, Inc. Mountain Projects will adopt a similar Resolution accepting the program. The transfer date is January 1, 2012; however, all procedures and approvals cannot be obtained from the U.S. Dept. of Housing & Urban Development (HUD) by that date. He recommended that the County enter into a Management Agreement with Mountain Projects until such time as the program can be officially transferred.

Mountain Projects will be allowed to continue utilizing the current Housing Dept. space in the Han Bldg. through the remainder of the lease which expires on March 31, 2012. The accumulated restrictive net assets from rental subsidies, approximately \$40,000, will also be transferred to Mountain Projects. In addition, he proposed to provide a one-time unrestricted transfer of \$40,000 to serve as a reserve for administrative costs. Mountain Projects has agreed to continue operating the program and accepts the landlords and tenants who are currently participating in the program. Mountain Projects has also agreed to maintain an office in Sylva for the benefit of the citizens of Jackson County who utilize the program.

Currently there are three employees in the Housing Dept. One is retiring and one has resigned. Mountain Projects has agreed to transfer the remaining county housing employee to its payroll effective January 1, 2012.

The transfer will benefit the County by eliminating the annual subsidy of \$70,722, the need to lease space as of March 31, 2012, in addition to utilities and maintenance and removes the potential risk of non-compliance or audit exceptions for a federal program.

The County will reimburse Mountain Projects the actual cost for administering the program during the term of the Management Agreement. Mountain Projects has estimated the actual administrative costs will exceed the administrative reimbursements from HUD by approximately \$625/month. Mountain Projects agrees to make its accounting records available for review and examination by the County's external auditors. The Management Agreement will remain in effect until the program has been officially transferred to Mountain Projects.

Motion: *Commissioner Jones moved to adopt the Resolution to transfer the housing program to Mountain Projects, Inc. effective January 1, 2012. Commissioner Cody seconded the motion. Motion carried by unanimous vote.*

(12) CASHIERS DEVELOPMENT ORDINANCE: A public hearing was held on December 5, 2011 at 1:45 p.m. and an objection was raised. Carry over to a later date.

(13) SUBDIVISION ORDINANCE AMENDMENTS: A public hearing was held on December 5, 2011 at 1:30 p.m. and several objections were raised. Carry over to a later date.

(14) REFINANCING 7/16/09 DEBT RESOLUTION (R11-29): The resolution is to change the terms of the financing agreement and deed of trust to BB&T dated July 16, 2009 changing the interest rate from 4.63% to 3.39%.

Motion: *Commissioner Elders moved to adopt the resolution. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

(15) REFINANCING 12/29/05 DEBT RESOLUTION (R11-30): The resolution is to change the terms of the financing agreement and deed of trust to BB&T dated December 29, 2005 changing the interest rate from 3.84 to 2.96%.

Motion: *Commissioner Jones moved to adopt the resolution. Commissioner Cody seconded the Motion. Motion carried by unanimous vote.*

(16) REFINANCING 10/23/03 DEBT RESOLUTION (R11-31): The resolution is to change the terms of the financing agreement and deed of trust to BB&T dated October 23, 2003 changing the interest rate from 3.49% to 2.54%.

Motion: *Commissioner Elders moved to adopt the resolution. Commissioner Cody seconded the Motion. Motion carried by unanimous vote.*

(17) HISTORIC PRESERVATION COMMISSION:

Motion: *Commissioner Elders moved to appoint Maudie Phillips to fill the unexpired term of Bobbie Henderson on the Historic Preservation Commission. Commissioner Jones seconded the Motion. Motion carried by unanimous vote.*

INFORMAL COMMENTS BY PUBLIC:

Marie Leatherwood of Sylva stated the proposed amendments to the Subdivision Ordinance are unacceptable because developers are given more advantages and allows construction of substandard roads.

PRESS CONFERENCE

CLOSED SESSION:

Motion: Chairman Debnam moved that the Board go into closed session pursuant to G. S. 143-318.11(a)(3) Legal. Commissioner Jones seconded the Motion. Motion carried.

AGENDA AMENDMENT: Chairman Debnam called the regular meeting back to order and stated no action was taken in closed session except approval of Closed Session Minutes. He requested that the Agenda be amended by adding “Revolving Loans and Rents”.

Motion: Commissioner Cody moved to amend the Agenda. Commissioner Elders seconded the Motion. Motion carried.

(18) REVOLVING LOANS AND RENTS: Chairman Debnam stated there are several revolving loans in default and unpaid rents.

Motion: Commissioner Cody moved to authorize the county attorney to pursue all available legal remedies to collect delinquent revolving loans and unpaid rents. Commissioner Elders seconded the Motion. Motion carried

There being no further business, Commissioner Elders moved to adjourn the meeting. Commissioner Jones seconded the Motion. Motion carried and the meeting adjourned at 4:50 p.m.

Attest:

Evelyn Baker, Clerk to Board

Approved:

W. J. Debnam, Chairman